

# APOLLO

## Apollo Private Markets SICAV

a *société d'investissement à capital variable* (SICAV) governed by Part II of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended

### PROSPECTUS

July 2024

THE UMBRELLA VEHICLE IS A REGULATED INVESTMENT VEHICLE SUBJECT TO THE PRUDENTIAL SUPERVISION OF THE COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER, THE LUXEMBOURG SUPERVISORY AUTHORITY OF THE FINANCIAL SECTOR ("CSSF"). CERTAIN SUB-FUNDS MAY BE QUALIFIED AS EUROPEAN LONG TERM INVESTMENT FUNDS (THE "ELTIF") UNDER REGULATION (EU) 2015/760 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 29 APRIL 2015 ON EUROPEAN LONG-TERM INVESTMENT FUNDS, AS AMENDED FROM TIME TO TIME (THE "ELTIF REGULATION"), AND ARE AUTHORISED AND SUPERVISED BY THE CSSF.

VISA 2024/177042-14061-0-PC

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2024-07-24  
Commission de Surveillance du Secteur Financier

## IMPORTANT INFORMATION

This confidential prospectus (the "**Prospectus**") is furnished on a confidential basis to investors for the purpose of providing certain information about a potential investment in Apollo Private Markets SICAV (the "**Umbrella Vehicle**") a multi-compartment investment company with variable capital (*société d'investissement à capital variable*) governed by Part II of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended (the "**2010 Law**") and incorporated as a public limited company (*société anonyme*) in accordance with the Luxembourg law of 10 August 1915 on commercial companies, as amended (the "**1915 Law**"). The Umbrella Vehicle is authorized and supervised by the Luxembourg supervisory authority, the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"). **Such authorization does not, however, imply approval by any Luxembourg authority of the contents of this Prospectus or of the portfolio of investments held by the Umbrella Vehicle. Any representation to the contrary is unauthorized and unlawful.**

In connection with the offer made in this Prospectus, no person is authorized to give any information or to make any representations other than those contained in this Prospectus and the documents referred to herein and any subscription or purchase of Shares made by any person on the basis of statements or representations not contained in or inconsistent with the information contained herein shall be solely at the risk of the subscriber or purchaser.

This Prospectus does not purport to be all-inclusive and does not necessarily contain all the information that a prospective investor may desire in deciding whether or not to subscribe to or purchase the Shares. No representation or warranty, express or implied, is or will be made in relation to, and no responsibility or liability is or will be accepted by the Umbrella Vehicle, the Board of Directors, the AIFM, the Investment Manager or any of their Affiliates as to or in relation to the accuracy or completeness of this Prospectus or any other written or verbal information made available to any recipient or his advisors in connection with any further investigation of the Umbrella Vehicle.

The Board of Directors is responsible for the information contained in this Prospectus. To the best of its knowledge it has taken all reasonable care to ensure that such is the case, the information contained herein is accurate as at the date stated herein. The Umbrella Vehicle, the Board of Directors, the AIFM and the Investment Manager and their Affiliates expressly disclaim any and all liability based on such information, errors in such information, or omissions in such information. In particular, no representation or warranty is given as to the accuracy of any financial information contained in this Prospectus or as to the achievement or reasonableness of any forecasts, projections, management targets, prospects or returns. The recipient shall be entitled to rely solely on any representations and warranties made to them by the Umbrella Vehicle in any definitive subscription agreement for Shares entered into with the Umbrella Vehicle in respect of a Sub-Fund (as defined below) (a "**Subscription Agreement**").

**Any losses in a Sub-Fund will be borne solely by the Investors in the Sub-Fund. Investors should be able to bear the economic consequences of an investment in the relevant Sub-Fund, including the possibility of the loss of their entire investment.**

This Prospectus is to be used by the potential investor to which it is furnished solely in connection with the consideration of the subscription for, or a commitment to subscribe for, the Shares described herein. **The Prospectus contains confidential, proprietary, trade secret and other commercially sensitive information and should be treated in a confidential manner.** Your acceptance of this document constitutes your agreement to (i) keep confidential all the information contained in this document, as well as any information derived by you from the information contained in this document (collectively, "**Confidential Information**") and not disclose any such Confidential Information to any other person; (ii) not use any of the Confidential Information for any purpose other than to evaluate an investment in a Sub-Fund; (iii) not use the Confidential Information for the purpose of trading any security, including, without limitation, securities of Apollo or entities in which Apollo or its Affiliates have investments; and (iv) promptly return this document and any copies hereof to Apollo (or its delegate) at its request, in each case subject to the confidentiality obligations more fully set forth in this Prospectus and any written agreement between Apollo (or its delegate) and the recipient, if any. This Prospectus may not be reproduced

or used in whole or in part for any other purpose, nor may it or any of the information it contains be disclosed or furnished to any other person without the consent of Apollo.

Prospective investors should not construe the contents of this Prospectus as investment, legal, business, accounting, tax or other advice. In making an investment decision, prospective investors must rely on their own examination of the Umbrella Vehicle and the relevant Sub-Fund and the terms of the offering, including the merits and risks involved. Each prospective investor should consult his/her/its own attorneys, business advisors and/or tax advisors as to legal, business, accounting, tax and related matters concerning an investment in the Umbrella Vehicle and the relevant Sub-Fund. An investment in the Umbrella Vehicle and the relevant Sub-Fund involves significant risks. Prospective investors should have the financial ability and willingness to accept the risk characteristics of the Umbrella Vehicle and the relevant Sub-Fund.

Neither the distribution of this Prospectus nor any offering of the Shares shall under any circumstances imply that the information contained in the Prospectus is correct as of a date subsequent to the date of this Prospectus or create any implication or constitute a representation that there has been no change in the business or affairs of the Umbrella Vehicle or any other information contained in the Prospectus since the date of this Prospectus.

The Umbrella Vehicle has an umbrella structure consisting of one or more sub-funds (each a "**Sub-Fund**"). Prospective investors have the opportunity to invest in one or more Sub-Funds which may be created from time to time and the terms of which may differ significantly, including in relation to their investment strategy, fee structure, distribution policy, investor prerequisites, terms of payment or other specific attributes. The rights and obligations of the Investors are limited to the assets of the Sub-Fund(s) in which they invest. The assets of each Sub-Fund shall only be liable to the extent that the Investors are invested in the respective Sub-Fund and in line with the extent of the claims of those creditors whose claims arose upon the creation of the relevant Sub-Fund or in connection with the management or the liquidation of the Sub-Fund. In terms of the relationship between the Investors, each Sub-Fund is treated as an independent entity. Each Sub-Fund may be liquidated individually, without this resulting in the liquidation of another Sub-Fund. The characteristics of each Sub-Fund are described in greater detail in the relevant Sub-Fund Supplement.

Potential investors should note that where a Sub-Fund offers redemptions, these are expected to be offered on a monthly or quarterly basis (as applicable for each Sub-Fund) and may have associated limitations set out in the Sub-Fund Supplement. Accordingly, where redemptions are limited such Sub-Fund may not be suitable for retail investors that are looking for a liquid open-ended structure with the possibility to redeem at any given point in time. In accordance with the provisions of Sections 8 "*Redemption and Withdrawal*" and 11 "*Suspension of the Calculation of the Net Asset Value*" of this Prospectus, redemptions may also be subject to gates in case of suspension of redemptions or limitations in case of redemption requests exceeding certain thresholds, redemption charges/deductions, lock-up periods and other conditions.

Sub-Funds may be marketed to both Retail Investors (where applicable local law permits) and Professional Investors. To the extent that, in the European Economic Area ("**EEA**") or the United Kingdom ("**UK**"), the Shares are advised on, offered or sold to Retail Investors, a key information document ("**PRIIPs KID**") shall be provided to each prospective EEA or UK Retail Investor before he, she or it invests in the Sub-Fund within the meaning of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 (including as it forms part of UK domestic law by virtue of as it forms part of UK domestic law by virtue of EUWA) on key information documents for packaged retail and insurance-based investment products.

The Umbrella Vehicle may include Sub-Funds that qualify and have been approved as an ELTIF under the ELTIF Regulation (the "**ELTIF Sub-Funds**"). This Prospectus and/or the relevant Sub-Fund supplement will be updated to contain the information required under the ELTIF Regulation prior to the establishment of any ELTIF Sub-Funds. ELTIFs are intended to be invested in long-term assets in accordance with the specific rules laid down in the ELTIF Regulation. Prospective investors should be aware that long-term assets are typically assets that are of an illiquid nature, require patient capital based on capital injections: commitments that are made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature. As a result, each prospective investor in an ELTIF Sub-Fund should carefully

consider the appropriate amount of its overall investment portfolio to be invested, and it is recommended that such investor only invests a small proportion of its overall investment portfolio in such ELTIF Sub-Fund. ELTIF Sub-Funds are only appropriate for investors who are able to sustain a long-term and illiquid commitment.

In respect of the ELTIF Sub-Funds and in accordance with article 31(2) of the ELTIF Regulation and article 32 of the AIFMD, the AIFM shall apply for an authorization to manage such ELTIF Sub-Funds. Accordingly, when the relevant ELTIF Sub-Fund is marketed in the EEA as an ELTIF, Shares are available for purchase only by (i) Professional Investors, and (ii) Retail Investors (as defined below) fulfilling the eligibility requirements of the ELTIF Regulation.

Each Sub-Fund supplement contains the information required to be disclosed under the SFDR, including, where applicable, under the Taxonomy Regulation.

This Prospectus is qualified in its entirety by the terms of the articles of incorporation of the Umbrella Vehicle (as amended from time to time, the "**Articles**").

This Prospectus has been approved by the CSSF, as competent authority under Regulation (EU) 2017/1129. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus.

### **Restrictions on offer of Shares**

This Prospectus does not constitute an offer to issue or sell to, or a solicitation of an offer to subscribe from, anyone in any country or jurisdiction (i) in which such an offer or solicitation is not authorized, (ii) in which any person making such offer or solicitation is not qualified to do so or (iii) in which any such offer or solicitation would otherwise be unlawful.

The offering of Shares in the Umbrella Vehicle and the relevant Sub-Fund does not constitute either a direct nor an indirect offering of interests in any of the investments, and purchasers of Shares offered hereby will not have any direct interest in or have any voting rights in such investments. The investments, or institutions related to the investments, may have other business relationships with the Umbrella Vehicle, the Board of Directors, the AIFM, the Investment Manager, Apollo and their respective Affiliates.

No action has been taken that would, or is intended to, permit a public offer of the Shares in any country or jurisdiction where any such action for that purpose is required. Accordingly, Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other information, form of application, advertisement or other document may be distributed or published in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes must inform themselves about and observe any legal restrictions affecting any subscription of Shares in the Umbrella Vehicle and the relevant Sub-Fund. None of the Umbrella Vehicle, the Board of Directors, the AIFM or the Investment Manager or any of their Affiliates make any representation or warranty to any prospective investor regarding the legality of an investment in the Umbrella Vehicle by such person under appropriate securities or similar laws.

### **Notice to residents of the European Economic Area**

Pursuant to the AIFMD, the Umbrella Vehicle will constitute an EU AIF whose alternative investment fund manager is itself an EU alternative investment fund manager. Each Member State of the European Economic Area has adopted legislation implementing the AIFMD into national law. Under the AIFMD, marketing of the Shares of the Umbrella Vehicle to any (prospective) Investor domiciled or with a registered office in the European Economic Area will be restricted by such laws and no such marketing shall take place except as permitted by such laws. Potential Investors should ensure they are able to subscribe for Shares in the Umbrella Vehicle in accordance with the above laws.

When marketed under the AIFMD marketing passport provided for in article 32 of the AIFMD, Shares in the Umbrella Vehicle are only available for purchase by Professional Investors. For the avoidance of doubt, marketing to Retail Investors may take place but only where this is permitted

under applicable local law and to the extent that (where required) a PRIIPs KID has been made available to any Retail Investors.

Prior to the Application Date, in the event a Sub-Fund qualifies as an ELTIF Sub-Fund and in accordance with the requirements of the ELTIF Regulation, Retail Investors must be provided with appropriate investment advice by a distributor before investing in an ELTIF Sub-Fund. Furthermore, prior to the Application Date, in accordance with the ELTIF Regulation and the ELTIF Delegated Regulation, in the event any Sub-Fund qualifies as an ELTIF Sub-Fund and is marketed to Retail Investors, facilities will be made available for making subscriptions, making payments to shareholders, repurchasing or redeeming Shares and for making available the information the relevant Sub-Fund and the AIFM are required to provide under the ELTIF Regulation. In particular, appropriate procedures and arrangements for dealing with complaints submitted by Retail Investors in one of the official languages of the Retail Investors' country shall be established.

For the avoidance of doubt, marketing to retail clients may take place, but only where this is permitted under applicable local law and to the extent that (where required) a PRIIPs KID has been made available to any Retail Investors.

### **Notice to residents of the United Kingdom**

This communication is issued in the UK by Apollo Management International LLP. The Umbrella Vehicle (including the Sub-Funds) is a collective investment scheme for the purposes of section 235 of the Financial Services and Markets Act 2000 of the United Kingdom, as amended ("**FSMA**"). It has not been authorized, or otherwise recognized or approved by the Financial Conduct Authority ("**FCA**") in the United Kingdom nor has the content of this Prospectus been reviewed or approved by the FCA. This Prospectus and the Sub-Fund Supplement (together, the "**Materials**") are not being distributed and must not be passed on, to the general public in the United Kingdom. The communication of the Materials are not to be distributed, delivered or passed on to any person resident in the United Kingdom, unless it is being made only to, or directed only at, and Shares are available only to persons falling within the below categories: (a) if made by a person who is not an authorized person under the FSMA in the UK, is being made only to or directed only at: (i) persons falling within the categories of "investment professionals" as defined in Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005, as amended (the "**FPO**"), (ii) persons falling within any of the categories of persons described in Article 49(2) FPO (high net worth companies, unincorporated associations etc), (iii) persons falling within the categories of "certified high net worth individual" described in Article 48(2) FPO (being individuals who have certified their net worth in the form and as required by the FPO) and "self-certified sophisticated investors" described in Article 50A(1) FPO (being individuals who have certified that they are a sophisticated investor, in the form and as required by the FPO), or (iv) any other person to whom it may otherwise lawfully be made (all such persons together being referred to as "**A Relevant Persons**"); or

(b) if made by a person who is an authorized person under FSMA in the UK, is being made only to or directed at: (i) persons falling within the categories of "investment professionals" as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 as amended (the "**CISO**"), (ii) persons falling within any of the categories of persons described in Article 22(2) CISO (high net worth companies, unincorporated associations, etc.), (iii) persons falling within the categories of "certified high net worth individual" described in Article 21(2) of the CISO (being individuals who have certified their net worth in the form and as required by the promotions of the CISO) and "self-certified sophisticated investors" described in Article 23A(1) CISO (being individuals who have certified that they are a sophisticated investor, in the form and as required by the CISO), (iv) persons who fall within the categories of persons described in Conduct of Business Sourcebook ("**COBS**") 4.12B of the FCA Handbook of rules and guidance, subject to the requisite procedural requirements in the COBS 4.12B be complied with, or (v) any other persons to whom it may otherwise lawfully be made (all such persons together being referred to as "**B Relevant Persons**", and A Relevant Persons and B Relevant Persons being collectively referred to as "**Relevant Persons**").

For Relevant Persons who are high net worth individuals, self-certified sophisticated investors or other Relevant Persons falling within similar exemptions under the FPO or the CISO: the content of this promotion has not been approved by an authorised person within the meaning of FSMA.

Reliance on this promotion for the purpose of buying the Shares to which the promotion relates may expose an individual to a significant risk of losing all of the property or other assets invested. This Prospectus is exempt from the general restriction in Section 21 of FSMA on the communication of invitations or inducements to engage in investment activity and/or section 238 of FSMA the restriction on the promotion of unregulated schemes, on the grounds that it is being issued to and/or directed at only the types of person referred to above. The Umbrella Vehicle is a limited liability company and any person who acquires Shares will not thereby be exposed to any significant risk of incurring additional liability. If a potential Investor is in doubt about the investment to which this promotion relates, they should consult an authorised person specialising in advising on investments of the kind in question.

For Relevant Persons who fall within the categories of persons described in COBS 4.12B of the FCA Handbook: Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong.

Furthermore, the Sub-Funds are a non-mass market investment (NMMI) and is only suitable for investors with a certain profile and objectives. An investment in a Sub-Fund should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment. Each Sub-Fund is likely to be suitable for sophisticated investors with knowledge of investments of this nature, who are of capable of bearing the loss of all capital invested and have a high risk tolerance, who have read and fully understood the risks set out in the Key Information Document (KID) and Section 19 "Risk Factors" of this Prospectus as well as the investment objectives, charges, fees and expenses of the Sub-Fund. Each Sub-Fund is not appropriate for investors seeking a short term investment. Each Sub-Fund is not suitable for, and no offer in this Prospectus is made to, any investors whose profile and objectives are not consistent with those described in this paragraph. Nothing in this Prospectus should be construed as investment advice.

Communication of the Materials to, or reliance on them by, any person who is not a Relevant Person is unauthorized and may contravene FSMA, and any such person should return them immediately. No person, other than Relevant Persons, may act on the Materials and any investment or investment activity to which they relate is available only to Relevant Persons and will be engaged in only with such persons. Persons of any other description in the United Kingdom may not receive and should not act or rely on the Materials or any other marketing materials relating to the Sub-Fund. The Materials will only be distributed, and Shares will only be offered, in circumstances permitted under the Alternative Investment Fund Managers Regulations 2013, as amended ("**UK AIFM Regulations**"). This Prospectus will only be distributed, and Shares will only be offered, in circumstances permitted under the Alternative Investment Fund Managers Regulations 2013.

This Prospectus must not be acted on or relied on by persons who are not Relevant Persons. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Prospectus or any other marketing materials relating to the Umbrella Vehicle. Prospective investors in the United Kingdom are advised that all, or most of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Shares and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The Materials are not an approved prospectus for the purposes of section 85 of the FSMA.

**Estimated reading time: 2 min**

Due to the potential for losses, the FCA considers this investment to be very complex and high risk.

**What are the key risks?**

**1. You could lose all the money you invest**

- If the business offering this investment fails, there is a high risk that you will lose all your money. Businesses like this often fail as they usually use risky investment strategies.
- Advertised rates of return aren't guaranteed. This is not a savings account. If the issuer doesn't pay you back as agreed, you could earn less money than expected or nothing at all. A higher advertised rate of return means a higher risk of losing your money. If it looks too good to be true, it probably is.

- These investments are very occasionally held in an Innovative Finance ISA (IFISA). While any potential gains from your investment will be tax free, you can still lose all your money. An IFISA does not reduce the risk of the investment or protect you from losses.

## **2. You are unlikely to be protected if something goes wrong**

- The Financial Services Compensation Scheme (FSCS), in relation to claims against failed regulated firms, does not cover investments in unregulated funds. You may be able to claim if you received regulated advice to invest in one, and the advisor has since failed. Try the FSCS investment protection checker at [www.fscs.org.uk/check/investment-protection-checker/](http://www.fscs.org.uk/check/investment-protection-checker/).
- Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA-regulated firm, FOS may be able to consider it. Learn more about FOS protection at [www.financial-ombudsman.org.uk/consumers](http://www.financial-ombudsman.org.uk/consumers).

## **3. You are unlikely to get your money back quickly**

- This type of business could face cash-flow problems that delay payments to investors. It could also fail altogether and be unable to repay any of the money owed to you.
- You are unlikely to be able to cash in your investment early by selling your investment. In the rare circumstances where it is possible to sell your investment in a 'secondary market', you may not find a buyer at the price you are willing to sell.
- You will not be able to take any money out of your investment early.

## **4. This is a complex investment**

- This kind of investment has a complex structure based on other risky investments, which makes it difficult for the investor to know where their money is going.
- This makes it difficult to predict how risky the investment is, but it will most likely be high.
- You may wish to get financial advice before deciding to invest.

## **5. Don't put all your eggs in one basket**

- Putting all your money into a single business or type of investment for example, is risky. Spreading your money across different investments makes you less dependent on any one to do well.
- A good rule of thumb is not to invest more than 10% of your money in high-risk investments.

If you are interested in learning more about how to protect yourself, visit the FCA's website at [www.fca.org.uk/investsmart](http://www.fca.org.uk/investsmart).

For further information about unregulated funds, visit the FCA's website at [www.fca.org.uk/consumers/unregulated-collective-investment-schemes](http://www.fca.org.uk/consumers/unregulated-collective-investment-schemes).

In the event a Sub-Fund qualifies as an ELTIF Sub-Fund and in accordance with the requirements of the ELTIF Regulation, Retail Investors must be provided with appropriate investment advice by a Distributor before investing in an ELTIF Sub-Fund. Furthermore, in accordance with the ELTIF Regulation and the ELTIF Delegated Regulation, in the event any Sub-Fund qualifies as an ELTIF Sub-Fund and is marketed to Retail Investors, facilities will be made available for making subscriptions, making payments to shareholders, repurchasing or redeeming Shares and for making available the information the relevant Sub-Fund and the AIFM are required to provide

under the ELTIF Regulation. In particular, appropriate procedures and arrangements for dealing with complaints submitted by Retail Investors in one of the official languages of the Retail Investors' country shall be established.

### **Restriction on offer of Shares in the United States**

The offer and sale of Shares has not been and will not be approved or disapproved by the U.S. Securities and Exchange Commission (the "**SEC**") or by the securities regulatory authority of any other relevant jurisdiction, nor has any authority or commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

The Shares described herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold, transferred, assigned or delivered, directly or indirectly, in the United States (as defined in Rule 902 of Regulation S promulgated under the Securities Act) or to, or for the account or benefit of, any U.S. person (as defined in Rule 902 of Regulation S promulgated under the Securities Act). Outside of the United States, the Shares will be sold to non-U.S. persons in reliance on Regulation S promulgated under the Securities Act.

The Umbrella Vehicle will not be registered as an investment company pursuant to the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Investors in the Umbrella Vehicle will therefore not receive the protections afforded by the Investment Company Act to investors in a registered investment company.

The AIFM is not registered as an investment advisor under the U.S. Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), nor is such registration contemplated. Accordingly, neither the Umbrella Vehicle nor any investor will receive the protections of such registration.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and any applicable state, foreign and other securities laws, pursuant to registration or exemption therefrom and only if the transfer otherwise complies with the transfer restrictions and other requirements contained in this Prospectus, the Articles and the Subscription Agreement. The transferability of Shares may be further restricted by the Board of Directors. Prospective investors should be aware that they may be required to bear the financial risks of any investment in the Umbrella Vehicle for an indefinite period of time. Any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law.

Each prospective investor is invited to ask questions of authorized representatives of the Umbrella Vehicle, and receive answers from, such persons concerning the terms and conditions of this offering of the Shares of the Umbrella Vehicle. A prospective investor should not apply for Shares unless satisfied that he or she and/or his or her representative has asked for and received all information which would enable him or her to evaluate the merits and risks of the proposed investment.

The information contained herein is accurate only as of the date of this Prospectus and no representation or warranty is made as to its continued accuracy after such date. The information is subject to change at any time.

### **Notice to residents of Switzerland**

The Umbrella Vehicle is not approved by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") for offering to non-qualified investors in Switzerland pursuant to Art. 120(1) and (2) of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("**CISA**"). Consequently, Shares may not be offered or advertised and this Prospectus, the Sub-Fund Supplements, the Articles, the Subscription Agreement and any other offering material or document relating to the Umbrella Vehicle, the Sub-Fund(s) and/or the Shares may not be distributed or otherwise made available in Switzerland to non-qualified investors within the meaning of the CISA. Investors in the Umbrella Vehicle do not benefit from the specific investor protection provided by the CISA and the supervision by FINMA in connection with the approval for offering.



This Prospectus, any Sub-Fund Supplement and any accompanying documentation do not constitute an issuance prospectus pursuant to the Swiss Federal Act on Financial Services of 15 June 2018, as amended (the "**FinSA**"), nor otherwise under Swiss law, and may therefore not comply with the corresponding disclosure standards. Furthermore, the Shares have not been and are not expected to be listed on any stock exchange or other regulated trading venue in Switzerland and, consequently, the information presented in this Prospectus, any Sub-Fund Supplement or any accompanying documentation does not necessarily comply with the disclosure standards set out in the relevant listing rules. Neither this Prospectus, any Sub-Fund Supplement nor any other offering or marketing materials relating to the Umbrella Vehicle or the Shares have been or will be filed with, or approved by, any Swiss governmental authority.

In Switzerland, the Umbrella Vehicle and the Shares may only be advertised or offered, and this Prospectus, any Sub-Fund Supplement or any other advertising or offering materials relating to the Umbrella Vehicle or the Shares may solely be provided, to qualified investors pursuant to art. 10 para. 3 CISA (i.e. professional clients or institutional clients in accordance with art. 4 para. 3 to 5 or art. 5 para. 1 and 4 of the FinSA). Certain persons may on a discretionary basis be considered eligible for investment in the Umbrella Vehicle (a) under art. 10 para. 3ter CISA if they intend to subscribe in the context of a long-term, remunerated investment management or investment advisory agreement with a prudentially regulated financial intermediary, or (b) if an intended subscription comes about at the express initiative of the potential investor that was not preceded by any advertising by the Umbrella Vehicle, its affiliates, agents or representatives.

This Prospectus, any Sub-Fund Supplement and any accompanying documentation do not constitute investment advice. Said materials may only be used by those persons to whom they have been delivered in connection with the Umbrella Vehicle or the Shares and may neither be copied nor directly or indirectly distributed or made available to other persons.

The Prospectus, any Sub-Fund Supplement and/or key information documents as well as annual and semi-annual reports may be obtained free of charge from the Swiss Representative.

In respect of the Shares offered in Switzerland, the place of performance is the registered office of the Swiss Representative. The place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or place of residence of the Investor.

**RESIDENTS OF SWITZERLAND SHOULD REFER TO THE RELEVANT SUB-FUND SUPPLEMENT, WHICH PROVIDES ADDITIONAL INFORMATION RELEVANT TO SUCH POTENTIAL INVESTORS, AS APPLICABLE.**

#### **Notice to residents of Hong Kong**

THE SHARES MAY NOT BE OFFERED OR SOLD, BY MEANS OF ANY DOCUMENT, AND NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SHARES, WHETHER IN HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OR ELSEWHERE, SHALL BE ISSUED, CIRCULATED OR DISTRIBUTED WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC IN HONG KONG OTHER THAN (I) WITH RESPECT TO SHARES WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO "PROFESSIONAL INVESTORS" WITHIN THE MEANING OF THE SECURITIES AND FUTURES ORDINANCE (CAP. 571) OF HONG KONG ("SFO") AND ANY RULES MADE THEREUNDER OR (II) IN CIRCUMSTANCES THAT DO NOT CONSTITUTE AN INVITATION TO THE PUBLIC FOR THE PURPOSES OF THE SFO.

THE CONTENTS OF THIS PROSPECTUS HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

#### **Notice to residents of Taiwan**

Shares in the Umbrella Vehicle may be made available outside Taiwan for purchase by investors located in Taiwan but may not be recommended, marketed, sold or offered within Taiwan. No

person or entity in Taiwan has been authorized to market offer, sell, give advice regarding or otherwise intermediate the offering and sale of Shares in the Umbrella Vehicle.

### **Notice to residents of Australia**

THIS PROSPECTUS IS NOT A PROSPECTUS FOR THE PURPOSES OF CHAPTER 6D OF THE CORPORATIONS ACT 2001 (CTH) (“**CORPORATIONS ACT**”) OR A PRODUCT DISCLOSURE STATEMENT FOR THE PURPOSES OF PART 7.9 OF THE CORPORATIONS ACT AND HAS NOT BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (“**ASIC**”). IT DOES NOT PURPORT TO CONTAIN ALL INFORMATION THAT WOULD BE REQUIRED TO BE INCLUDED IN A PROSPECTUS OR PRODUCT DISCLOSURE DOCUMENT FOR THE PURPOSES OF CHAPTER 6D OR PART 7.9 OF THE CORPORATIONS ACT. IF THIS PROSPECTUS RELATES TO SHARES IN A FUND THAT IS A MANAGED INVESTMENT SCHEME, THE UMBRELLA VEHICLE IS NOT AND IS NOT REQUIRED TO BE REGISTERED WITH ASIC UNDER CHAPTER 5C OF THE CORPORATIONS ACT.

NO OFFER OR INVITATION TO PURCHASE OR SUBSCRIBE FOR THE SHARES IN THE UMBRELLA VEHICLE IS MADE TO ANY PERSON IN AUSTRALIA EXCEPT TO THE EXTENT THAT SUCH PERSON IS A “WHOLESALE CLIENT” AS DEFINED IN SECTION 761G(7) OF THE CORPORATIONS ACT AND THE OFFER OR INVITATION WOULD BE PERMITTED TO BE MADE TO THE PERSON WITHOUT THE NEED FOR A PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT UNDER CHAPTER 6D OR PART 7.9 OF THE CORPORATIONS ACT, AS THE CASE REQUIRES.

IF THIS PROSPECTUS RELATES TO THE ISSUE OF SHARES WHERE A RECIPIENT ACQUIRES SHARES IN THE UMBRELLA VEHICLE AND ON-SELLS THEM WITHIN 12 MONTHS OF THE ISSUE OF SUCH SHARES, THAT PERSON WILL BE REQUIRED TO LODGE A PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT FOR THE PURPOSES OF CHAPTER 6D OR PART 7.9 OF THE CORPORATIONS ACT, RESPECTIVELY, WITH ASIC UNLESS EITHER:

(A) IT CAN BE ESTABLISHED THAT THE UMBRELLA VEHICLE ISSUED, AND THE RECIPIENT SUBSCRIBED FOR, SHARES IN THE UMBRELLA VEHICLE WITHOUT THE PURPOSE OF THE RECIPIENT ON-SELLING SHARES OR GRANTING, ISSUING OR TRANSFERRING A SHARE IN, OR OPTIONS OR WARRANTS OVER THEM; OR

(B) THE SALE IS PURSUANT TO AN OFFER RECEIVED OUTSIDE AUSTRALIA OR IS MADE TO A PERSON TO WHOM A SALE OFFER MAY BE MADE WITHOUT THE NEED FOR A PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT UNDER CHAPTER 6D OR PART 7.9 OF THE CORPORATIONS ACT.

### **Notice to residents of Uruguay**

En Uruguay, las acciones se está colocando, amparándose en la excepción de oferta privada de conformidad con el artículo 2° de la Ley N° 18.627. El las acciones no está ni estará registrado ante Superintendencia de Servicios Financieros del Banco Central del Uruguay para ser ofrecido públicamente en Uruguay.

Las acciones corresponden a fondos de inversión que no son regidos por la Ley 16.774 del 27 de setiembre de 1996 y sus modificativas.

In Uruguay the Shares are being placed relying on a private placement exemption (“oferta privada”) pursuant to Section 2 of Law N° 18,627. The Shares are not and will not be registered with the Financial Services Superintendence of the Central Bank of Uruguay to be publicly offered in Uruguay.

The Shares correspond to investment funds that are not investment funds regulated by Uruguayan law 16,774 dated September 27, 1996, as amended.

## **Eligibility of Investors**

The Shares in the Umbrella Vehicle may only be subscribed by Eligible Investors and in compliance with any additional eligibility criteria set out in the relevant Sub-Fund Supplement. The Umbrella Vehicle, at its full discretion, may refuse the issue or transfer of Shares if there is not sufficient evidence that the person to whom the Shares are sold or transferred is an Eligible Investor and meets the eligibility criteria set out in the relevant Sub-Fund Supplement.

## **Interpretation**

All references in this Prospectus to time are to Luxembourg time, unless otherwise stated. In this Prospectus, "EUR" or "€" means the currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome in 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992). Unless the context requires otherwise, terms defined in the plural include the singular and vice versa. In the case of inconsistency between this Prospectus and the Articles, the documents will take precedence in the following order to the largest extent permitted by law: (a) the Articles and (b) this Prospectus. This Prospectus should be read in conjunction with the Articles.

Capitalized words used in this Prospectus will have the meaning ascribed thereto in Section 1 "*Definitions and Interpretation*" hereof or elsewhere in this Prospectus.

## **Cautionary note regarding forward-looking statements**

Words such as "may", "believes", "expects", "plans", "future" and "intends", and similar expressions, may identify forward-looking statements, but the absence of these words does not mean that the statement is not forward-looking. To the extent that this Prospectus contains any forward-looking statements, which provide current expectations or forecasts of future events, any forward-looking statements may include statements about the Umbrella Vehicle's plans, objectives, expectations and intentions and other statements that are not historical facts. Forward-looking statements are subject to known and unknown risks and uncertainties and inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Prospective investors should not unduly rely on any such forward-looking statements, which apply only as of the date of this Prospectus to the extent presented.

## **Data protection policy**

Prospective investors should note that by completing the Subscription Agreement, they are providing information that may constitute personal data within the meaning of European and UK data protection legislation (including the EU General Data Protection Regulation (Regulation (EU) 2016/679) (the "**GDPR**"), the GDPR as amended and incorporated into the law of the United Kingdom by virtue of section 3 of the European Union (Withdrawal) Act 2018 (the "**UK GDPR**") and any other EU or national legislation which implements or supplements the foregoing). The use of the personal data investors provide to the Board of Directors in the Subscription Agreement is governed by the GDPR and/or the UK GDPR and the terms of a privacy notice which further describes the processing thereof (the "**Privacy Notice**"). Investors will be provided with such Privacy Notice which shall be attached to the Subscription Agreement.

## **Anti-money laundering and terrorism financing regulations**

In accordance with international regulations and Luxembourg laws and regulations in relation to the fight against money laundering and terrorism financing (including, but not limited to, the amended Law of 12 November 2004 on the fight against money laundering and financing of terrorism (the "**2004 Law**"), the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 concerning the fight against money laundering and terrorist financing as amended by CSSF Regulation 20-05 of 14 August 2020, CSSF Circular 15/609 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements) (collectively, the "**AML/CFT Rules**"), obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment

for money laundering and terrorism financing purposes. The AIFM, the Board of Directors, the Global Distributor, the Sub-Distributors and the Service Providers of the Umbrella Vehicle and each Sub-Fund have policies and procedures in place to comply with applicable anti-money laundering laws and regulations in relation to Investors, prospective Investors or Portfolio Investments.

Measures aimed towards the prevention of money laundering, as provided by the 2004 Law and the regulations and circulars of the CSSF, may require a detailed verification of a prospective Investor's identity. For the sake of completeness, such verification also entails the mandatory and regular controls and screenings related to international sanctions and performed against targeted financial sanctions lists, as implemented by the Board of Directors, the AIFM, the Administrator, the Global Distributor and/or the Sub-Distributors, as applicable.

In addition, in accordance with article 3-2 of the 2004 Law and with article 2 of the CSSF Regulation N°12-02, as amended by the CSSF Regulation 20-05, enhanced customer due diligence measures will apply to intermediaries acting on behalf of Investors.

Appropriate due diligence requirements, controls and screenings will also apply to prospective investments, as well as to the assets already held. Such due diligence controls are applied taking into account a risk-based approach and such screenings are applied on all assets and, as applicable, on the relevant parties linked to the transactions.

As a result of such provisions, the implementation of those identification procedures and, where applicable, the performance of the detailed verification is under the supervision and responsibility of the Administrator.

The Board of Directors, the AIFM, the Administrator, the Global Distributor and the Sub-Distributors (or their respective delegates) have the right to request any information as is necessary to verify the identity of a prospective Investor. In the event of delay or failure by the prospective Investor to produce any information required for verification purposes, the Board of Directors (or its delegate) may refuse to accept the application and will not be liable for any interest, costs or compensation. Similarly, when Shares are issued, they cannot be redeemed or converted until full details of registration and anti-money laundering documentation have been completed.

The Board of Directors reserves the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned without unnecessary delay to the applicant by transfer to the applicant's designated account, provided the identity of the applicant can be properly verified pursuant to Luxembourg anti-money laundering regulations. In such event, the Umbrella Vehicle, the AIFM, the Investment Manager, Apollo, the Administrator, the Global Distributor, the Sub-Distributors and their respective Affiliates will not be liable for any interest, costs or compensation.

Failure to provide proper documentation may result in the withholding of distribution and redemption proceeds by the relevant Sub-Fund.

Any information provided to the Umbrella Vehicle, the AIFM, the Administrator, the Global Distributor and the Sub-Distributors in this context is collected for anti-money laundering compliance purposes only.

The Umbrella Vehicle, or any delegate thereof, will further provide the Luxembourg beneficial owner register (the "**RBO**") created pursuant to the Law of 13 January 2019 establishing a register of beneficial owners with relevant information about any Investor or, as applicable, beneficial owner(s) thereof, qualifying as beneficial owner of the Umbrella Vehicle within the meaning of the 2004 Law. Such information will be made available to the general public through access to the RBO, as required by, and under the conditions set forth in the Luxembourg anti-money laundering laws and regulations. In addition, the Investor acknowledges that failure by an Investor, or, as applicable, beneficial owner(s) thereof, to provide the Umbrella Vehicle, or any delegate thereof, with any relevant information and supporting documentation necessary for the Umbrella Vehicle to comply with its obligation to provide same information and documentation to the RBO is subject to criminal fines in Luxembourg.

**Risk factors**

Prospective investors should read this Prospectus carefully before deciding whether to purchase Shares of the Umbrella Vehicle and its Sub-Fund and should pay particular attention to the information under Section 19 "*Risk Factors*". The Umbrella Vehicle and its respective investments are long-term speculative investments and involve significant risks.

There can be no assurance that the Umbrella Vehicle's investment objective will be achieved and investment results may vary substantially over time. Investment in the Umbrella Vehicle is not intended to be a complete investment programme for any investor. Prospective Investors should carefully consider whether an investment in Shares is suitable for them in light of their circumstances and financial resources.

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## 2. DIRECTORY

<b>FUND</b>	Apollo Private Markets SICAV 3, rue Jean Piret L-2350 Luxembourg Grand Duchy of Luxembourg
<b>BOARD OF DIRECTORS</b>	Leslie Mapondera Shaun Collins Fabrice Jeusette Matthieu Minnaert Patrick Mabry James Hannigan
<b>AIFM</b>	Carne Global Fund Managers (Luxembourg) S.A. 3, rue Jean Piret L-2350 Luxembourg Grand Duchy of Luxembourg
<b>INVESTMENT MANAGER</b>	As indicated in the relevant Sub-Fund Supplement
<b>DEPOSITARY</b>	CACEIS Bank, Luxembourg Branch 5, allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
<b>ADMINISTRATOR</b>	CACEIS Bank, Luxembourg Branch 5, allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
<b>DOMICILIATION AGENT</b>	Carne Global Fund Managers (Luxembourg) S.A. 3, rue Jean Piret L-2350 Luxembourg Grand Duchy of Luxembourg
<b>GLOBAL DISTRIBUTOR</b>	Carne Global Fund Managers (Luxembourg) S.A. 3, rue Jean Piret L-2350 Luxembourg Grand Duchy of Luxembourg
<b>INDEPENDENT AUDITOR</b>	Deloitte Audit 20, boulevard de Kockelscheuer L-1821 Luxembourg Grand Duchy of Luxembourg
<b>LEGAL ADVISOR</b>	Clifford Chance 10, boulevard GD Charlotte L-1330 Luxembourg Grand Duchy of Luxembourg Clifford Chance LLP 10 Upper Bank Street London E14 5JJ United Kingdom
<b>SWISS REPRESENTATIVE</b>	Mont-Fort Funds AG 63 Chemin Plan-Pra, 1936 Verbier, Switzerland
<b>SWISS PAYING AGENT</b>	Banque Cantonale de Genève 17, quai de l'île, 1204 Geneva, Switzerland

## QUERIES

Any person who would like to receive further information regarding the Umbrella Vehicle or any of the Sub-Funds should contact:

CACEIS Bank, Luxembourg Branch  
5, allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg  
Tel.: +352 26 05 55 26 / Fax: +352 246 095 00  
Email: [InvestorServices@caceis.com](mailto:InvestorServices@caceis.com)

## COMPLAINTS

Any person who wishes to make a complaint about the operation of the Umbrella Vehicle or any of the Sub-Funds should contact the Complaints Officer of the AIFM at the following address:

Complaints Officer  
Carne Global Fund Managers (Luxembourg) SA  
3, Rue Jean Piret  
L-2350 Luxembourg  
Grand Duchy of Luxembourg  
Email: [EuropeanCompliance@carnegroup.com](mailto:EuropeanCompliance@carnegroup.com)

The AIFM has established a policy for handling client complaints that can be accessed at [www.carnegroup.com](http://www.carnegroup.com).

Prior to the Application Date, the facilities which are required to be made available to Retail Investors in accordance with article 43a of the AIFMD and, where applicable, article 26 of the ELTIF Regulation will be provided, to the extent applicable, by Retail Investors' placement agents or financial advisors (as the case may be). In addition, local regulations in certain jurisdictions in which the Sub-Fund may be marketed may, from time to time, require the appointment of paying agents and/or other local agents.



## PROVISIONS APPLICABLE TO THE UMBRELLA VEHICLE GENERALLY

### 1. DEFINITIONS AND INTERPRETATION

#### Definitions

Unless defined elsewhere in this Prospectus or unless the context indicates otherwise, capitalized words and expressions in this Prospectus have the meaning as described below.

<b>1915 Law</b>	the Luxembourg law dated 10 August 1915 on commercial companies, as amended from time to time.
<b>2004 Law</b>	the Law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended from time to time.
<b>2010 Law</b>	the Luxembourg law of December 17, 2010 on undertakings for collective investment, as amended from time to time.
<b>2013 Law</b>	the Luxembourg law dated 13 July 2013 on alternative investment fund managers transposing the AIFMD into Luxembourg law.
<b>Additional Vehicle</b>	has the meaning ascribed to it in Section 19 " <i>Risk Factors</i> " of this Prospectus.
<b>Administration Agreement</b>	the administration agreement entered into between the Umbrella Vehicle, the AIFM and the Administrator in relation to the Umbrella Vehicle.
<b>Administrator</b>	CACEIS Bank, Luxembourg Branch
<b>Advisers Act</b>	the U.S. Investment Advisers Act of 1940, as amended.
<b>Affiliate(s)</b>	<p>in relation to any person, any other person which either directly or indirectly controls, is controlled by or is under common control with such person (including, with respect to the AIFM or the Investment Manager, each officer, director, partner, manager, employee, member and shareholder of such person or any respective Affiliate of any of the foregoing but excluding, for the avoidance of doubt, any third-party service provider to any of the foregoing, including legal counsel, accountants and other similar service providers).</p> <p>Notwithstanding the foregoing, no Apollo Client or portfolio company or Portfolio Investment of the Umbrella Vehicle or any other Apollo Client shall be deemed to be an "Affiliate" of the Umbrella Vehicle or the Investment Manager solely by reason of "controlling" or being "controlled by" or "under common control with" any of the foregoing. For the avoidance of doubt, (i) no Investor shall be deemed to be an "Affiliate" of the Umbrella Vehicle, the AIFM or the Investment Manager solely by reason of being an Investor of the respective Sub-Fund, a shareholder/limited partner of another Apollo Client or an Apollo Client itself, and (ii) no person shall be deemed to be an "Affiliate" of the Umbrella Vehicle or the Investment Manager solely by reason of directly or indirectly owning less than 10 per cent. of the aggregate outstanding common equity of Apollo Global or the equivalent with respect to any other member of the Apollo Group, unless such person otherwise possesses the direct or indirect power to direct or cause the direction of the management policies thereof, whether through the ownership of voting securities, by contract or otherwise.</p>

<b>Affiliated Service Provider(s)</b>	any Affiliate of the Apollo Group, and certain Apollo Clients or their portfolio companies, who provide services (including, but not limited to real estate asset management services) to Apollo Clients or their existing or potential portfolio companies or Portfolio Investments (including the Umbrella Vehicle, any Sub-Fund and any Additional Vehicle and their respective alternative investment vehicles, potential Portfolio Investments, Portfolio Investments and/or portfolio companies), including any Affiliate of the Investment Manager that is registered with the SEC (or with an equivalent United States or foreign governmental agency or authority) as a broker-dealer (or the foreign equivalent) or that otherwise conducts financial services, loan origination, structuring, placement or other similar business as a broker, dealer, distributor, syndicator, underwriter or originator of securities or loans.
<b>AIF</b>	an alternative investment fund within the meaning of the AIFMD or where applicable UK AIFMD.
<b>AIFM</b>	Carne Global Fund Managers (Luxembourg) S.A.
<b>AIFM Agreement</b>	the alternative investment fund manager agreement between the Umbrella Vehicle and the AIFM in respect of the Umbrella Vehicle.
<b>AIFMD</b>	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, any relevant implementing legislation or regulations relating thereto (including, for the avoidance of doubt, the 2013 Law) and any guidance relating thereto issued by the European Securities and Markets Authority.
<b>AIFMD Delegated Regulation</b>	the European Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012, supplementing AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.
<b>Amended ELTIF Regulation</b>	Regulation (EU) 2023/606 of the European Parliament and of the Council of 15 March 2023 amending Regulation (EU) 2015/760 as regards the requirements pertaining to the investment policies and operating conditions of European long-term investment funds and the scope of eligible investment assets, the portfolio composition and diversification requirements and the borrowing of cash and other fund rules, as amended from time to time
<b>Application Date</b>	means, in respect of the Amended ELTIF Regulation, 10 January 2024.
<b>Apollo, the Apollo Group or the Firm</b>	Apollo Global and its Affiliates, provided that "Apollo Group" shall not include any Apollo Client (including the Umbrella Vehicle, any Sub-Fund and any Additional Vehicle) or any of the portfolio companies or investments of the Apollo Group or of any Apollo Client (including any of their investments).
<b>Apollo Client</b>	any (a) investment fund (including the Umbrella Vehicle, any Sub-Fund and any Additional Vehicle and their respective alternative investment vehicles (if any)), partnership, limited liability company, corporation or similar investment vehicle, (b) client or the assets or investments for the account of any client, or (c) separate account for which, in each case, the Investment Manager or one or more of its Affiliates acts as general partner, manager, managing member, investment advisor, sponsor or in a similar capacity, but excluding, in each case, (i) any "family office" or similar person of or relating to any

	managing partner of the Apollo Group, and (ii) any investment of the Umbrella Vehicle, any Sub-Fund and any Additional Vehicle or investment of any other Apollo Client or of the Apollo Group, unless the Board of Directors determines in its sole discretion that such person should be treated as an Apollo Client under the circumstances.
<b>Apollo Consulting</b>	any entity or entities, including Apollo Investment Consulting LLC, established or utilized by Affiliates of the Apollo Group, Apollo Clients or their respective portfolio companies, that facilitates strategic arrangements with, or engagements (including on an independent contractor or employment basis) of, any persons that the Board of Directors determines in good faith to be industry executives, advisors, consultants (including operating consultants and sourcing consultants), operating executives, subject matter experts or other persons acting in a similar capacity, in each case, to provide consulting, sourcing or other services to or in respect of the Portfolio Investments of any Sub-Fund and any Additional Vehicle (including with respect to potential Portfolio Investments of any Sub-Fund and any Additional Vehicle). To the extent that for legal, tax, accounting, regulatory or similar reasons it is necessary or desirable that the foregoing activities be conducted by, through or with one or more Affiliates of the Investment Manager or other persons other than Apollo Consulting, such activities will be treated for purposes of this definition as if they were conducted by Apollo Consulting.
<b>Apollo Global</b>	Apollo Global Management, Inc., a Delaware corporation, and its successors.
<b>ATAD I</b>	the rules against tax avoidance practices that directly affect the functioning of the internal market laid down in Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market, as amended from time to time.
<b>ATAD II</b>	Council Directive (EU) 2017/952 of 29 May 2017 amending ATAD I as regards hybrid mismatches with third countries, as amended from time to time.
<b>ATAD Provisions</b>	ATAD I and II, including any local implementation.
<b>Auditor</b>	Deloitte Audit, or any successor independent auditor ( <i>réviseur d'entreprises agréé</i> ) appointed by the General Meeting.
<b>Board of Directors</b>	the board of directors of the Umbrella Vehicle.
<b>Business Day</b>	a day on which banks are open for business in Luxembourg, the United Kingdom and the United States, except as otherwise defined in the relevant Sub-Fund Supplement.
<b>Capital Call</b>	any request by the Board of Directors for cash payments from an Investor.
<b>Capital Call Notice</b>	the notice in which is specified the amount of Capital Call.
<b>Class</b>	a class of Shares in issue or to be issued in each Sub-Fund of the Umbrella Vehicle.
<b>Closing Date</b>	the closing date(s) which the Sub-Fund may have, if provided for in the Sub-Fund Supplement, once the Sub-Fund has been established.

<b>Co-Investor</b>	has the meaning ascribed to it in Section 19 " <i>Risk Factors</i> " of this Prospectus.
<b>Commitment</b>	in relation to each Investor, the aggregate amount committed by it to the relevant Sub-Fund and accepted by the Board of Directors (whether or not such amount has been contributed in whole or in part), as such amount may be amended from time to time.
<b>Common Reporting Standard or CRS</b>	the common reporting standard developed by the OECD to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis.
<b>Contribution(s)</b>	with respect to any Investor, an amount contributed to a Sub-Fund pertaining to a subscription by it in such Sub-Fund which has been accepted by the Board of Directors.
<b>Controlling Persons</b>	the natural persons who exercise control over the Umbrella Vehicle and Sub-Fund.
<b>CRS Law</b>	the Luxembourg law dated 18 December 2015, implementing into domestic legislation the CRS.
<b>CSSF</b>	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority of the financial sector.
<b>DAC</b>	the Council Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, as amended from time to time.
<b>DAC 6</b>	the amendment of DAC by the Council Directive 2018/822/EU of 25 May 2018 as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements.
<b>Dealing Cut-Off</b>	has the meaning ascribed to it in Section 8 " <i>Redemption and Withdrawal</i> " of this Prospectus.
<b>Default</b>	has the meaning attributed to it in Section 6 " <i>Issue of Shares</i> " of this Prospectus.
<b>Default Amount</b>	has the meaning attributed to it in Section 6 " <i>Issue of Shares</i> " of this Prospectus.
<b>Default Costs</b>	the amount to be paid by a Defaulting Investor to the relevant Sub-Fund sufficient to reimburse the Sub-Fund, any investment, any Co-Investor, the Board of Directors, the AIFM, the Investment Manager, the Administrator, the Depositary or any of their Affiliates for all losses (including without limitation any borrowing, legal or other expenses (including irrecoverable VAT thereon)) incurred by them by reason of or in connection with the Default, as specified in its good faith discretion by the Board of Directors.
<b>Default Interest</b>	EURIBOR plus 6% per annum.
<b>Defaulting Investor</b>	has the meaning attributed to it in Section 6 " <i>Issue of Shares</i> " of this Prospectus.
<b>Depositary</b>	CACEIS Bank, Luxembourg Branch
<b>Depositary Agreement</b>	the agreement entered into between the Umbrella Vehicle, the Depositary and the AIFM.

<b>Domiciliation Agent</b>	Carne Global Fund Managers (Luxembourg) S.A.
<b>Eligible Investment Jurisdictions</b>	means any potential investment jurisdiction of the Umbrella Vehicle and/or the Sub-Fund(s).
<b>Eligible Investor</b>	any person who meets the eligibility requirements for the relevant Sub-Fund as may be set out in the relevant Sub-Fund Supplement.
<b>ELTIF</b>	a European Long-Term Investment Fund within the meaning of the ELTIF Regulation.
<b>ELTIF Regulation</b>	Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds, as may be amended (including, where relevant, the preceding as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended)).
<b>ELTIF Delegated Regulation</b>	Commission Delegated Regulation (EU) 2018/480 of 4 December 2017 (including, where relevant, the preceding as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended)).
<b>EMIR</b>	the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, as amended from time to time.
<b>ESG</b>	Environmental, Social and Governance.
<b>ESMA</b>	the European Securities and Markets Authority.
<b>EU</b>	the European Union.
<b>EU Action Plan</b>	the European Commission's Action Plan on Financing Sustainable Growth setting out an EU strategy for sustainable finance as defined in Section "Approach to Sustainability" under Chapter 5 "Investment Objective and Policy".
<b>EUR or €</b>	the Euro.
<b>FATCA</b>	the U.S. Foreign Account Tax Compliance Act.
<b>FATCA Law</b>	the Luxembourg law dated 24 July 2015 implementing the obligations resulting from the IGA into Luxembourg domestic law, as amended from time to time.
<b>FCA</b>	the UK Financial Conduct Authority or any replacement or successor body.
<b>Financial Intermediary</b>	has the meaning attributed to it in Section 3 " <i>Management and Administration</i> ".
<b>FINMA</b>	the Swiss Financial Market Supervisory Authority.
<b>FinSA</b>	the Swiss Federal Act on Financial Services of 15 June 2018, as amended from time to time.
<b>First Closing</b>	the first closing of a Sub-Fund as determined in the Sub-Fund Supplement.
<b>Form ADV</b>	Form ADV Part 2A and Form ADV Part 2B

<b>Fund Documents</b>	collectively: (a) this Prospectus; (b) the Articles; and (c) the Sub-Fund Supplement relating to participation in a particular Sub-Fund.
<b>General Meeting</b>	means a general meeting of the Investors of the Umbrella Vehicle.
<b>Global Distributor</b>	the AIFM, in its capacity as global distributor of the Sub-Funds.
<b>Information Reporting Regimes</b>	collectively: (a) FATCA; (b) CRS; (c) DAC; (d) the ATAD Provisions; (e) the Multilateral Competent Authority Agreement on the Automatic Exchange of Financial Account Information signed by the Government of the Grand Duchy of Luxembourg on 29 October 2014 in relation to agreements with the participating jurisdictions listed in the table in schedule A to said agreement to improve international tax compliance based on the standard for automatic exchange of financial account information developed by the OECD; (f) any intergovernmental agreement, treaty, law, regulation, guidance, standard or other agreement, entered into or enacted in order to comply with, facilitate, supplement or implement the legislation, regulations, guidance or standards described in paragraphs (a), (b), (c), (d) and (e) above; and (g) any other similar automatic exchange of information or similar tax reporting legislation, regulations, regime or treaty, and in each case any official interpretations thereof and any published administrative guidance in connection therewith whether in force today or introduced at a later date, as well as any legislation, regulation or regime the Board of Directors deems reasonably necessary for the conduct of the Umbrella Vehicle's affairs.
<b>Investment Company Act</b>	the U.S. Investment Company Act of 1940, as amended.
<b>Investment Management Agreement</b>	an investment management agreement between the Umbrella Vehicle, the AIFM and the Investment Manager in respect of the delegation of the portfolio management function for a Sub-Fund.
<b>Investment Manager</b>	an entity to which the AIFM, on behalf of the Umbrella Vehicle, has delegated its portfolio management function in respect of a Sub-Fund, as indicated in the relevant Sub-Fund Supplement.
<b>Investor</b>	any person who subscribes for Shares after the subscription of the initial share capital of the Umbrella Vehicle by the initial shareholder(s) of the Umbrella Vehicle.

<b>Luxembourg GAAP</b>	Luxembourg generally accepted accounting principles.
<b>MiFID II</b>	Regulation (EU) NO 600/2014 of the European Parliament and of the Council of the European Union of 15 May 2014, Directive 2014/65/EU of the European Parliament and of the Council of the European Union of 15 May 2014, together with any relevant European delegated regulations, national implementing measures or laws and where the context requires as it forms part of UK domestic law by virtue of EUWA.
<b>Net Asset Value or NAV</b>	the net asset value of the Umbrella Vehicle, the net asset value of each Sub-Fund, the net asset value of each Class of Shares and the net asset value per Share (as the case may be), calculated as provided for in the Articles and in this Prospectus.
<b>Non-Qualified Person</b>	any Person who does not or no longer qualifies as an Eligible Investor.
<b>OECD</b>	the Organization for Economic Co-operation and Development at any time, which member countries, as of the date of this Prospectus, are Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.
<b>Other Fees</b>	has the meaning given to such term in the relevant Sub-Fund Supplement.
<b>Part II of the 2010 Law</b>	Part II of the Luxembourg law of December 17, 2010 on undertakings for collective investment, as amended from time to time.
<b>Platform Investments</b>	joint ventures or arrangements and various companies or businesses established in connection with developing, sourcing or operating investment opportunities, including as part of an underlying investment, a commitment to fund or finance or otherwise contemporaneously participate in such opportunities.
<b>Portfolio Investments</b>	the securities, instruments, interests, derivative contracts, obligations, real estate or other assets in which any Sub-Fund has, directly and/or indirectly, invested.
<b>Professional Investor</b>	Investors that are considered to be a professional client or may, on request, be treated as a professional client, within the meaning of MiFID II.
<b>Prohibited Person</b>	has the meaning ascribed to it in Section 8 " <i>Redemption and Withdrawal</i> " of this Prospectus.
<b>Prospectus</b>	this Prospectus issued in respect of the Umbrella Vehicle, including the relevant Sub-Fund Supplement(s), as amended from time to time.
<b>RBO</b>	the Luxembourg beneficial owner register created pursuant to the Luxembourg Law of 13 January 2019 establishing a register of beneficial owners, as amended.

<b>RCS</b>	the Luxembourg Trade and Companies Register ( <i>Registre de Commerce et des Sociétés</i> ).
<b>Redeeming Investor</b>	has the meaning ascribed to it in Section 8 " <i>Redemption and Withdrawal</i> " of this Prospectus.
<b>Redemption Date</b>	has the meaning ascribed to it in Section 8 " <i>Redemption and Withdrawal</i> " of this Prospectus.
<b>Redemption Price</b>	in relation to the redemption of Shares held by an Investor, a price reflecting the Net Asset Value per Share of the relevant Class as at the relevant Redemption Date at which the redemption is satisfied.
<b>Redemption Request</b>	has the meaning ascribed to it in Section 8 " <i>Redemption and Withdrawal</i> " of this Prospectus.
<b>Register</b>	the Umbrella Vehicle's share register maintained in accordance with article 430-3 of the 1915 Law.
<b>Retail Investor</b>	(a) a retail client within the meaning of article 4 1.(11) of MiFID II; or (b) a client within the meaning of Directive 2016/97/EU of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended, where such client cannot be considered a professional client within the meaning of article 4.1 (10) of MiFID II.
<b>Reverse Break-Up Fees</b>	any reverse break-up or similar fees, expenses or liabilities incurred by the Umbrella Vehicle, a Sub-Fund or any acquisition vehicle on behalf of the relevant Sub-Fund in connection with any proposed investment (and payable to the seller of such investment or its shareholders (or other interest holders), Affiliates, or related parties) for which the relevant Sub-Fund or an acquisition vehicle has entered into definitive agreements to make but which transaction is not consummated by the relevant Sub-Fund.
<b>Securities Act</b>	the U.S. Securities Act of 1933, as amended from time to time.
<b>Service Providers</b>	the service providers appointed by or in relation to the Umbrella Vehicle or any Sub-Fund, including the AIFM, the Investment Manager, any investment advisor, any sub-investment manager, the Depositary, the Administrator, the Global Distributor, any placement agents, the Auditor and any other entity contemplated by the Prospectus or the relevant Sub-Fund Supplement.
<b>SFDR</b>	the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended from time to time.
<b>Share(s)</b>	registered Share(s) in issue of any Class and in any Sub-Fund.
<b>Special Fees</b>	has the meaning given to such term in the relevant Sub-Fund Supplement.
<b>SPV</b>	a special purpose vehicle.
<b>Sub-Distributor</b>	an entity to which the Global Distributor has delegated its distribution function in respect of a Sub-Fund, as indicated in the relevant Sub-Fund Supplement.



<b>Sub-Fund Supplement</b>	the particular specifications pertaining to a given Sub-Fund, as amended from time to time, each time set forth in a particular supplement to this Prospectus.
<b>Sub-Fund(s)</b>	any existing or future sub-fund of the Umbrella Vehicle, to which specific Shares and/or Class(es) of Shares relate.
<b>Subscription Agreement</b>	the agreement between the Umbrella Vehicle, in respect of a Sub-Fund, and an Investor setting forth (i) the subscription amount and Class of Shares to be subscribed by such Investor, (ii) the rights and obligations of such Investor in relation to its subscription for Shares; and (iii) representations and warranties given by such Investor in favor of the Umbrella Vehicle.
<b>Tax or Taxation</b>	(i) any form of taxation whether direct or indirect and whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value or other reference and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions, charges, surcharges, imposts and levies (including without limitation social security contributions and any other payroll taxes), whenever and wherever imposed (whether imposed by way of a withholding or deduction for or on account of tax or otherwise) and in respect of any person (ii) any amount paid as part of a settlement with a tax authority and (iii) all penalties, charges, costs and interest relating to (i) and (ii).
<b>Taxonomy Regulation</b>	the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.
<b>Term</b>	the duration of each Sub-Fund as set out in the relevant Sub-Fund Supplement.
<b>Total Commitment</b>	the aggregate of the Commitments to a Sub-Fund.
<b>Transfer</b>	the transfer made in any manner by an Investor of all or any part of its Shares in a Sub-Fund.
<b>Transferee</b>	the Person to whom a Transfer is to be made.
<b>Transferor</b>	the Investor that proposes to effect a Transfer.
<b>UCI</b>	undertaking for collective investment.
<b>UCITS</b>	an undertaking for the collective investment in transferable securities as defined in the 2010 Law.
<b>UK AIFMD</b>	the UK legislation implementing Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers in force from 1 January 2021, comprising namely: (A) the law of the UK or any part of it, which immediately before IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020) implemented Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, and its implementing measures; (B) direct EU legislation (as defined in the European Union (Withdrawal Act) 2018 (the "Withdrawal Act")), which immediately

	before IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020) supplemented or implemented Directive 2011/61/EU as it forms part of domestic law of the United Kingdom by virtue of the Withdrawal Act; and (C) any guidance relating thereto issued by the European Securities and Markets Authority.
<b>Underlying Investors</b>	Eligible Investors that invest indirectly in a Sub-Fund through a Financial Intermediary.
<b>Undrawn Commitment</b>	in respect of each Investor, the amount of its Commitment that at any given time is available to be drawn down including, for the avoidance of doubt, those amounts repaid and available for further drawdown.
<b>U.S. or United States</b>	the United States of America, including its territories and possessions or areas subject to its jurisdiction.
<b>U.S. person(s)</b>	as defined under the Securities Act, and the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder.
<b>Valuation Day</b>	a day as of which the Net Asset Value per Share of any Class of any Sub-Fund is calculated, being at least once per year, unless otherwise set forth in the relevant Sub-Fund Supplement.
<b>VAT</b>	(i) any Tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (ii) any other Tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such Tax referred to in (i), or imposed elsewhere.

## 2. THE UMBRELLA VEHICLE

The following provides a general overview of the structure and principal features of the Umbrella Vehicle. It should be read in conjunction with and is qualified in its entirety by the Articles and the relevant Sub-Fund Supplement. The Articles are available at the Umbrella Vehicle's registered office upon request and are an integral part of this offering. In the event that the terms described herein are inconsistent with or contrary to the terms of the Articles, the terms of the Articles shall prevail. The Umbrella Vehicle is an umbrella fund composed of one or more Sub-Funds, which may be created from time to time. This Section 2 contains the general terms applicable to the Umbrella Vehicle and all of its Sub-Funds and should be read together with each Sub-Fund Supplement.

The Umbrella Vehicle qualifies as a multi-compartment investment company with variable capital (*société d'investissement à capital variable* - SICAV) governed by Part II of the 2010 Law and organized in the form of a public limited company (*société anonyme*).

The Umbrella Vehicle further qualifies as an AIF under the 2013 Law and has appointed the AIFM as its alternative investment fund manager and, to the extent applicable, as ELTIF manager within the meaning of the ELTIF Regulation. The subscription, sale and holding of Shares of a Sub-Fund is restricted to Eligible Investors subscribing on their own behalf or to Eligible Investors subscribing on behalf of other Eligible Investors (subject to any discretion afforded to the Board of Directors as set out in this Prospectus and/or the relevant Sub-Fund Supplement).

The Umbrella Vehicle has been incorporated in Luxembourg for an unlimited duration with an initial share capital of thirty thousand euro (EUR 30,000) represented by three hundred (300) Shares. The Articles have been filed with the RCS, where they will be available for inspection and

where copies can be made. Copies may also be obtained at the registered office of the Umbrella Vehicle.

The share capital of the Umbrella Vehicle shall be variable and shall at all times be equal to the Net Asset Value of the Umbrella Vehicle and its Sub-Funds and is expressed in Euro (EUR). It is represented by Shares issued with no par value either partly or fully paid-up. Variations in the capital shall be effected *ipso jure* and there are no provisions requiring publications and filing of such variations with the RCS.

The minimum equity share capital shall be EUR 1,250,000 (one million two hundred and fifty thousand Euros), such amount to be reached within six (6) months from the date on which the Umbrella Vehicle has been authorized by the CSSF as an investment company with variable capital (*société d'investissement à capital variable*) under Part II of the 2010 Law.

The Umbrella Vehicle is an umbrella fund that may consist of different Sub-Funds. Each Sub-Fund shall be comprised of all that has been paid or contributed on the Shares in the relevant Sub-Fund, all that has been obtained by the relevant Sub-Fund with the said payments and Contributions, all resulting benefits and all debts, liabilities and other commitments incurred by the Umbrella Vehicle for the account of the Sub-Fund concerned. The Board of Directors may establish both open and closed-ended Sub-Funds. The introduction of a Sub-Fund is effected pursuant to a decision to that end by the Board of Directors setting the terms and conditions of the relevant Sub-Fund. Each Sub-Fund may have similar or different investment strategies and other specific features (including, but not limited to, specific investment advisor(s)/manager(s)/administrator(s), if any, specific fee structures, permitted investments, investment restrictions and distribution policies) as the Board of Directors shall determine from time to time in respect of each Sub-Fund and as contained in the relevant Sub-Fund Supplement.

The assets and liabilities of each Sub-Fund shall be segregated from the assets and liabilities of the other Sub-Funds, with creditors having recourse only to the assets of the Sub-Fund concerned. As between the Investors, each Sub-Fund will be deemed to be a separate entity. The rights and obligations of the Investors are limited to the assets of the Sub-Fund(s) in which they invest. The assets of each Sub-Fund shall only be liable to the extent that the Investors are invested in the respective Sub-Fund and in line with the extent of the claims of those creditors, whose claims arose upon the creation of the relevant Sub-Fund or in connection with the management or the liquidation of the Sub-Fund. In terms of the relationship between the Investors, each Sub-Fund is treated independently. Each Sub-Fund may be liquidated individually, without this resulting in the liquidation of another Sub-Fund.

The different Classes of Shares in issue or to be issued in each Sub-Fund may differ *inter alia* in their fee structure, distribution policy or any other criteria to be determined by the Board of Directors and as contained in the relevant Sub-Fund Supplement.

The proceeds of the issue of Shares in respect of each Sub-Fund will be invested for the exclusive benefit of the relevant Sub-Fund in accordance with the investment policy set forth in the relevant Sub-Fund Supplement. All Shares of the same Class in a particular Sub-Fund shall have equal rights as to dividends declared (if any), income, realized and unrealized investment gains, redemption rights, redemption proceeds and liquidation proceeds.

### **3. MANAGEMENT AND ADMINISTRATION**

#### **The Board of Directors**

The Board of Directors of the Umbrella Vehicle has overall responsibility for the management, the administration as well as the investment policies and strategies of the Umbrella Vehicle and each Sub-Fund.

The Board of Directors is vested with the broadest powers to perform all acts of disposition and administration within the Umbrella Vehicle's purpose. All powers not expressly reserved by law or the Fund Documents to the General Meeting fall within the competence of the Board of Directors.

The Board of Directors has delegated certain functions in relation to the Umbrella Vehicle or a specific Sub-Fund to certain third-party Services Providers as described in this Prospectus, and it may delegate further services other than fund management services from time to time to certain related or unrelated Services Providers.

The Board of Directors of the Umbrella Vehicle is currently composed of the following members:

#### **Leslie Mapondera**

Mr. Mapondera is Partner, Credit at Apollo. Prior to joining in 2019, Leslie was Head of Financial Institutions Portfolio at Qatar Investment Authority (QIA) and also served as Head of Investment Execution and Head of Mergers & Acquisitions. Before joining QIA, he worked in credit research and trading at Citigroup and Credit Suisse.

A Rhodes Scholar and Sloan Fellow, Leslie graduated from London Business School, MA in Management; University of Oxford, BA (Hons) in Philosophy, Politics and Economics; London School of Economics, MSc Economic History; and University of Reading, BSc (Hons) Agricultural Economics. He also attended Harvard Business School's Advanced Management Program.

#### **Shaun Collins**

Mr. Collins is a Partner, Finance at Apollo, which he joined in 2013 as European Chief Financial Officer and is now CFO for Europe and Asia. Previously, Shaun was with Goldman Sachs, most recently as Managing Director and European Corporate Controller before that. Prior to Goldman Sachs, Shaun spent four years with NatWest Bank and qualified as an accountant in 1992 with Ernst and Young. Shaun received a degree in Chemistry from the University of Durham.

#### **Fabrice Jeusette**

Mr. Jeusette joined Apollo in February 2011 and currently cumulates different roles within the organization including being a Managing Director within the finance department, acting as the Head of Apollo Luxembourg Office. From 2006 till 2011, M. Jeusette worked for Alter Domus Luxembourg Sarl as a Manager in the Private Equity/Infrastructure department, in charge of a team responsible for accounting and tax and legal compliance for holding entities. Mr. Jeusette started his career in 2003 at Ernst & Young Luxembourg where he was a Senior Auditor specialized in Private Equity and Industry. Mr. Jeusette graduated in 2003 from HEC Liege with a Masters in management and finance.

#### **Matthieu Minnaert**

Matthieu Minnaert joined Lapithus Servicing S.à r.l., a Luxembourg *société à responsabilité limitée* (together with its subsidiaries, "**Lapithus**") as a Director in 2014 to oversee the operations of the Finance department and was afterwards appointed Group CFO/COO. Prior to joining Lapithus, Matthieu was Director of Finance and Operations at EFMI and DAM Capital where he was responsible for the finance team as well as financial planning and analysis of a private equity debt fund. Prior to this he held internal and external audit positions at Sara Lee Corporation in Chicago and Arthur Andersen Luxembourg. Matthieu graduated with an MBA in Finance & Accounting from the Ecole Supérieure de Commerce de Lille, France. He is fluent in French and English and proficient in German.

#### **Patrick Mabry**

Patrick Mabry joined Lapithus in 2010 as Group General Counsel. Prior to joining Lapithus, Patrick was counsel in the London office of Akin Gump Strauss Hauer & Feld since 2005, where he worked closely with Apollo and focused on international business transactions, project development, acquisitions, joint ventures and financings. From 2000 to 2005, Patrick worked as an Associate in the Houston office of Vinson & Elkins. Patrick received his BA with high honors in Economics in 1997 and his J.D. with honors in 2000 from the University of Texas. He is a member of the State Bar of Texas and has been admitted to the Roll of Solicitors of the Supreme Court of England and Wales.

## **James Hannigan**

James Hannigan is a Managing Director in Client and Product Solutions at Apollo. Prior to joining in 2021, James was a Managing Director in the Alternative Asset Management division of Blackstone. Previously, he was Associate Vice President at FRM Americas LLC and an associate in the asset management group of Willkie Farr & Gallagher LLP.

James graduated from Vanderbilt University with a BA in philosophy and received a JD from the University of Virginia School of Law.

## **The AIFM**

### *General*

Pursuant to the AIFM Agreement, the Board of Directors has, on behalf of the Umbrella Vehicle, appointed the AIFM to act as an alternative investment fund manager within the meaning of the 2013 Law for the primary purposes of providing portfolio and risk management services to the Umbrella Vehicle. The AIFM also acts as ELTIF manager for any ELTIF Sub-Fund, subject to the CSSF's prior approval.

The Board of Directors may, at any time, without the approval of the Investors, terminate or assign the appointment of the AIFM (including in its capacity as Global Distributor of the Umbrella Vehicle) and appoint a replacement alternative investment fund manager and/or global distributor provided that (1) such replacement shall not result in increased costs for the Investors; (2) prior notice of such termination and replacement is given to the current alternative investment fund manager and/or global distributor in accordance with the AIFM Agreement or global distribution agreement (as applicable); and (3) such replacement is appropriately authorized under Applicable Law (including, but not limited to, the Directive) to perform the relevant obligations. The Investors hereby acknowledge that, at such time as the Board of Directors determines, a member of the Apollo Group may be appointed as the first replacement alternative investment fund manager and/or global distributor, subject to holding all necessary authorizations and licenses that it requires in order to discharge such role. For the avoidance of doubt, the Board of Directors may decide to only terminate one of the functions or both functions as enumerated above in its sole discretion and may update this Prospectus accordingly without any consent of the Investors.

### *Description of duties*

Under the AIFM Agreement, the AIFM has been entrusted with the following duties as per AIFMD and Annex I of the 2013 Law, namely:

- (a) the portfolio management function on behalf of each Sub-Fund, which includes the selection and the making of investments on behalf of each Sub-Fund in accordance with its respective investment strategy of each Sub-Fund;
- (b) the risk management function for each Sub-Fund, which functions include the risk management on a discretionary basis of the making, holding and realization of investments, having regard to the investment objective and investment strategy of the Umbrella Vehicle and each Sub-Fund;
- (c) performing reporting obligations of the Umbrella Vehicle under the AIFMD as set out in the AIFM Agreement;
- (d) certain marketing-related activities on behalf of the Umbrella Vehicle; and
- (e) all such other functions as may be agreed between the Board of Directors on behalf of the Umbrella Vehicle on the one hand and the AIFM on the other hand from time to time or as may be required in order for the AIFM to comply with its obligations as the alternative investment fund manager of the Umbrella Vehicle.

The duties of the AIFM are fully described in the AIFM Agreement and additional ancillary services provided by the AIFM are fully disclosed in a separate engagement letter (the "**Engagement Letter**"). A copy of the AIFM Agreement and Engagement Letter are available at the registered office of the AIFM and the Umbrella Vehicle.

While managing, administering and marketing the Umbrella Vehicle, the AIFM shall act in accordance with the Board of Directors' recommendations and instructions as to the structure, promotion, administration, investment management and marketing of the Umbrella Vehicle.

The Umbrella Vehicle has appointed the AIFM as Domiciliation Agent to act as domiciliation agent of the Umbrella Vehicle pursuant to the Engagement Letter.

#### *Valuation*

The AIFM will remain responsible for the valuation of the Umbrella Vehicle and the Sub-Funds' assets in compliance with the AIFMD. The AIFM will provide certain valuation services (with the support and assistance of the Investment Manager) in relation to the assets of the Umbrella Vehicle and its subsidiaries and will be responsible for establishing, maintaining, implementing and reviewing related valuation policies and procedures.

The AIFM's team responsible for the valuation of the assets of the Umbrella Vehicle will act separately and independently from the AIFM's team in charge of the portfolio management of the Umbrella Vehicle and the risk management. As a result of the Investment Management Agreement, the portfolio management function for the relevant Sub-Fund will be delegated from the AIFM to the Investment Manager. The valuation function shall not be delegated by the AIFM to the Investment Manager pursuant to the Investment Management Agreement. The AIFM is therefore independent from the Investment Manager with respect to the exercise of the valuation function and subject to its own requirements and CSSF authorization in this respect.

The AIFM and a Sub-Fund may mutually agree to appoint an external valuer to perform the valuation function. However, the AIFM's liability towards the Umbrella Vehicle and such Sub-Fund and its investors shall not be affected by the fact that the AIFM has appointed an external valuer.

Neither the Depositary nor the Administrator will appraise investments for valuation. However, the Administrator will provide net asset value calculation services as agreed between the Umbrella Vehicle, the AIFM and the Administrator under the Administration Agreement.

The valuation policy applied by the AIFM in respect of the Umbrella Vehicle and any Sub-Fund is available upon request at the AIFM's registered office.

#### *Professional liability*

In accordance with the requirements of Article 8(7) of the 2013 Law, in order to cover its professional liability risk resulting from the activities it may carry out, the AIFM holds sufficient additional own funds which are appropriate to cover potential liability risks arising from professional negligence.

#### *Delegation*

The AIFM has been permitted by the Board of Directors to appoint delegates in relation to its functions in accordance with the terms of the AIFMD and the 2013 Law. Information about conflicts of interests that may arise from these delegations is available at the registered office of the AIFM.

The AIFM will monitor on a continued basis the activities of the third parties to which it has delegated functions. The agreements entered into between the AIFM and the relevant third parties provide that the AIFM can give at any time further instructions to such third parties, and that it can withdraw their mandates under certain circumstances and with notification to the Board of Directors without any undue delay.

All delegation shall be carried out in accordance with the terms of the AIFMD, the AIFMD Delegated Regulation and the 2013 Law.

For the avoidance of doubt, the portfolio management function on behalf of each Sub-Fund has been fully delegated to the Investment Manager under the Investment Management Agreement.

#### *Management of Conflicts of Interest*

In the conduct of its business the AIFM's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the AIFM and the Umbrella Vehicle or its Investors and between the interests of one or more Investors and the interests of one or more other Investors. The AIFM has implemented procedures designed to ensure that business activities involving a conflict which may harm the interests of Umbrella Vehicle or its Investors are carried out with an appropriate level of independence and that conflicts are resolved fairly.

Notwithstanding its due care and best effort, there is a risk that the organizational or administrative arrangements made by the AIFM for the management of conflicts of interest are not sufficient to ensure that risks of damage to the interests of Umbrella Vehicle or its Investors will be prevented. In such case, these non-neutralized conflicts of interest as well as the decisions taken will be reported to Investors.

Please also refer to Section 20 "Conflicts of Interest".

#### *Fair and Preferential Treatment*

The AIFM ensures that all Investors will be treated fairly in accordance with the relevant requirements of the AIFMD and the 2010 Law and applicable laws and regulations.

Notwithstanding the foregoing paragraph, an Investor may, without any further act, approval or vote of any other Investor, be granted "preferential treatment" within the meaning of, and to the widest extent allowed by, this Prospectus and the Articles. To the extent that an Investor obtains a "preferential treatment" or the right to obtain a "preferential treatment," a brief description of that preferential treatment, the type of Investor who obtained such "preferential treatment" and, where relevant, their legal or economic links with the Umbrella Vehicle, the AIFM or the Investment Manager will be made available on a confidential basis upon request at the registered office of the Umbrella Vehicle to the extent required by applicable law and, in particular, in accordance with article 21 of the 2013 Law.

For the avoidance of doubt, no preferential treatment or specific economic benefits shall be granted to individual Investors or groups of Investors in an ELTIF Sub-Fund marketed to Retail Investors, within the same share class.

#### *Other Information*

The AIFM will make available to Investors in the annual reports for the Umbrella Vehicle, and/or at any reasonable time during normal business hours (upon request after furnishing reasonable advance written notice to the AIFM) at the registered office of the AIFM, any information and/or documents which the AIFM or the Umbrella Vehicle is or will be required by virtue of law (and in particular the 2013 Law and Article 21 thereof) to make available and any amendments or supplements thereto made from time to time; provided, that such availability will be reasonably related to such Investor's interest as an Investor.

The locations of underlying vehicles (if applicable) in which the relevant Sub-Fund(s) may invest will be available at the registered office of the Umbrella Vehicle.

#### *Acquisition of Major Holdings and Control of Non-Listed Companies*

If a Sub-Fund, directly or indirectly, acquires or disposes of certain holdings in a non-listed company, the AIFM (with the support of the Investment Manager as described in the Investment Management Agreement) may be subject to certain reporting obligations set out in Articles 24 and following of the 2013 Law.

### *Best Execution*

The AIFM (and the Investment Manager) acts in the best interest of the relevant Sub-Fund when executing investment decisions. For that purpose, it takes into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the investment (best execution), except in cases where taking into account the type of asset, the best execution is not relevant. The AIFM (and the Investment Manager) has implemented written policies and procedures on due diligence as well effective arrangements for ensuring that investment decisions are carried out in compliance with the investment objective and investment strategy of the relevant Sub-Fund, taking into consideration and adhering to applicable risk limits. Where the Investment Manager is permitted to execute transactions, it will be committed contractually to apply equivalent best execution principles, if it is not already subject to equivalent best execution laws and regulations.

### *Remuneration*

The AIFM has established a remuneration policy which shall be applicable to all identified staff members as specified in the AIFMD Delegated Regulation and the ESMA Guidelines 2013/201. Any relevant disclosures shall be made in the financial statements, if applicable, in accordance with the 2013 Law.

### *Inducements*

Third parties, including Affiliates of the AIFM and/or the Investment Manager, may be remunerated or compensated in monetary form for distribution activities performed in relation to the Sub-Funds on terms the Umbrella Vehicle, the AIFM and/or the Investment Manager has agreed with such parties. Such remuneration or compensation, if applicable, is generally expressed as a percentage of the annual Management Fee levied on the Sub-Fund. With reference to his/her/their transactions, an Investor may receive further details of such remuneration or compensation arrangements or any amount received by or shared with such parties on request. Third parties involved in portfolio management activities of the Sub-Funds, including Affiliates of the AIFM and/or the Investment Manager, whether they receive a service from another party or perform a service for the benefit of another party, may also receive from or grant benefits to these other parties in monetary or other form (including, but not limited to, soft dollar commissions, rebates or any other advantages). Such benefits, in monetary or other form, shall be used in the best interest of Umbrella Vehicle, the relevant Sub-Fund(s) and the Investors and shall be disclosed to the AIFM. The Umbrella Vehicle, the AIFM and/or the Investment Manager take reasonable steps to ensure that such benefits are not likely to conflict with any duty that the Umbrella Vehicle, the AIFM and/or the Investment Manager are subject to under any relevant legal or regulatory provision.

### *Exercise of Voting Rights*

The AIFM has put in place a voting rights policy, and intends to delegate primary responsibility for exercising voting rights on behalf of the Umbrella Vehicle (in respect of one or more Sub-Funds) to the Investment Manager appointed in respect of the relevant Sub-Fund(s) (which shall in turn establish and implement a voting rights policy consistent with that of the AIFM). Accordingly, if mandated by the Umbrella Vehicle in respect of one or more Sub-Funds, the decision to exercise voting rights attached to the instruments held in respect of such Sub-Funds will normally be within the discretion of the applicable Investment Manager (subject to ultimate supervision by the AIFM).

### *Fees and Expenses*

The AIFM will be entitled to receive the AIFM fee out of the assets of each Sub-Fund, the terms and conditions of which shall be set forth in an AIFM fee letter, as disclosed in the AIFM Agreement. The AIFM will also be entitled to receive fees in respect of ancillary services as described and provided under the Engagement Letter (the "**AIFM Fee**").

In addition to receiving its AIFM Fee, the AIFM shall be entitled to reimbursement of its out-of-pocket expenses in accordance with the AIFM Agreement and Engagement Letter.



### *Termination Rights – AIFM Agreement*

The Umbrella Vehicle and the AIFM each have the right to terminate the AIFM Agreement for convenience. The Umbrella Vehicle shall provide the AIFM not less than three (3) months' written notice whereas the AIFM shall provide the Umbrella Vehicle not less than six (6) months' written notice provided that the AIFM does not terminate the agreement within twelve (12) months of its execution.

Notwithstanding the above, either party shall be entitled to immediately terminate the AIFM Agreement if: (i) required by applicable laws or a competent authority; (ii) the other party commits a material breach of its obligations under the AIFM Agreement and fails to remedy such breach within thirty (30) days of receiving notice requiring it to do so; (iii) a receiver or other official named by a competent court is appointed in relation to the other party or any property thereof; (iv) the other party becomes insolvent or unable to pay its debts as they fall due, enters into any voluntary arrangement with its creditors or becomes subject to a judicial administration order; (v) the other party goes into liquidation (except for the purposes of amalgamation or reconstruction in terms previously agreed between the parties in writing and in such a manner that the entity resulting therefrom effectively agrees to be bound by or assume the obligations imposed on that party); or (vi) required in order to protect the interests of the Investors in the Umbrella Vehicle.

### *Termination Rights – Letter of Engagement for Ancillary Services*

The fee letter made between (inter alia) the AIFM and the Umbrella Vehicle (the "**Contract**") may be terminated by any party to the Contract upon the expiry of ninety (90) days' written notice, or such other period as the parties may agree. Any party shall be entitled to immediately terminate the Contract if another party to the Contract commits a material breach of any term of the Contract that is not capable of remedy. If a party commits a material breach of any term of the Contract that is capable of remedy, and such material breach is not remedied within thirty (30) days of a written request to remedy the same (or if it is not practical to remedy the breach within such a period, where reasonable steps have not been taken within the thirty (30) days towards remedying the breach), the Contract may be terminated with immediate effect by the other party. The thirty (30)-day period shall commence upon the date on which that written request is sent.

### **The Investment Manager**

The AIFM may appoint for each Sub-Fund an Investment Manager to act as an investment manager for the primary purposes of providing the delegated portfolio management services to the Umbrella Vehicle or relevant Sub-Fund and certain other services pursuant to the Investment Management Agreement (as further described in this Prospectus). For the avoidance of doubt, the risk management functions for the Umbrella Vehicle shall remain with the AIFM.

### *Termination Rights – Investment Management Agreement*

The Investment Management Agreement shall terminate if: (i) the relevant Sub-Fund is put into liquidation; (ii) the AIFM ceases to be the AIFM of the Umbrella Vehicle and the master fund in which the relevant Sub-Fund invests unless the AIFM is replaced by a member of the Apollo Group; (iii) notice is given from a party to another that the receiving party is dissolved (except a voluntary dissolution for the purposes of reconstructing or amalgamation upon terms previously approved in writing by the other parties) or unable to pay its debts or commits any act of bankruptcy a receiver is appointed over any of the assets of any party; (iv) notice is given from the AIFM to the Investment Manager if the Investment Manager is required by applicable law or regulation to cease (or is not permitted under applicable law or regulation) to act as the portfolio manager of the Umbrella Vehicle and the relevant Sub-Fund or to provide services; (v) ninety (90) days' notice of termination between the parties expires; or (vi) the parties agree in writing that the Investment Management Agreement should terminate.

The Investment Manager shall be entitled to terminate the Investment Management Agreement immediately on notice if: (i) the Investment Manager's home state financial services regulator requires the Investment Manager to cease acting as the portfolio manager of the relevant Sub-Fund; (ii) the Investment Manager is unable to ensure compliance by the relevant Sub-Fund with applicable laws and rules; (iii) either of the Umbrella Vehicle or the master fund in which the

relevant Sub-Fund invests is in breach of the Investment Management Agreement that results in (or that the Investment Manager considers could result in) the Investment Manager, the AIFM or the Umbrella Vehicle or such master fund breaching applicable law or regulation which if capable of remedy is not fully remedied by the Umbrella Vehicle or such master fund within thirty (30) days' notice to the Umbrella Vehicle or such master fund requiring it to so remedy such breach.

In accordance with its obligation under Article 20(1)(f) of the AIFMD, the AIFM shall be entitled to terminate an Investment Management Agreement with respect to the relevant Sub-Fund immediately on notice to the Umbrella Vehicle or the master fund (as applicable) and the Investment Manager when in the interest of the Investors of the relevant Sub-Fund.

## **The Administrator**

### *General*

The Administrator has been appointed as transfer and registrar agent and central administration agent of the Umbrella Vehicle pursuant to an Administration Agreement and effective as of the incorporation date of the Umbrella Vehicle.

The principal activity of the Administrator is to provide financial services based on fund administration.

### *Description of duties*

The duties of the Administrator (as further detailed in the Administration Agreement) include *inter alia* keeping the accounts and holding the books and records of the Umbrella Vehicle, calculating the net asset value (the "**Net Asset Value**" or the "**NAV**") of the Umbrella Vehicle and/or the Sub-Fund(s), drawing up the annual financial statements of the Umbrella Vehicle, maintaining the register of Investors of the Umbrella Vehicle and recording any subscription, withdrawal or transfer of Shares in such register. The Administrator may be assisted by the Umbrella Vehicle in the performance of any of these services as further specified in the operating memorandum as referred to in the Administration Agreement.

For the purposes of calculating the Net Asset Value, the Administrator will rely on the valuations provided by (i) the AIFM or (ii) any delegate appointed by the AIFM to prepare such valuations provided that such valuations have been approved by the AIFM, and follow the valuation policies and procedures adopted by the AIFM. Subject to performing any required compliance checks on pricing sources (i.e. independent providers), and provided that the Administrator has obtained such pricing and/or valuation in accordance with the AIFM's valuation policy, the Administrator shall have no responsibility for the pricing or valuation of any asset supplied by the AIFM or the Umbrella Vehicle that form the basis for the final Net Asset Value calculation performed by the Administrator. The Administrator shall not be liable for any loss suffered by the Umbrella Vehicle, the Board of Directors, the AIFM or the Investors or any other person by reason of any error in the calculation of NAV resulting from any inaccuracy in the information supplied to it, provided that the Administrator has obtained such information in accordance with the AIFM's valuation policy.

The Administrator is not involved, directly or indirectly, with the business affairs, organization, sponsorship or management of the Umbrella Vehicle and is not responsible for the preparation of this Prospectus and accepts no responsibility for any information contained in this Prospectus other than the above description.

Furthermore, the Administrator is not responsible for the monitoring of the compliance of the Umbrella Vehicle's investments with any investment rules and restrictions contained in the Fund Documents and this Prospectus and/or in any other service agreement(s) concluded between the Umbrella Vehicle and its Service Providers.

All the above duties are more fully described in the Administration Agreement, a copy of which is available at the registered office of the Umbrella Vehicle.

### *Termination Rights – Administration Agreement*

The Umbrella Vehicle and the Administrator each have the right to terminate the Administration Agreement for convenience. The Umbrella Vehicle shall provide ninety (90) calendar days' prior written notice to the Administrator, whereas the Administrator shall provide three hundred and sixty five (365) days prior written notice to the Umbrella Vehicle and the AIFM.

Notwithstanding the above, any party shall be entitled to immediately terminate the Administration Agreement if: (i) a party has become insolvent or unable to pay its debts as they fall due; (ii) a party has gone or shall go into voluntary or compulsorily liquidation (except a voluntary liquidation upon terms previously approved in writing by the other parties); (iii) a party has had a receiver appointed over all or part of its assets or has received notice of any proceedings or proposed proceedings for winding up; (iv) the Umbrella Vehicle and/or the AIFM shall cease to be authorized to the extent required under applicable law; (v) the Administrator shall cease to be authorized to perform the services and its duties and obligations under the Administration Agreement; or (vi) a force majeure event subsists for a period of more than three (3) months such as to prevent all or substantially of the obligations owing by the defaulting party under the Administration Agreement, and suitable alternative arrangements have not been agreed by the defaulting party with the other parties.

The Umbrella Vehicle has the right to terminate the Administration Agreement with immediate effect when this is in the interest of the Investors in the Umbrella Vehicle or where directed to do so by the CSSF. The Umbrella Vehicle may terminate the Administration Agreement with immediate effect if the Administrator cannot carry out its functions effectively and in accordance with applicable laws and regulatory requirements.

If any party to the Administration Agreement commits a material breach of its obligations under the Administration Agreement, any other party shall have the right to terminate the Administration Agreement by notice to all other parties with immediate effect. A material breach (*faute grave*) constitutes: (i) non-compliance by a party with its material legal and/or regulatory obligations; (ii) a material breach by a party of any of its obligations under the Administration Agreement and failure to remedy such breach within thirty (30) days of receipt of written notice from the notifying party requiring it to do so; or (iii) failure by the Umbrella Vehicle and/or the AIFM to provide, within thirty (30) calendar days of receiving a written request, such documents and information as may be reasonably requested by the Administrator and as it reasonably deems necessary to comply with applicable law.

### **The Depositary**

#### *General*

The Umbrella Vehicle has appointed the Depositary to act as depositary bank and paying agent of the Umbrella Vehicle pursuant to the 2010 Law, the 2013 Law, the ELTIF Regulation and the terms of a Depositary Agreement entered into between the Umbrella Vehicle, the AIFM and the Depositary, effective as of the incorporation date of the Umbrella Vehicle.

The Depositary is appointed by the Umbrella Vehicle with the consent of the AIFM.

#### *Safekeeping*

The duties of the Depositary (as further detailed in the Depositary Agreement) include:

- (a) the safekeeping of the Umbrella Vehicle's financial instruments that can be held in custody and record keeping and verification of ownership of the other assets of the Umbrella Vehicle,
- (b) oversight duties, and
- (c) cash flow monitoring.

The Depositary is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended, and specializes in custody, fund administration and related services.

#### *Delegation*

The Depositary is further authorized by the Umbrella Vehicle to delegate its safekeeping duties (i) to delegates in relation to other assets and (ii) to sub-custodians in relation to financial instruments and to open accounts with such sub-custodians.

An up-to-date description of any safekeeping functions delegated by the Depositary and an up to date list of the delegates and sub-custodians may be obtained, upon request, from the Depositary:

The Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Umbrella Vehicle and the Investors in the execution of its duties under the Law and the Depositary Agreement.

#### *Oversight*

Under its oversight duties, the Depositary will:

- ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Umbrella Vehicle are carried out in accordance with applicable laws, rules and regulations and this Prospectus and the Fund Documents;
- ensure that the value of Shares of the Umbrella Vehicle is calculated in accordance with applicable rules and regulations, this Prospectus, the Fund Documents;
- carry out authorized instructions provided such authorized instructions do not conflict with applicable rules, this Prospectus and the Fund Documents;
- ensure that in transactions involving the Umbrella Vehicle's assets, the consideration is remitted to the Umbrella Vehicle within the usual time limits; and
- ensure that the income of the Umbrella Vehicle is applied in accordance with applicable laws, rules and regulations, this Prospectus and the Fund Documents.

#### *Paying agent*

As paying agent of the Umbrella Vehicle, the Depositary may receive contributions from Investors, deposit such payments in the cash accounts of the Umbrella Vehicle that may be opened with the Depositary and pay any distributions and/or withdrawal amounts to the Investors from time to time; provided, that such services are currently expected to be performed by other financial entities in compliance with applicable law.

The Depositary will also ensure that cash flows are properly monitored in accordance with the applicable laws, rules, regulations and the Depositary Agreement.

#### *Liability*

In case of an effective marketing of ELTIF Sub-Funds to Retail Investors, the Depositary may not discharge itself from its liability in the event of a loss of financial instruments of such ELTIF Sub-Funds held in custody by the Depositary or by a third party.

The Depositary is not involved, directly or indirectly, with the business affairs, organization, sponsorship or management of the Umbrella Vehicle and is not responsible for the preparation of this Prospectus and accepts no responsibility for any information contained in this Prospectus other than the above description and the paragraph entitled "Depositary's conflicts of interests" in Section 20 "*Conflicts of Interests*".

All the above duties are more fully described in the Depositary Agreement, a copy of which is available at the registered office of the Umbrella Vehicle.

#### *Termination Rights – Depositary Agreement*

The Umbrella Vehicle, the AIFM and the Depositary each have the right to terminate the Depositary Agreement for convenience. The Umbrella Vehicle and the AIFM shall provide ninety (90) calendar days prior written notice to the Depositary, whereas the Depositary shall provide one hundred and eighty (180) days prior written notice to the Umbrella Vehicle and the AIFM.

Notwithstanding the above, any party shall be entitled to immediately terminate the Depositary Agreement by written notice if: (i) another party commits a material breach of its obligations under the Depositary Agreement and fails to remedy such breach within thirty (30) days of receiving written notice requiring it to do so; (ii) a party becomes insolvent or unable to pay its debts as they fall due; (iii) a party has gone or shall go into voluntary or compulsorily liquidation (except a voluntary liquidation upon terms previously approved in writing by the other party); (iv) a party has had a receiver appointed over all or part of its assets or has received notice of any proceedings or proposed proceedings for winding up; (v) the AIFM or the Umbrella Vehicle ceases to be authorized to the extent necessary under applicable law; (vi) the Depositary ceases to be authorized to perform its duties and obligations under the agreement; or (vii) the AIFM or the Umbrella Vehicle (or any controlled structure) fails to take action satisfactory to the Depositary to reduce risks of which they have been notified by the Depositary in accordance with the Depositary's obligations under the AIFMD; or (viii) the AIFM breaches its obligations with respect to capital or insurance in section 14.3 of the Depositary Agreement; or a force majeure event subsists for a period of more than three (3) months such as to prevent all or substantially of the obligations owing by the defaulting party under the Depositary Agreement, and suitable alternative arrangements have not been agreed by the defaulting party with the other parties.

Subject to the CSSF approving a replacement depositary, the Depositary has the right to terminate the Depositary Agreement at any time upon three (3) months' notice in writing if, in respect of any matter which has been raised through the escalation processes, such process results in a proposal or a solution by the AIFM or the Umbrella Vehicle (as the case may be) which the Depositary, taking into account its obligations as a depositary under applicable law, reasonably believes is not in the best interests of the Umbrella Vehicle or its Investors.

#### **The Administrator's and Depositary's Fee**

For each Sub-Fund, the Depositary and the Administrator are entitled to a fee which is indicated in the relevant Sub-Fund Supplement, plus VAT (if any). In addition, the Umbrella Vehicle will be charged with any reasonable expenses incurred by these parties in providing services to the Umbrella Vehicle or any Sub-Fund.

#### **The Auditor**

The accounting data related in the annual report of the Umbrella Vehicle shall be examined by an independent auditor (*réviseur d'entreprises agréé*) appointed by the General Meeting and remunerated by the Umbrella Vehicle. The Auditor has been appointed as the Umbrella Vehicle's auditor. The Auditor shall fulfil the duties prescribed by the 2010 Law, the 1915 Law and any other applicable law.

The Auditor will audit the Umbrella Vehicle's annual report.

#### **The Global Distributor**

The Global Distributor will manage the global distribution of the Sub-Funds' offering and may delegate its distribution function in respect of any Sub-Funds to a Sub-Distributor in accordance with the terms of the AIFM Agreement. Each Sub-Fund shall be responsible for all fees payable

to the Global Distributor (or its delegates), in its capacity as global distributor in respect of such Sub-Fund, which shall comprise an annual fee plus a nominal fee per Sub-Distributor, and (for the avoidance of doubt) such fees shall fall within the scope of the Operating Expenses of such Sub-Fund.

The Global Distributor (and/or any Sub-Distributors) will, among other things, manage the Umbrella Vehicle's relationships with third-party registered investment advisors and broker-dealers engaged by the Global Distributor (and/or any Sub-Distributors) to participate in the distribution of Shares. The Global Distributor (and/or any Sub-Distributors), will also coordinate the Umbrella Vehicle's marketing and distribution efforts with participating broker-dealers and their registered representatives with respect to communications related to the terms of the offering, investment strategies, material aspects of operations and subscription procedures in any Sub-Fund(s).

To the extent Sub-Funds are offered to EEA Retail Investors, the distribution function towards such investors shall be carried out by an entity that is licensed under the MiFID II regime.

In case of ELTIF Sub-Funds and prior to the Application Date, in accordance with the requirements of the ELTIF Regulation, the Global Distributor (and/or any Sub-Distributors) shall be responsible for providing Retail Investors with the appropriate investment advice before they subscribe for Shares. Besides the requirements applicable generally to the distribution of financial instruments such as the Shares, the Global Distributor (and/or any Sub-Distributors) are furthermore responsible for ensuring that potential Investors comply with the eligibility criteria laid down in the ELTIF Regulation and that the respective Sub-Fund is suitable for Retail Investors regarding their experience, financial situation and investment objectives.

As from the Application Date, in relation to ELTIF Sub-Funds, marketing to Retail Investors shall be subject to the requirements of the ELTIF Regulation, as further laid down in the relevant Supplement.

### **The Placement Agents**

Shares of the Umbrella Vehicle and each Sub-Fund may be marketed through placement agents appointed by the Global Distributor from time to time. Should a placement agent be so appointed, it would be entitled to receive customary placement fees and expenses for its services. Prospective Investors should refer to the relevant Sub-Fund Supplement for further detail regarding any offset of placement fees payable by or on behalf of the Sub-Fund against the Management Fee.

### **Transaction Review Agent**

The Board of Directors and/or Investment Manager is authorized to select one or more persons (each, a "**Third-Party Review Agent**") who are not affiliated with the Board of Directors and/or Investment Manager, to consider and, on behalf of the Investors and the Umbrella Vehicle, review and/or approve such matters or potential conflicts of interest as the Board of Directors and/or Investment Manager may determine, including any principal, agency, agency cross and cross transactions, or matters that could require approval by applicable law, including Section 206(3) of the Advisers Act. The person(s) selected as Third-Party Review Agents may be exculpated and indemnified by the Umbrella Vehicle in the same manner and to the same extent as the Board of Directors is so exculpated and indemnified under the Umbrella Vehicle's governing documents, and the Board of Directors will have the authority to agree to reimburse such person(s) for their out-of-pocket expenses and to indemnify them (at the Umbrella Vehicle's expense) to the maximum extent permitted by law. The Board of Directors and/or Investment Manager is authorized to submit such matters to the Third-Party Review Agent for their review and consent, which review and/or consent will be binding on the Umbrella Vehicle and its partners, and will not be obligated to separately seek the review or consent of the Investors with respect to such matters.

## Financial Intermediaries

Investors will invest in the Umbrella Vehicle either (i) directly or (ii) via an intermediary holding the Shares in the Umbrella Vehicle on behalf of or as trustee for such investor (such intermediaries being hereinafter referred to as "**Financial Intermediaries**"). Therefore, in respect of those investors that invest indirectly in the Umbrella Vehicle through a Financial Intermediary (the "**Underlying Investors**"), any reference in this Prospectus to "investors" is to the relevant Financial Intermediary and/or where appropriate the Underlying Investors and any penalties, sanctions and requirements that can be imposed on an Investor will be, in respect of the relevant Financial Intermediary, applied to the relevant pro-rata portion of the relevant Financial Intermediary's Shares corresponding to the relevant Underlying Investor(s), in accordance with, and subject to the terms of, this Prospectus. Likewise, voting rights will be exercised by Financial Intermediaries through, depending on the terms of the relevant financial intermediary arrangement with each the Underlying Investors, either a split vote following voting instructions from the Underlying Investors or exercising voting rights further to a general power of attorney to vote on behalf of the relevant Underlying Investors. Any such Underlying Investor must qualify as an Eligible Investor which will be verified by the Financial Intermediary and/or the Administrator, as the case maybe. In addition, each participation by a Financial Intermediary on account of any single Underlying Investor will be treated as a separate participation from that Financial Intermediary's other participations (e.g., for equalization purposes and the treatment of subsequent and existing investors, for distribution purposes and reinvestment, default provisions, etc.), in accordance and subject to the terms of this Prospectus.

The Umbrella Vehicle draws Investors' attention to the fact that each Investor can only assert each of their Investor rights (in particular the right to take part in Investors' meetings) in their entirety directly against the Umbrella Vehicle if such Investor is enrolled in his/her own name in the Umbrella Vehicle's register of Investors. In cases where an Underlying Investor makes his/her/its investment in the Umbrella Vehicle via a Financial Intermediary, which makes the investment in its own name but for the Underlying Investor's account, not all investor's rights can necessarily be asserted by the Underlying Investor directly against the Umbrella Vehicle. Indeed, except in certain circumstances related to the Default of the Financial Intermediary or an Underlying Investor, the Underlying Investor will not act as an Investor in the Umbrella Vehicle and will have no direct rights of recourse against the Umbrella Vehicle or the AIFM. Investors are advised to obtain information on their rights.

Subscriptions, conversions and redemptions of Shares in the Sub-Funds may be made through Financial Intermediaries. NAV calculation errors, non-compliance with investment rules and other errors may occur and it may be necessary to liaise with the Umbrella Vehicle's Underlying Investors for indemnification or other purposes as further specified in the CSSF Circular 24/856. Those Underlying Investors may be unknown to the Umbrella Vehicle and the AIFM. Although appropriate contractual arrangements shall be put in place with a view to reaching the Underlying Investors when necessary, the Umbrella Vehicle and the AIFM cannot guarantee this will actually be the case. In any case, the Umbrella Vehicle and the AIFM shall however provide the relevant Financial Intermediaries with all the information they need to enable them, in turn, to liaise with their respective clients who are the Umbrella Vehicle's end investors.

## Indemnification

To the fullest extent permitted by applicable law, and unless otherwise specified in the relevant Sub-Fund Supplement, none of the members of the Board of Directors, the AIFM, the Investment Manager, any platform advisor, their respective Affiliates or the respective directors, officers, representatives, agents, shareholders, members, managers, partners, employees, stockholders or any other person who serves at the request of the Umbrella Vehicle, the AIFM or the Investment Manager on behalf of the Umbrella Vehicle or a Sub-Fund as a director, officer, agent, member, partner and/or employee (each, an "**Indemnified Party**") will be liable to the Umbrella Vehicle and/or the Sub-Fund (as applicable) or any of their respective Investors for: (i) any losses due to any act or omission or any alleged acts or omissions by any Indemnified Party in connection with the conduct of the business or affairs of the Umbrella Vehicle and/or the Sub-Fund (as applicable), unless that act or omission: (a) results in the criminal conviction of, or admission by consent by or plea of no contest by, such Indemnified Party to a material violation of United States federal or applicable European securities laws, or any rule or regulation promulgated thereunder, or any

other criminal statute of any such jurisdiction involving a material breach of fiduciary duty, (b) results in the conviction of such Indemnified Party of a felony under any United States federal or state statute (not including a motor vehicle offence), (c) constitutes the commission by such Indemnified Party of an action, or the omission by such Indemnified Party to take an action, if such commission or omission constitutes bad faith, gross negligence (*faute lourde*), wilful misconduct, fraud (but, for the purposes of clarification, fraud for this purpose shall not include conduct that does not rise to the level of an intentional or reckless act) or wilful or reckless disregard for such Indemnified Party's duties to the Umbrella Vehicle and/or the Sub-Fund (as applicable) or their respective Investors (but excluding any action or omission that constitutes: (x) a fraudulent conveyance, or (y) the aiding and abetting by such Indemnified Party of the conduct of another person where the action or omission by such aiding and abetting Indemnified Party does not in and of itself constitute any of the foregoing), or (d) a finding by any court or governmental body of competent jurisdiction in a final judgement that such person has received any material improper personal benefit as a result of its breach of any covenant, agreement, representation or warranty contained in the Prospectus, the relevant Sub-Fund Supplement, the Articles, the AIFM Agreement, the relevant Investment Management Agreement or any platform advisory agreement (as applicable) (each an "**Indemnity Event**"), (ii) any losses due to any action or omission by any other party/Investors, (iii) any losses due to any mistake, action, inaction, negligence, dishonesty, actual fraud or bad faith of any broker, placement agent or other agent as provided in the Prospectus, or (iv) any change in tax laws, or in interpretations thereof, as they apply to the Umbrella Vehicle and/or the Sub-Fund (as applicable) or their respective Investors, whether the change occurs through legislative, judicial or administrative action.

Each of the Indemnified Parties may consult with legal counsel, accountants and other experts selected by it and shall have no liability to the Umbrella Vehicle and/or a Sub-Fund (as applicable) or the Investors for acting or refraining from acting on behalf of the Umbrella Vehicle and/or a Sub-Fund (as applicable) or in furtherance of the interests of the Umbrella Vehicle and/or a Sub-Fund (as applicable) in good faith in reliance upon and in accordance with the advice of such counsel, accounts or other experts, provided that, (i) such counsel, accountants or other experts were selected with reasonable care and (ii) at the time such advice is rendered, such Indemnified Party shall have furnished or made available to such counsel, accountants or other experts all material information, then actually known by such Indemnified Party, as applicable, that such Indemnified Party, determined in good faith was necessary for such counsel, accountants or other experts to render such advice at such time.

Each of the Indemnified Parties may rely in good faith upon and shall, to the fullest extent permitted by applicable laws, have no liability to the Umbrella Vehicle and/or a Sub-Fund (as applicable) or the Investors for acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document reasonably believed by such Indemnified Party to be genuine and to have been signed or presented by the proper party or parties.

To the extent that, at law or in equity, any Indemnified Party has duties (including fiduciary duties) and liabilities relating thereto to the Umbrella Vehicle and/or a Sub-Fund (as applicable) or to another Investor, such Indemnified Party acting under the Articles, this Prospectus and the relevant Sub-Fund Supplement shall not be liable to the Umbrella Vehicle and/or a Sub-Fund (as applicable) or the Investors for its good faith reliance on the provisions of the Articles, this Prospectus and the relevant Sub-Fund Supplement. The provisions of the Articles, this Prospectus and the relevant Sub-Fund Supplement, to the extent that they restrict or eliminate the duties and liabilities of an Indemnified Party to the Umbrella Vehicle and/or a Sub-Fund (as applicable) or the Investors, otherwise existing at law or in equity to the Umbrella Vehicle and/or a Sub-Fund (as applicable) or the Investors, are agreed by the Investors to restrict or eliminate to that extent such duties and liabilities of such Indemnified Person to the fullest extent permitted by applicable law.

To the fullest extent permitted by applicable law, and unless otherwise specified in the relevant Sub-Fund Supplement, the Umbrella Vehicle and/or the Sub-Fund (as applicable) will indemnify each Indemnified Party from and against any and all claims, liabilities, damages, losses, costs and expenses (including amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim) of any nature whatsoever, (whether



or not actual, alleged or threatened, whether or not matured or unmatured or whether or not asserted or brought due to contractual or other restrictions (including legal or other expenses reasonably incurred in investigating or defending against any such loss, claim, damage or liability), joint or several, known or unknown, liquidated or unliquidated), that are incurred by any Indemnified Party and arise out of or in connection with the business or affairs of the Umbrella Vehicle and/or the Sub-Fund (as applicable), including acting as a director or the equivalent of any portfolio company, or the performance by such Indemnified Party of any of the AIFM and/or the Investment Manager and/or any platform advisor's responsibilities hereunder or under the AIFM Agreement and/or Investment Management Agreement and/or any platform advisory agreement or otherwise in connection with the matters contemplated herein or therein; provided, that an Indemnified Party will be entitled to indemnification hereunder only to the extent that such Indemnified Party's conduct did not constitute an Indemnity Event.

Notwithstanding anything to the contrary herein, no person entitled to claim indemnification hereunder as an Indemnified Party may do so to the extent the Board of Directors determines otherwise in its sole discretion.

Any indemnification rights provided for in this Prospectus shall be retained by any removed, resigned or withdrawn Indemnified Party. The indemnification rights provided for in this Prospectus shall survive the closure of the liquidation of the Umbrella Vehicle. For the avoidance of doubt, rights created for third parties under this Prospectus are intended to be provisions for the benefit of third parties.

Expenses incurred by an Indemnified Party in defense or settlement of any claim that may be subject to a right of indemnification hereunder may be advanced by the Umbrella Vehicle and/or the Sub-Fund (as applicable) prior to the final disposition thereof upon receipt of a written undertaking by or on behalf of the Indemnified Party to repay such amount to the extent that it shall be determined ultimately that such Indemnified Party is not entitled to be indemnified hereunder.

The Board of Directors and/or the Investment Manager may have the Umbrella Vehicle or a Sub-Fund purchase, at the Umbrella Vehicle or such Sub-Fund's expense, insurance to insure the Umbrella Vehicle or the Sub-Fund and any Indemnified Party against liability in connection with the activities of the Umbrella Vehicle or the Sub-Fund.

#### **4. THE INVESTMENT MANAGER**

##### **Background of Apollo**

Apollo is a global, high-growth alternative asset manager that seeks to provide its clients excess return at every point along the risk-reward spectrum from investment grade to private equity with a focus on three business strategies; yield, hybrid and opportunistic. Apollo applies a value-oriented approach across a wide spectrum of alternative asset classes including real assets, credit and private equity. As of 30 June 2022, Apollo had total assets under management of approximately \$523 billion<sup>1</sup>.

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<sup>1</sup> Assets under management refers to the assets of funds, partnerships and accounts to which we provide investment management, advisory or certain other investment-related services, including, without limitation, capital that such funds, partnerships and accounts have the right to call from investors pursuant to capital commitments. Our assets under management equals the sum of: (i) the net asset value plus used or available leverage and/or capital commitments, or gross assets plus capital commitments, of the credit funds, partnerships and accounts for which we provide investment management or advisory services, other than certain collateralized loan obligations ("CLOs"), collateralized debt obligations ("CDOs") and certain permanent capital vehicles, which have a fee-generating basis other than the mark-to-market value of the underlying assets; (ii) the estimated fair value of the investments of the private equity and real assets funds, partnerships and accounts we manage or advise plus the capital that such funds, partnerships and accounts are entitled to call from investors pursuant to capital commitments, plus portfolio level financings; (iii) for certain permanent capital vehicles in real assets, gross asset value plus available financing capacity; (iv) the gross asset value

## **Apollo's Integrated Platform**

Apollo is a value-oriented investor across its strategies and managed funds and operates its global businesses in an integrated manner, which the Firm believes distinguishes it from other alternative asset managers and provides a competitive advantage. Apollo believes its integrated platform allows for broad investment sourcing capabilities and a thorough diligence process. The Firm believes that the connectivity across its private equity, credit, and real assets business segments enables it to more successfully invest across the capital structure and positions it to seek relative value in any market environment, allowing for the consistent deployment of capital in attractive investment opportunities.

Utilizing its integrated platform and deep industry knowledge, Apollo often expresses its investment views in a contrarian manner. Apollo's differentiated investment strategy requires a willingness and strength of conviction to go "against the grain" of what other investors may be doing and a desire and ability to tackle transaction complexity in a variety of forms.

## **Apollo's European Presence**

In Europe, Apollo believes that it has built a strong reputation within the market as a leading alternative asset management firm over many years. While Apollo has been an active investor in Europe for over 20 years, the Firm opened its first European office in London in 2006. Over the past 15-plus years, Apollo has consistently grown its operations in Europe.

**More information regarding the Investment Manager for each Sub-Fund is included in the relevant Sub-Fund Supplement.**

## **5. INVESTMENT OBJECTIVE AND STRATEGY**

### **Investment Objective and Strategy**

The objective of the Umbrella Vehicle is to achieve an attractive return from capital invested in private equity, private credit, infrastructure, real estate and/or other investments, either through direct investments or investments in other funds, while reducing investment risks through diversification across countries, sectors and/or investment styles.

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associated with the reinsurance investments of the portfolio company assets we manage or advise; and (v) the estimated fair value of any other assets that we manage or advise for the funds, partnerships and accounts to which we provide investment management, advisory or certain other investment-related services, plus unused credit facilities, including capital commitments to such funds, partnerships and accounts for investments that may require pre-qualification or other conditions before investment plus any other capital commitments to such funds, partnerships and accounts available for investment that are not otherwise included in the clauses above. Our assets under management measure includes assets under management for which we charge either nominal or zero fees. Our assets under management measure also includes assets for which we do not have investment discretion, including certain assets for which we earn only investment-related service fees, rather than management or advisory fees. Our definition of assets under management is not based on any definition of assets under management contained in our operating agreement or in any Apollo managed funds' management agreements. We consider multiple factors for determining what should be included in our definition of assets under management. Such factors include (i) our ability to influence the investment decisions for existing and available assets; (ii) our ability to generate income from the underlying assets in the Apollo-managed funds; and (iii) the assets under management measures that we use internally or believe are used by other investment managers. Given the differences in the investment strategies and structures among other alternative investment managers, our calculation of assets under management may differ from the calculations employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers. Our calculation also differs from the manner in which our affiliates registered with the SEC report "Regulatory Assets Under Management" on Form ADV and Form PF in various ways.

Each Sub-Fund's specific investment objective and investment strategy as well as its specific investment restrictions, if any, are set out in the relevant Sub-Fund Supplement. Any change of a Sub-Fund's investment objective, strategy or restrictions will be reflected in the relevant Sub-Fund Supplement.

The Umbrella Vehicle shall specify, in the relevant Sub-Fund Supplement, more detailed and specific investment policies and restrictions on a Sub-Fund by Sub-Fund basis subject to the following general guidelines in compliance with CSSF Circular 02/80, whereby any given Sub-Fund of the Umbrella Vehicle shall not invest, *inter alia*, more than 20% (twenty percent) of its net assets or commitments in subscribing for securities issued by the same issuer.

CSSF Circular 02/80 is not applicable to Sub-Funds the predominant AIF type of which (as contemplated under the AIFM Regulation) is Real Estate. Such Sub-Funds will comply with the guidelines set out in Circular IML 91/75 (as amended by CSSF Circulars 05/177 and 18/697).

The investment objective, investment strategy and investment restrictions of each ELTIF Sub-Fund will further be in compliance with the ELTIF Regulation.

Subject to the individual restrictions of the respective Sub-Fund Supplement, each Sub-Fund may, in the event of cash excess and for cash management purposes, hold cash, commercial paper (including short term papers issued by credit institutions), short term government bonds (including short term debt issued by governments) and other money market instruments, certificates of deposit and money market funds including the ability to post such assets as collateral.

Subject to the individual restrictions of the respective Sub-Fund Supplement, each Sub-Fund may also enter into, for portfolio management purposes, financial derivatives transactions including without limitation repurchase agreements, reverse repurchase agreements and/or securities lending agreements. Unless stated otherwise in the relevant Sub-Fund Supplement, any such financial derivatives transactions will only be used for hedging purposes, as ancillary investment techniques.

Subject to the individual restrictions of the respective Sub-Fund Supplement, the Umbrella Vehicle may use any securities financing transaction as defined in point (11) of Article 3 of Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse in relation to any of the Sub-Funds, unless otherwise specified in the relevant Sub-Fund Supplement.

Unless stated otherwise in the relevant Sub-Fund Supplement, the Umbrella Vehicle does not intend to use indices covered by the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. Notwithstanding the preceding, the Umbrella Vehicle may use indices in its marketing materials or other documents in order to give Investors an overview of a Sub-Fund's performance compared to such indices.

**THERE CAN BE NO ASSURANCE THAT THE SUB-FUNDS' INVESTMENT OBJECTIVES WILL BE ACHIEVED. INVESTMENT RESULTS MAY SUBSTANTIALLY VARY OVER TIME.**

### **Borrowing**

The Umbrella Vehicle may use financial leverage for direct and/or indirect investments and general working capital and fund expenses in accordance with market practice on a Sub-Fund by Sub-Fund basis only.

The maximum borrowing (if any) at Sub-Fund level shall not exceed the ratio provided for in the relevant Sub-Fund Supplement, and where applicable shall be always subject to the limits of the ELTIF Regulation.

The Board of Directors may, acting on behalf of and for the account of a Sub-Fund, secure the borrowings of the relevant Sub-Fund by *inter alia* pledging the relevant Sub-Fund's assets and/or the Undrawn Commitments of Investors.

## **Liquidity Risk Management**

The AIFM has a liquidity risk management process to monitor the liquidity risk of the Sub-Funds which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions. Further details regarding the liquidity risk management process of the Sub-Funds are available upon request at any reasonable time during normal business hours (after furnishing reasonable advance written notice to the AIFM) at the registered office of the AIFM.

The AIFM will comply with the ESMA Guidelines ESMA34-39897 on liquidity stress testing.

## **Risk management policies**

The AIFM's risk management process has been prepared to reflect those regulations issued by the CSSF in addition to applicable European directives and regulations as they may change from time to time. This is achieved through a permanent risk management function, supported by broader group oversight alongside a governance escalation route up to the supervisory board of the AIFM. This is underpinned with a governance framework established by the AIFM to manage risk and interdependencies between the major risk categories, e.g. market, counterparty, credit, valuation, operational and liquidity risk (including sustainability risks) as well as any further material risk type relevant for the AIFs being managed. The main objective of the risk governance is to ensure compliance of the AIFM with its fiduciary obligation to act in the best interests of clients (in this case, the Umbrella Vehicle) in accordance with applicable contractual, regulatory and fiduciary standards as well as protecting the capital and reputation of the group. It covers both, (i) the UCITS as well as AIF product range, (ii) aspects of corporate risk management and risk appetite management and (iii) defines corporate level expectations with the activities performed on a product level.

The risk management process is updated annually or more frequently when required, which means each fund is assessed and the risk management process adjusted where applicable to ensure the risk management process is suitable. A key objective being to ensure that any remedial actions in the event of an actual or anticipated breach of a risk limit are timely, in the best interests of the Investors, and in consultation with the portfolio management function. In case any violations of pre-defined limits are being identified, these are escalated to both, the AIFM as well as the governance bodies as well as to CSSF when required by AIFMD.

## **6. ISSUE OF SHARES**

### **Sub-Fund Supplement**

Specific matters relating to the offering of Shares of each Sub-Fund are referred to in the relevant Sub-Fund Supplement. This Section 6 is qualified in its entirety by the relevant Sub-Fund Supplement which may derogate from the provisions set out herein.

### **Shares**

Unless otherwise provided for in the relevant Sub-Fund Supplement, the Board of Directors shall be authorized, without limitation, at any time and for any period, to issue an unlimited number of fully or partly-paid Shares of any Class at a price and in accordance with the conditions and procedures provided for in the relevant Sub-Fund Supplement, without granting to existing Investors a preferential right to subscribe for the Shares to be issued. These Classes may be subject to different terms and conditions, including potentially different fee, dealing, transfer, information disclosure or liquidity arrangements. Such different terms and conditions may be preferential to the Investors of the relevant Classes. Such Classes may be made available to any type of Investor, whether or not such Investor has legal or economic links to the Investment Manager, the AIFM or the Umbrella Vehicle. The Umbrella Vehicle shall only issue registered Shares.

A Sub-Fund may be characterized as being of an open-ended type or a closed-ended type. Although either type may share certain features with the other, they have certain principled differences. Fundamentally, an open-ended Sub-Fund allows Investors to request the redemption

of their Shares. It typically has the inherent ability by its terms to increase or decrease its paid-in share capital over its lifetime in response to Investor-requested subscriptions and redemptions, respectively. A closed-ended Sub-Fund will not grant Investors a right to redeem their Shares. In practice this fundamentally means that its maximum paid-in share capital is defined in one or more closings at the outset of the Sub-Fund and Investors do not thereafter have the ability to request that the Sub-Fund accept more capital Contributions or return any contributed capital. Shares may be issued in one or more Classes in each Sub-Fund, each Class having features or being offered to different types of Eligible Investors as more fully described in the relevant Sub-Fund Supplement.

The Board of Directors may provide in the relevant Sub-Fund Supplement that Shares in a Sub-Fund or one or more Classes will be offered at an initial subscription price during an initial offer period. If, during the initial offer period, but after the first subscription or Closing Date, the Board of Directors, in consultation with the AIFM, estimates that such initial subscription price does not reflect the value of assets and liabilities of the relevant Sub-Fund or Class, Shares will instead be issued at their respective Net Asset Value.

In accordance with the 2010 Law, and as provided for in the relevant Sub-Fund Supplement, the issue, subscription and redemption price of Shares of any Class will be publicized through a dedicated website each time there is an issue, subscription or redemption of Shares, and at least once a month.

### **Subscription Process**

The subscription process applicable in respect of each Class of Shares in each Sub-Fund will be made by means of paid-in subscription or Capital Calls as set forth in the relevant Sub-Fund Supplement.

The subscription, transfer or conversion for Shares and any future transactions shall not be processed until the applicant has provided:

- (a) a duly completed and executed Subscription Agreement and a written share transfer agreement (as applicable); and
- (b) the information required by the Umbrella Vehicle or agents acting on its behalf, including, but not limited, to the required know your customer and anti-money laundering documentation and any other required information, is received.

By the acquisition of Shares, each Investor fully adheres to and accepts the Fund Documents which determine the contractual relationship between the Investors, the Umbrella Vehicle, the Board of Directors, the AIFM and any other agents or Service Providers of the Umbrella Vehicle, as well as among the Investors themselves. All Investors are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, copies of which are available as described above. The provisions of the Articles are binding on the Umbrella Vehicle, the Investors and all persons claiming through them. The Fund Documents are governed by Luxembourg law and the courts of Luxembourg City, Grand Duchy of Luxembourg shall have exclusive jurisdiction in relation to them.

The Board of Directors (or its delegate) is entitled to refuse at its own discretion subscription applications and temporarily or permanently suspend or limit the sale of Shares.

The Umbrella Vehicle or its agents are entitled to refuse any subscription, transfer or conversion application in whole or in part for any or no reason, and may in particular prohibit or limit the sale, transfer or conversion of Shares to individuals or corporate bodies in certain countries if such transaction might be detrimental to the Umbrella Vehicle or result in the Shares being held directly or indirectly by a Prohibited Person or if such subscription, transfer or conversion in the relevant country is in contravention of the local applicable laws.

In the case of both open-ended and closed-ended Sub-Funds no subscription in kind will be accepted unless otherwise stated in a Sub-Fund Supplement.

**The subscription, transfer or conversion for Shares and any future transactions shall not be processed until the information required by the Umbrella Vehicle or agents acting on its behalf, included but not limited to know your customer and anti-money laundering checks, is received.**

**A) Open-Ended Sub-Funds:**

In the case of open-ended Sub-Funds, each Investor whose subscription is accepted and that is admitted as an Investor will be required to make a cash payment up front or, in some cases, one or several cash payments from time to time (as described further below), to the relevant Sub-Fund in satisfaction of such Investor's subscription as further described in the relevant Sub-Fund Supplement. In the event the relevant Sub-Fund Supplement declares that a Sub-Fund is open-ended, such Sub-Fund will be established for an unlimited period of time.

Investors will be admitted to such Sub-Fund and may subscribe to and redeem from such Sub-Fund at such times and on such basis as described in the relevant Sub-Fund Supplement. Typically, an Investor may request subscriptions of Shares at defined intervals (each a "**Subscription Date**") and by serving at least a defined time of written notice (including by post or e-mail or through other electronic means of communication) in advance of the relevant Subscription Date on which the Investor wishes to subscribe for Shares. Subject to the terms of the relevant Sub-Fund, subscription requests on the relevant Subscription Date may be accepted, deferred, queued and/or rejected, in whole or in part. The Board of Directors shall ensure that Investors are treated fairly.

The relevant Sub-Fund Supplement may require a minimum subscription amount, and may distinguish between a minimum initial subscription amount and a minimum subsequent subscription amount, and such subscription amount may also cover the fees described in the Sub-Fund Supplement, if any (including any applicable Taxes thereon) and such Investor's pro rata share of all fees, costs and expenses of the Umbrella Vehicle and/or the Sub-Fund, including organizational, operational and offering expenses, as further described under "Costs and Expenses".

In the event the Board of Directors determines that the total initial subscription amount in relation to a Sub-Fund is insufficient, the offering of Shares in relation to such Sub-Fund may be terminated at the sole discretion of the Board of Directors. In such event the relevant Investors shall be released from their obligation to pay their subscription amounts and any amounts already contributed to the Sub-Fund shall be returned to the Investors without interest. The Board of Directors may however decide to reopen the offering and to establish the Sub-Fund at a later date.

**B) Closed-Ended Sub-Funds:**

In the case of closed-ended Sub-Funds, each Investor whose subscription is accepted and that is admitted as an Investor will typically be required to make one or several cash payments to the relevant Sub-Fund from time to time (as required) in satisfaction of such Investor's Commitment or, in some cases, may be required to make a cash payment up front, as further described in the relevant Sub-Fund Supplement.

The relevant Sub-Fund Supplement may require a minimum Commitment, and such Commitment may also cover the fees described in the Sub-Fund Supplement, if any (including any applicable Taxes thereon) and such Investor's pro rata share of all fees, costs and expenses of the Umbrella Vehicle and/or the Sub-Fund, including organizational, operational and offering expenses, as further described under "Costs and Expenses".

Each closed-ended Sub-Fund may have one or more closings, as described in, and in accordance with, each Sub-Fund Supplement and as determined by the Board of Directors in its sole and absolute discretion, at which Investors will be admitted to the Umbrella Vehicle in respect of the relevant Sub-Fund.

In the event a Sub-Fund has more than one Closing Date and the Board of Directors determines that the Total Commitment in relation to a Sub-Fund is insufficient, the Board of Directors may

elect to defer the final Closing Date of such Sub-Fund by a period of time as described in the applicable Sub-Fund Supplement. Alternatively, the offering of Shares in relation to such Sub-Fund may be terminated retroactively at the sole discretion of the Board of Directors. In such event the relevant Investors shall be released from their obligation to comply with a Capital Call Notice and any amounts already contributed to the Sub-Fund shall be returned to the Investors without interest. The Sub-Fund may however be reopened by a decision of the Board of Directors.

Some open-ended Sub-Funds may operate in a similar manner to typical closed-ended Sub-Funds by holding multiple closings and/or by requiring Investors to make several cash payments to the relevant Sub-Fund from time to time in satisfaction of such Investor's Commitment.

### **Contribution and Draw Down**

For Sub-Funds with a commitment structure (whether closed-ended or open-ended), the Commitment will be fully or partially drawn down from Investors over time or in a single payment, on an as-needed basis to make investments and to make payments in respect of fees, costs, other obligations, liabilities and expenses of the Sub-Fund. Each request made by the Board of Directors or the Investment Manager (as applicable) upon an Investor is referred to herein as a "**Capital Call**".

Unless otherwise specified in the relevant Sub-Fund Supplement, Investors will receive at least five (5) Business Days' prior written notice for each drawdown. Each Capital Call Notice shall specify the amount required to be paid by such Investor to the Sub-Fund, whether such capital is called in satisfaction of such Investor's Commitment, the number of Shares to be issued to the Investor as a result of the Capital Call and the due date for such payment. Drawdowns will be made in the base currency of the relevant Class of Shares.

Commitments shall be drawn down from Investors on a pro-rata basis to their Undrawn Commitments. Subject to the principle of equal treatment of Investors, Commitments may be drawn down by the Board of Directors or the Investment Manager (as applicable) on a different basis than pro rata as the Board of Directors or the Investment Manager (as applicable) deems necessary or advisable to meet tax, regulatory, or other requirements applicable to:

- (i) the Sub-Fund; or
- (ii) any Investor, provided that in case of this sub-paragraph (ii), a deviation from the pro rata principle is only permissible upon the request of the relevant Investor and receipt of such Investor's written statement explaining the specific reason for the relevant Investor's inability to take part in the relevant draw down.

Upon payment by an Investor of the amount specified in the Capital Call Notice to the account specified in such Capital Call Notice, the Sub-Fund shall issue to such Investor such number of Shares as are calculated in accordance with the proportion between the amount contributed by the Investor and the Share issue price as set out in the relevant Sub-Fund Supplement.

Failure to dispatch any Capital Call Notice to any Investor or the non-receipt of any such notice by an Investor shall not mean, by itself, that such Investor is not required to meet such Capital Call. In relation to any such Investor, the notice period for payment shall commence on the date on which the call is actually made and the notice thereof has been dispatched and received or deemed to be received by the Investor, no interest shall be charged to such Investor and such Investor shall not constitute a Default by the Investor if the call is met within such notice period.

The failure to timely satisfy an obligation to make payments pursuant to a Capital Call will constitute a Default by the Investor and subject such Investor to the consequences described in more detail under the following section and as set forth in the Fund Documents.

## Co-investments

From time to time, the AIFM or the Investment Manager (as applicable) may offer a co-investment opportunity (a "**Co-Investment Opportunity**") in order for a Sub-Fund to co-invest with one or more third parties, including other Sub-Funds (such investment, a "**Co-Investment**").

Co-Investment Opportunities will be offered in the discretion of the Board of Directors and/or the Investment Manager (as applicable) on a case-by-case basis.

The AIFM and the Investment Manager (as applicable) are not required to offer any Co-Investment Opportunity to a Sub-Fund or the Investors and may, in their discretion, offer all or any portion of a Co-Investment Opportunity to one or more third parties including to persons that are not Investors.

Co-Investment Opportunities inherently carry the risk of introducing conflicts of interests as further detailed in Section 19 "*Risk Factors*". The AIFM considers the specific risks related to each Co-Investment Opportunity through its risk management process, which has been prepared to reflect the relevant regulations issued by the CSSF, and reflects the policies established by the AIFM in accordance with AIFMD and the ELTIF Regulation, where applicable.

## Default

Unless provided otherwise in the relevant Sub-Fund Supplement, if at any time any Investor shall fail to timely pay in full any requested capital Contribution as specified in the Capital Call Notice (a "**Default**"), the amount of such Default (the "**Default Amount**") shall accrue interest equal to the amount set out in the relevant Sub-Fund Supplement.

Upon the occurrence of any Default, the Umbrella Vehicle (or its delegate) shall promptly notify the Investor who has committed such Default of the occurrence of such Default; provided that a failure by the Umbrella Vehicle (or its delegate) to deliver such notice shall not constitute a waiver of such Default and no notice shall be required for the accrual of interest as set forth in this paragraph.

Any Default that shall not have been:

- cured by the Investor who committed such Default within such period of time as is specified in the relevant Sub-Fund Supplement after the Umbrella Vehicle (or its delegate) has delivered notice of the occurrence of such Default to such Investor; or
- waived by the Umbrella Vehicle (or its delegate) on such terms as determined by the Umbrella Vehicle (or its delegate) in its discretion before such Default has otherwise become an Event of Default pursuant to (i) above,

shall be an "**Event of Default**" and the Investor having committed a Default that has become an Event of Default, a "**Defaulting Investor**".

Upon the occurrence of an Event of Default, subject to anything to the contrary contained herein (including in the relevant Sub-Fund Supplement), the Umbrella Vehicle, in its discretion, may exercise any or all of the rights set forth in this paragraph:

- cause the Defaulting Investor to forfeit all or any portion of distributions from the Sub-Fund made or to be made after such Event of Default;
- apply Default Interest against the Default Amount and cause distributions that would otherwise be made to the Defaulting Investor to be applied as satisfaction of such amount;
- apply to the Defaulting Investor's Share any Default Costs;
- cause a forced sale of the Defaulting Investor's Share to any person (including, in the discretion of the Umbrella Vehicle, one or more of the other Investors), equal to such price



that the Umbrella Vehicle reasonably determines is attainable in light of market conditions (including any expenses incurred by the Umbrella Vehicle and the non-defaulting Investors in connection with such purchase). Such person or persons shall, if applicable, after executing such instruments and delivering such opinions and other documents as are in form and substance satisfactory to the Board of Directors, be admitted to the Umbrella Vehicle as a substituted Investor or Investor with respect to such Shares, and shown as such on the books and records of the Umbrella Vehicle. After giving effect to any forced sale, the Defaulting Investor shall be treated as having no further interest in the Sub-Fund;

- cause the Defaulting Investor to forfeit its right to participate in any portion of a Sub-Fund's direct or indirect investments funded after such Event of Default;
- cause the Defaulting Investor to indemnify the Sub-Fund and any prospective Co-Investors as a result of a Default to cover costs and expenses the Sub-Fund had to incur for having to draw the Default Amount on a bridge facility, as the case may be;
- institute proceedings against the Defaulting Investor to recover the Default Amount;
- withhold from the Defaulting Investor any reports or other information with which the Defaulting Investor would otherwise be entitled to receive;
- suspend the right of the Defaulting Investor to participate in any vote, approval or consent of the Investors; or
- exercise any other remedy available under Luxembourg law.

In completion or derogation from the above, each Sub-Fund Supplement may provide for specific mechanisms in relation to an Event of Default.

The rights and remedies referred to in this Section 6 "Default" shall be in addition to, and not in limitation of, any other rights available to the Umbrella Vehicle or the Board of Directors under this Prospectus or applicable law. An Event of Default by any Investor in respect of any capital Contribution shall not relieve any other Investor of its obligation to make capital Contributions under this Prospectus.

In addition, an Event of Default by such Defaulting Investor shall not relieve such Investor of its obligation to make capital Contributions subsequent to such Event of Default.

If, as a result of one or more of the Investors being a Defaulting Investor, the Umbrella Vehicle or any Sub-Fund is unable to participate in a Portfolio Investment, or to meet any of its other obligations or liabilities, to the extent originally proposed by the Board of Directors, the Board of Directors shall be entitled to serve a further Capital Call Notice on the remaining Investors, provided that in each case the Undrawn Commitments or percentage share of the relevant original Portfolio Investment, as applicable, of the Defaulting Investor shall be disregarded for the purpose of determining the proportions in which such Capital Call Notice shall be made.

If pursuant to the provisions of the governing documents of any master fund, any Parallel Vehicle, any Feeder Vehicle or any Additional Vehicle thereof, all or a portion of the interest of any defaulting investor in any of the foregoing vehicles is assigned to, transferred into or otherwise moved into the Umbrella Vehicle and/or any Sub-Fund, then the Board of Directors shall be permitted to apply and enforce the default remedies described herein against such defaulting investor as if such investor had committed a Default in the Umbrella Vehicle and/or the relevant Sub-Fund and had been designated a Defaulting Investor pursuant to the provisions described above.

## 7. TRANSFER OF SHARES

An investment in a closed-ended Sub-Fund is generally illiquid unless otherwise disclosed in the relevant Sub-Fund Supplement. An investment in an open-ended Sub-Fund is generally liquid, provided that an Investors' ability to redeem its Shares may be subject to certain restrictions, as disclosed in the relevant Sub-Fund Supplement. Except as expressly permitted in the Articles or this Prospectus, no Investor may assign, sell, convey, pledge, mortgage, encumber, hypothecate or otherwise transfer in any manner whatsoever all or any part of its Shares in a Sub-Fund (a "**Transfer**"), unless otherwise provided for in the relevant Sub-Fund Supplement. Unless otherwise provided for in the relevant Sub-Fund Supplement, any purported Transfer by an Investor shall be subject to the satisfaction of the following conditions:

- (i) the person to whom such Transfer is to be made (a "**Transferee**") qualifies as an Eligible Investor;
- (ii) the Transferee does not qualify as a Prohibited Person;
- (iii) the Investor that proposes to effect such Transfer (a "**Transferor**") or the Transferee shall undertake to pay all reasonable out-of-pocket expenses incurred by the relevant Sub-Fund or the Board of Directors (or its delegate) in connection therewith;
- (iv) Such Transfer shall be evidenced by a written agreement executed by the Transferor, including but not limited to a written share transfer agreement, the Transferee(s) and the Board of Directors, in form and substance satisfactory to the Board of Directors, and be effective as of the first day of a fiscal quarter;
- (v) The Board of Directors (or its delegate) shall receive from the Transferee (A) such documents, instruments and certificates as may be requested by the Board of Directors (or its delegate), pursuant to which such Transferee shall agree to be bound by the Articles and this Prospectus, (B) a certificate to the effect that the representations set forth in the Transferor's Subscription Agreement are (except as otherwise disclosed to the Board of Directors) true and correct with respect to such Transferee as of the date of such Transfer, (C) a certificate or representation to the effect that the Transferee has agreed to accept any known or unknown Tax liability of the Transferor in respect of the transferred interest, and (D) such other documents, opinions, instruments and certificates as the Board of Directors (or its delegate) shall request; and
- (vi) the Board of Directors (or its delegate) has given its prior written consent to such Transfer, such consent not to be unreasonably withheld (for the avoidance of doubt, the Board of Directors (or its delegate) may refuse to give consent where it considers that the proposed Transfer would prejudice the tax treatment or tax status of the Umbrella Vehicle or is otherwise not satisfied with the relevant arrangements concerning any Tax in connection with the Transfer).

Unless the Board of Directors determines otherwise, the Transferor will be liable for the payment of all expenses, including attorney's fees and expenses, and any withholding obligations, incurred by the relevant Sub-Fund in connection with such Transfer which can, in certain circumstances, be substantial, and will, subsequent to the Transfer, remain liable for its share of Taxes imposed on, or in respect of, the Sub-Fund and its subsidiaries in respect of periods in which such Transferor was an Investor in the Sub-Fund. For closed-ended Sub-Funds, in the event any Shares in the Sub-Fund are transferred to an existing Investor, such Investor will be treated for all purposes (including for purposes of calculating management Fees, carried interest and the rates thereof) as two Investors, a substitute Investor and an existing Investor, each with its own Commitment. Unless the Board of Directors determines otherwise, neither the benefits of any

Other Agreement nor any management fee discounts will be transferable, nor, in the case of a Transfer to an existing Investor in the Sub-Fund that has the benefit of an Other Agreement, will additional rights accrue to such Transferee by virtue of any increase in the size of its Commitment. Further, in connection with any such Transfer, the Transferor will forfeit any such discounts or other rights, unless otherwise determined by the Board of Directors in its sole discretion.

Save as permitted under Section 8 "*Redemptions and Withdrawal*" and the relevant Sub-Fund Supplement, an Investor may not withdraw any amount from a Sub-Fund. The Board of Directors may, in its discretion, permit or require the withdrawal of, or the transfer of Shares (and, where applicable, Commitment) by, an Investor which it deems in its entire discretion to be a Prohibited Person.

No attempted Transfer or substitution shall be recognized by the Umbrella Vehicle on behalf of the relevant Sub-Fund and any purported Transfer or substitution shall be void unless effected in accordance with and as permitted by the Articles and this Prospectus.

## 8. REDEMPTION AND WITHDRAWAL

### Investor Redemption in Open-Ended Sub-Funds

Unless otherwise provided in the relevant Sub-Fund Supplement, the Umbrella Vehicle shall apply the redemption policy set out below for open-ended Sub-Funds. The precise terms and conditions on which an Investor in an open-ended Sub-Fund will be permitted to redeem its Shares from the Sub-Fund will be specified in the relevant Sub-Fund Supplement.

In each open-ended Sub-Fund, the Investors may be subject to a certain lock-up period starting, for each Investor respectively, from the date on which the relevant Shares are issued to such Investor. During this period, Investors may be prohibited from requesting to redeem part or all of their Shares (a "hard" lock-up), or they may be permitted to request such a redemption subject to a penalty (a "soft" lock-up).

Subject to the terms of any lock-up period, an Investor (a "**Redeeming Investor**") may generally request redemption of Shares (a "**Redemption Request**") at defined intervals (each a "**Redemption Date**") and by serving at least a defined time of written notice in advance of the relevant Redemption Date (the "**Dealing Cut-Off**") on which the Investor wishes its Shares to be redeemed.

Investors must give instructions for the redemption of Shares to the Administrator either by post or e-mail or through other electronic means of communication before the Dealing Cut-Off for the desired Redemption Date (except when there is a suspension of redemptions as outlined below). If the instructions are received after the Dealing Cut-Off, the redemption will be deferred until the following Redemption Date.

The Umbrella Vehicle will satisfy Redemption Requests on the basis and terms specified in the relevant Sub-Fund Supplement. These may set limits on, for example, the amount of Redemption Requests by an individual or amongst the aggregate Redeeming Investors at the relevant Redemption Date up to maximum amount of the relevant Sub-Fund's Net Asset Value at that point in time. Subject to the terms of the relevant Sub-Fund, Redemption Requests on the relevant Redemption Date may be accepted, deferred, queued and/or rejected, in whole or in part. The Board of Directors shall ensure that Investors are treated fairly.

The Umbrella Vehicle, in consultation with the AIFM, may further elect to suspend redemptions for such period as it considers reasonable (a) if the Board of Directors (or its delegate) determines that such redemption would be reasonably likely to have a material adverse effect on the Umbrella Vehicle or the relevant Sub-Fund, the Investors (when considered as a whole) or any investment; (b) if the calculation of the Sub-Fund's Net Asset Value has been suspended in accordance with the Section 11 "Suspension of the Calculation of the Net Asset Value" of this Prospectus; or (c) if the Board of Directors (or its delegate) determines that it is necessary to implement a redemption suspension period to protect the Investors remaining in the Umbrella Vehicle or the relevant Sub-Fund.

Shares shall be redeemed at the Redemption Price.

Repayment in kind out of a Sub-Fund's assets shall be possible only where all of the following conditions are met:

- (i) all Investors of the relevant Sub-Fund are treated fairly;
- (ii) the Investor asks in writing to be repaid through a share of the assets of the relevant Sub-Fund;
- (iii) no specific rules restrict the transfer of those assets; and
- (iv) a decision to that effect is adopted by the Board of Directors in its discretion.

Any costs related to the transfer of the Sub-Fund's assets to the Investor to be paid in kind shall be borne by such Investor.

Any redemption in kind will be valued independently in a special report issued by the Auditor or any other independent auditor agreed by the Umbrella Vehicle and qualifying as "*réviseur d'entreprises agréé*" and any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, shall be borne by the Redeeming Investor or by such other third party as agreed by the Umbrella Vehicle.

In accordance with the Articles, a redemption of Shares at the discretion of the Board of Directors may further be possible in case of liquidation and compulsory redemption as further described in this Prospectus.

#### **Closed-Ended Sub-Funds: Investor Withdrawal**

Unless otherwise specified for in the relevant Sub-Fund Supplement, an Investor may not in the case of closed-ended Sub Funds voluntarily withdraw any amount from the Sub-Fund or cause its Shares to be redeemed during the Term.

#### **Compulsory Redemption or Conversion with regard to Prohibited Persons**

If the Board of Directors (or its delegate) discovers at any time that any owner or beneficial owner of Shares is a Prohibited Person, either alone or in conjunction with any other person, whether directly or indirectly, the Board of Directors (or its delegate) may at its discretion and without liability compulsory redeem those Shares in accordance with the rules set out in articles 8.10 and 24 of the Articles.

In addition, in case of a Prohibited Person where (i) the holding by such Investor in a particular Class has fallen below the minimum investment and holding requirement for that Class as set out in the Sub-Fund Supplement, (ii) the Investor does not meet or ceases to meet investor eligibility criteria and conditions set out in this Prospectus, (iii) the Investor is not otherwise entitled to acquire or possess these Shares, the Board of Directors (or its delegate) is also entitled to convert the Shares of the Prohibited Person in accordance with Section 9 "Conversion of Shares" provided that after such conversion the Investor does not longer qualify as Prohibited Person.

The Board of Directors (or its delegate) may require any Investor to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a Prohibited Person. Further, Investors shall have the obligation to immediately inform the Board of Directors (or its delegate) and the Administrator to the extent they, or the ultimate beneficial owner(s) of the Shares held by such Investors, becomes or will become a Prohibited Person.

For the purposes of this Prospectus, "**Prohibited Person**" means any person, corporation, limited liability company, trust, partnership, estate or other corporate body, if in the sole opinion of the Board of Directors (or its delegate), the holding by such person of Shares in the relevant Sub-Fund may be detrimental to the interests of the existing Investors or of the relevant Sub-Fund, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a

result thereof the relevant Sub-Fund or any subsidiary or investment structure thereof may become exposed to Tax or other legal, regulatory or administrative disadvantages (including without limitation causing the assets of Apollo or a Sub-Fund to be deemed to constitute "plan assets" for purposes of the U.S. Department of Labor Regulations under Employee Retirement Income Security Act of 1974, as amended), fines or penalties that it would not have otherwise incurred or, if as a result thereof the relevant Sub-Fund or any subsidiary or investment structure or the AIFM, the Investment Manager, any of their Affiliates and respectively Apollo, may become required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply. The term "Prohibited Person" includes but is not limited to: (i) any Investor where any of the representations and warranties made in connection with the acquisition of or subscription for Shares was not true or has ceased to be true; (ii) where the holding by such Investor in a particular Class has fallen below the minimum investment and holding requirement for that Class as set out in the Sub-Fund Supplement; (iii) any Investor which does not meet or ceases to meet investor eligibility criteria and conditions set out in this Prospectus; (iv) Investors who are not otherwise entitled to acquire or possess these Shares; (v) Investors who fail to comply with any obligations associated with the holding of these Shares under applicable law and regulations or the Fund Documents; (vi) any investor resident in Switzerland that does not meet the definition of Qualified Investor; (vii) any person who is not an Apollo Client and who is a U.S. person (or is acting for the account or benefit of such a person) or within the United States (as such term is defined in Rule 902 of Regulation S promulgated under the Securities Act); or (viii) any person who has failed to provide any information or declaration required by the Board of Directors (or its delegate) within one calendar month of being requested to do so.

The term "Prohibited Person" moreover includes natural persons or entities acting, directly or indirectly, in contravention of any applicable AML/CFT Rules or who are the subject of sanctions, including those persons or entities that are included on any relevant lists maintained by the United Nations, the North Atlantic Treaty Organization, the Organization for Economic Cooperation and Development, the Financial Action Task Force, the U.S. Central Intelligence Agency, and the U.S. Internal Revenue Service, all as may be amended from time to time.

The Umbrella Vehicle will not accept investments by or on behalf of Prohibited Persons. Any Investor represents and warrants that its proposed subscription, or commitment to subscribe, for Shares, whether made on the Investor's own behalf or as an agent, trustee, representative, intermediary, financial intermediary or in a similar capacity on behalf of any other beneficial owner, is not a Prohibited Person and further represents and warrants that the Investor will promptly notify the Umbrella Vehicle of any change in its status or the status of its beneficial owner(s) with respect to its representations and warranties regarding Prohibited Persons.

#### **Early Compulsory Redemption or Withdrawal**

At the discretion of the Board of Directors, should any Sub-Fund's anticipated on-going fees and expenses be deemed to amount to a material portion of such Sub-Fund's remaining exposure to its investments, or continued holding of an interest, directly or indirectly, in the Sub-Fund's investments, in each case no longer be feasible, then the Board of Directors (or its delegate) may elect a secondary market broker and seek to dispose of any such investments at the best terms presented to the Board of Directors (or its delegate) by any such secondary market broker. Should the Sub-Fund succeed in disposing of all of its investments, the Sub-Fund will effect an early compulsory redemption or withdrawal, as the case may be, of all Investors.

### **9. CONVERSION OF SHARES**

Unless otherwise provided for in the relevant Sub-Fund Supplement, Investors are not entitled to require the conversion of whole or part of their Shares of any Class of a Sub-Fund into Shares of the same Class in another Sub-Fund or into Shares of another existing Class of that or another Sub-Fund.

### **10. CALCULATION OF THE NET ASSET VALUE**

#### **10.1 Reference currency and Valuation Day**

The reference currency of the Umbrella Vehicle is the Euro. Each Sub-Fund (and each Class) may have a different reference currency. The Net Asset Value of each Sub-Fund's Shares is expressed in the reference currency of the relevant Sub-Fund and within each Sub-Fund the Net Asset Value of each Class, if applicable, is expressed in the reference currency of the relevant Class, as further described in the relevant Sub-Fund Supplement. The Net Asset Value of the Umbrella Vehicle shall be calculated at least annually and is at any time equal to the total Net Asset Value of all Sub-Funds. The Net Asset Value of a Sub-Fund shall be calculated at such frequency and on such dates as set out in the relevant Sub-Fund Supplement (each a "**Valuation Day**").

#### 10.2 NAV/Share

The Net Asset Value per Share of a Class results from dividing the value of the total net assets of a Sub-Fund attributable to that Class on any Valuation Day by the aggregate number of Shares of the same Class then outstanding. The value of the total net assets of a Sub-Fund attributable to a Class is equal to the difference between the value of the Sub-Fund's assets attributable to a Class and the portion of liabilities of the Sub-Fund attributable to that Class.

#### 10.3 NAV Process

The NAV for each Class of Shares will be calculated by the Administrator under the oversight of the AIFM and with support from the Investment Manager. The AIFM is responsible for the proper and independent valuation of the Sub-Fund's assets in accordance with the valuation rules and adjustments set out in the Articles, the Prospectus, the AIFM's policy and guidelines, additional information set out in each Sub-Fund Supplement and article 17 of the 2013 Law. The calculation of the NAV of each Sub-Fund will be reviewed by the Auditor in accordance with procedures agreed upon between the AIFM and the Auditor.

Each Class of Shares of a Sub-Fund may have a different NAV per Share as a result of Share Class hedging, the impact of Performance Fees or because certain fees as set forth in the Sub-Fund Supplement may be charged differently, or do not apply, with respect to a certain Class. Each Sub-Fund shall disclose the issue, sale and Redemption Price of the Shares each time it issues, sells and redeems Shares following such time that the Redemption Price becomes available.

The NAV per Share will be solely determined based on the information available to the AIFM and the Administrator, if applicable, as of the applicable Valuation Day and, as such, may not reflect information subsequently received in connection with the preparation of any financial statements delivered to the Investors.

The Umbrella Vehicle complies with CSSF Circular 02-77 regarding the protection of investors in case of NAV calculation error and correction of the consequences resulting from non-compliance with the investment rules is applicable. Subject to the aforementioned circular, the Umbrella Vehicle will not retroactively adjust any subscription price or Redemption Price to reflect amounts subsequently reported in any financial statements. The Board of Directors and/or the Investment Manager may, but are not obligated to, suspend the determination of the Sub-Fund's NAV and/or the Sub-Fund's offering and/or redemptions where circumstances so require and as more particularly set out elsewhere in the Prospectus and the Articles.

#### 10.4 Valuation Process

The value of the assets of the Umbrella Vehicle shall generally be determined as described below unless otherwise superseded or adjusted by any applicable Sub-Fund Supplement:

- (a) The value of the interest in any commingled private fund, whether subscribed to as a primary fund investment or purchased as a secondary investment, shall be valued by reference to the last available net asset value, adjusted for (1) subsequent capital calls, distributions and redemptions and (2) publicly known material events or developments affecting either the underlying investments or the investment structure itself. The AIFM is entitled to rely on the last known valuations and may not make adjustments where information is not forthcoming

even where an underlying fund itself is suspended or ceases to communicate. Accordingly there may be a mismatch between the valuation frequency of a Sub-Fund and any funds in which the Sub-Fund invests.

- (b) With respect to unlisted securities, assets or securities not placed on a regulated market (that are not a private fund), the AIFM shall determine such assets by fair value in good faith. For avoidance of doubt, unlisted securities includes, amongst others, private equity, private debt, real estate, infrastructure and other generally illiquid assets.

Unlisted securities will initially be measured at cost according to the percentage ownership of such investment. The Board of Directors of the Umbrella Vehicle may determine that it is appropriate to engage a third-party valuation agent, particularly in connection with open-ended Sub-Funds. In such circumstances the Umbrella Vehicle will generally engage such third-party valuation agents to prepare periodic valuations for unlisted securities that have been held for more than 180 days. For the initial period the AIFM may not make adjustments unless they are aware of information indicating that a significant appreciation or depreciation of value has occurred since the date of such investment; provided that the AIFM may instead rely exclusively on valuations provided by any third-party valuation agent engaged (regardless of such valuations being provided within 180 days of the investment) or by the sponsor of the investment to which such securities relate.

Where a third party valuation agent has been appointed, third party valuations will be undertaken at least annually, although may be delayed for a short period in exceptional circumstances. The AIFM may also appoint a third party advisor to review the valuations but in all circumstances the AIFM is entitled to rely on the third party valuation agent. Each assessment will be performed in accordance with the AIFM valuation policy and the standards outlined in this section. For clarity, third party valuations may not be able to or may not be required to conduct appraisals on-site and may conduct such assessments based on desktop analysis. The AIFM will determine in consultation with the Board of Directors of the Umbrella Vehicle a suitable rotation policy of valuers and the frequency of on-site or desktop valuations subject to the asset, sector, jurisdiction and applicable valuation standards.

To the extent available, the following metrics will be considered when determining the fair value of unlisted securities: (i) observable public market data from comparable companies, (ii) recent transactions within the SPV, company or asset being valued, and (iii) the most recently available operating results and financial position of such position, asset, SPV or company; provided that the AIFM may rely exclusively on valuations provided by any appointed third-party valuation agent, or by the sponsor of the investment to which such securities relate, in each case without considering such other metrics or requiring such third-party valuation agent or such sponsor to consider such metrics. Unlisted securities held for less than 180 days may be fair valued using the transaction price.

- (c) Marketable securities will be valued at the closing sale price on the Valuation Day or, if such day is not a trading day for the relevant exchange, broker, dealer, OTC bulletin board, on the previous trading day before the Valuation Day.
- (d) The AIFM may at its discretion value assets at cost plus accrued interest from its date of acquisition and adjusted if applicable according to an asset's maturity date.
- (e) The AIFM is authorized to apply other appropriate valuation principles for the assets of the Umbrella Vehicle if the aforesaid valuation methods appear impossible or inappropriate due to extenuating circumstances or events in order to better reflect the probable realization value.

The Administrator with the support of the AIFM will include the fair value of each Sub-Fund's liabilities as part of the periodic NAV calculation as defined in each Sub-Fund Supplement. This will include fees payable to the Umbrella Vehicle's and the applicable Sub-Funds' advisors, the Board of Directors, other appointed advisors, together with any credit facilities, borrowings, other Operating Expenses and other liabilities. Such liabilities will be valued monthly where possible, except where there is a lack of available market quotes, which will be valued depending on the frequency of valuations subject to at least an annual assessment. All liabilities will be valued using industry accepted practices associated with the applicable liability type.

Initial Organizational Expenses of the Umbrella Vehicle and any Organizational Expenses associated with a specific Sub-Fund will be amortized over the 60 months following the initial closing date of the applicable Sub-Fund. Expenses or other liabilities associated with the Umbrella Vehicle (for example director's fees, certain audit costs or Organizational Expenses at the level of the Umbrella Vehicle) shall be shared across all Sub-Funds trading in a given month in the amounts determined by the Board of Directors in good faith. Expenses shall be accrued based on available information and calculated at a rate of 1/12 of the estimated budget.

Further details on the calculation of the Net Asset Value are set out in the Articles and the relevant Sub-Fund Supplement.

#### **11. SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE**

The Board of Directors (in collaboration with its delegates, being the AIFM and/or the Investment Manager (where relevant)) may suspend the determination of the Net Asset Value and/or, where applicable, the subscription, redemption and/or conversion of Shares, for one or more Sub-Funds, in the following cases:

- (i) when any exchange or regulated market that supplies the price of the assets of a Sub-Fund is closed, or in the event that transactions on such exchange or market are suspended, subject to restrictions, or impossible to execute in volumes allowing the determination of fair prices;
- (ii) when the information or calculation sources normally used to determine the value of the assets of a Sub-Fund are unavailable;
- (iii) during any period when any breakdown or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of a Sub-Fund, or which is required to calculate the Net Asset Value per Share;
- (iv) when exchange, capital transfer or other restrictions prevent the execution of transactions of a Sub-Fund or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;
- (v) when exchange, capital transfer or other restrictions prevent the repatriation of assets of a Sub-Fund for the purpose of making payments on the redemption of Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;
- (vi) when the legal, political, economic, military or monetary environment, global public health events (such as endemics or pandemics) or an event of force majeure, prevent the assets of a Sub-Fund from being managed in a normal manner and/or prevent the determination of their value in a reasonable manner;
- (vii) when there is a suspension of the Net Asset Value calculation or of the issue, redemption or conversion rights by the investment fund(s) in which a Sub-Fund is invested;



- (viii) following the suspension of the Net Asset Value calculation and/or the issue, redemption and conversion at the level of a master fund in which a Sub-Fund invests as a feeder fund;
- (ix) when, for any other reason, the prices or values of the assets of a Sub-Fund cannot be promptly or accurately ascertained or when it is otherwise impossible to dispose of the assets of the Sub-Fund in the usual way and/or without materially prejudicing the interests of Investors;
- (x) in the event of a notice to the Investors of the Umbrella Vehicle convening an extraordinary General Meeting for the purpose of dissolving and liquidating the Umbrella Vehicle or informing them about the termination and liquidation of a Sub-Fund or Class of Shares, and more generally, during the process of liquidation of the Umbrella Vehicle, a Sub-Fund or Class of Shares;
- (xi) during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;
- (xii) during any period when the dealing of the Shares of a Sub-Fund or Class of Shares on any relevant stock exchange where such Shares are listed is suspended or restricted or closed; and
- (xiii) in exceptional circumstances, whenever the Board of Directors considers it necessary in order to avoid irreversible negative effects on the Umbrella Vehicle, a Sub-Fund or Class of Shares, in compliance with the principle of fair treatment of Investors and in their best interests. The suspension of the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares, shall be notified to the relevant persons through all means reasonably available to the Umbrella Vehicle, unless the Board of Directors is of the opinion that a publication is not necessary considering the short period of the suspension.

Such a suspension decision shall be notified to any Investors requesting redemption or conversion of their Shares, if applicable.

The suspension measures provided for in this Section 11 may be limited to one or more Sub-Funds.

## 12. **DIVIDEND POLICY**

Any distributions of a given Sub-Fund's cash proceeds or the cash proceeds allocable to a given Class in a given Sub-Fund, either during the life of such Sub-Fund or Class, or prior to or upon its liquidation, will be made at the sole discretion of the Board of Directors (or its delegate) or as otherwise set out in the relevant Sub-Fund Supplement.

The Board of Directors (or its delegate) may choose to make distributions or declare dividends with regard to all of the Investors. Notwithstanding the foregoing, the Board of Directors (or its delegate), in its reasonable discretion, may withhold from any distribution of cash or property in kind to any Investor amounts due from such Investor to the Umbrella Vehicle, the Board of Directors, a Financial Intermediary, or attributable to such Investor, including, without limitation, such Investor's share of the Sub-Fund's expenses. Any distribution that has not been claimed within five years of its declaration shall be forfeited and reverted to the relevant Sub-Fund and/or Class.

Distributions may also be made by way of a redemption of Shares, which must be made pro rata to all Investors of the respective Sub-Fund or Class of Shares.

### 13. COSTS AND EXPENSES

Unless otherwise provided for in the relevant Sub-Fund Supplement, any costs and expenses (which for the avoidance of doubt includes any Taxes) incurred during the launch, operation or liquidation of the Umbrella Vehicle and any of its Sub-Funds shall be allocated as follows (it being understood that any costs and expenses which are referred to below shall also include any VAT payable in relation to those costs and expenses):

#### **Costs borne by the Umbrella Vehicle and its Sub-Funds**

##### ***Organizational Expenses***

Unless otherwise stated in the relevant Sub-Fund Supplement, each Sub-Fund will pay or bear all payments, fees, costs, expenses and other liabilities incurred in connection with the formation and organization of the Sub-Fund and, as determined by the Investment Manager in good faith, any Additional Vehicle, and all payments, fees, costs, expenses and other liabilities incurred in connection with the offering and sale of Shares in the Sub-Fund and Additional Vehicle to investors including all out-of-pocket legal, consulting, accounting, valuation, analysis and reports, tax analysis, transfer taxes, filing, capital raising, printing, mailing, subscription processing and filing fees and expenses, due diligence expenses of participating broker-dealers and/or distributors supported by detailed and itemized invoices, the fees, costs and out-of-pocket expenses of any platform advisor and any ESG consultants, costs in connection with preparing sales materials, design and website expenses, fees to attend retail seminars sponsored by participating broker-dealers and/or distributions, electronic databases, accommodation, meal, travel and related and other similar fees, costs and expenses.

Each Sub-Fund will also pay or bear its share of the payments, fees, costs, expenses and other liabilities incurred in connection with the formation and organization of the Umbrella Vehicle allocated to it by the Board of Directors (or its delegate) in its discretion acting in good faith, including all out-of-pocket legal, consulting, accounting, filing, capital raising, printing, mailing, subscription processing and filing fees and expenses, due diligence expenses of participating broker-dealers and/or distributors supported by detailed and itemized invoices, the fees, costs and out-of-pocket expenses of any platform advisor and any ESG consultants, costs in connection with preparing sales materials, design and website expenses, fees to attend retail seminars sponsored by participating broker-dealers and/or distributions, electronic databases, accommodation, meal, travel and related and other similar fees, costs and expenses.

Collectively, such organizational expenses payable by each Sub-Fund shall be referred to as the "**Organizational Expenses**".

##### ***AIFM Fee***

The AIFM will be entitled to receive, out of each Sub-Fund's assets, the AIFM Fee, the terms and conditions as well as the maximum amount of which shall be set forth in respect of each Sub-Fund in the relevant Sub-Fund Supplement. The AIFM may be entitled to be reimbursed by the Sub-Fund for any expenses related to the advice of legal counsel and any other out-of-pocket expenses to the extent agreed by the Umbrella Vehicle and/or the Sub-Fund in the AIFM Agreement and such costs shall (unless otherwise specified in the relevant Sub-Fund Supplement) fall within scope of the Operating Expenses of the Sub-Fund.

##### ***Overhead Expenses***

Subject to the terms of this Section 13, and except as provided in the relevant Sub-Fund Supplement, the AIFM, the Investment Manager and their respective Affiliates shall pay or otherwise bear, without reimbursement by the Umbrella Vehicle or relevant Sub-Fund, all of their own operating, overhead and administrative expenses, including all costs and expenses on account of compensation and benefits of their employees (other than amounts deemed by the Board of Directors in good faith to be in respect of any Affiliated Service Provider engaged by the Umbrella Vehicle, any Sub-Fund or any Portfolio Investment (excluding any Affiliated Service Provider that engages in the relevant activity or service on a for-profit basis) and amounts charged to the Umbrella Vehicle and/or a Sub-Fund as Operating Expenses (as stated in more detail in

the relevant Sub-Fund Supplement), as described in the paragraph immediately following below and for rent (collectively, "**Overhead**").

Notwithstanding anything to the contrary contained in this Section 13, and except as provided in the relevant Sub-Fund Supplement, the Investment Manager and its Affiliates shall be entitled to reimbursement from the Umbrella Vehicle or any Sub-Fund for any Operating Expenses or Organizational Expenses paid or incurred by them on behalf of, or in relation to, the Umbrella Vehicle or any Sub-Fund, including payments, fees, costs, expenses and other liabilities and allocable portions of Overhead incurred in connection with services performed by personnel or employees of the Investment Manager or any of its Affiliates that constitute services for or in respect of which Operating Expenses or Organizational Expenses may be borne by the Umbrella Vehicle or any Sub-Fund, provided that, if the person providing or performing the service or output giving rise to any such payments, fees, costs or expenses is the Investment Manager or any of its Affiliates and not a third party, then, unless such transaction is expressly permitted or contemplated in this Prospectus or any Sub-Fund Supplement or the Articles or the Board of Directors obtains advice from or the recommendation of an independent third-party consultant or expert that is not an Affiliate of the Investment Manager with requisite skill, expertise or experience in the applicable subject matter that the terms of such transaction are on an arm's length basis or not materially less favorable to the Umbrella Vehicle or any Sub-Fund (as applicable), the applicable payments, fees, costs, expenses and other liabilities shall be on an arm's length basis or not materially less favorable to the Umbrella Vehicle or any Sub-Fund than the payments, fees, costs, expenses and other liabilities that could be paid to a third party with commensurate skill, expertise or experience (to the extent applicable). In addition, the categories of payments, fees, costs, expenses and other liabilities described as Organizational Expenses and Operating Expenses, respectively, shall be considered Organizational Expenses and/or Operating Expenses (as applicable) regardless of whether the person providing or performing the service or output giving rise to such payments, fees, costs, expenses or other liabilities is the Investment Manager or one of its Affiliates or a third party.

#### ***Overhead Allocation***

Apollo has in-house accounting, legal, compliance, tax, administrative, operational, finance, risk, reporting, technology, investor servicing and other types of personnel or employees that provide support to Apollo Clients (including the Umbrella Vehicle and any Sub-Fund) and their respective subsidiaries and potential and existing portfolio investments on an ongoing basis. These employees assist with, among other things, the legal, compliance, tax, administrative, operational, finance, risk, reporting, technology, investor servicing and other functions of the Board of Directors, the Investment Manager, their Affiliates and Apollo Clients (including the formation of, and capital raising for, Apollo Clients) and their respective acquisition, due diligence, holding, maintenance, financing, restructuring and disposition of investments, including, without limitation, mergers and acquisitions, financing and accounting, legal, tax and operational support and risk, litigation and regulatory management and compliance. The performance of such functions by Apollo employees could be in addition to or as an alternative to the outsourcing of any such services to third party Service Providers at market rates, including entities and persons regularly used by Apollo and its Affiliates, Apollo Clients and their respective potential and existing portfolio investments. All fees, costs and expenses incurred by Apollo (including allocable compensation of such personnel or employees and related overhead otherwise payable by Apollo in connection with their employment, such as rent and benefits) in connection with services performed by personnel or employees of the Board of Directors, the Investment Manager or their Affiliates that constitute services for or in respect of the Umbrella Vehicle and/or any Sub-Fund, its subsidiaries and its existing and potential portfolio investments, will be allocable to and borne by the Umbrella Vehicle and/or any Sub-Fund (as applicable). Such allocations to the Umbrella Vehicle and/or any Sub-Fund will be based on any of the following methodologies (or any combination thereof), among others: (i) requiring personnel to periodically allocate their historical time spent with respect to the Umbrella Vehicle and/or any Sub-Fund, the Board of Directors or the Investment Manager, approximating the proportion of certain personnel's time spent with respect to the Umbrella Vehicle and/or any Sub-Fund (which will be tracked on a weekly or biweekly basis), and, in each case, allocating their compensation and allocable overhead based on such approximations of time spent, or charging such approximations of time spent at market rates, (ii) the assessment of an overall dollar amount (based on a fixed fee or percentage of assets under management) that the Board of Directors determines in good faith represents a fair recoupment

of expenses and a market rate for such services or (iii) any other methodology determined by the Board of Directors in good faith to be appropriate and practicable under the circumstances. Further, the methodology utilized for one personnel group could be different from the methodology utilized by another personnel group, and different methodologies may be utilized, including within a single personnel group, at different times or in determining different types of allocations (such as allocations among Apollo Clients, on the one hand, and allocations as between Apollo Clients and Apollo Affiliates, on the other hand). Determining such charges based on approximate allocations, rather than time recorded on an hourly or similar basis (which will not be undertaken), could result in the Umbrella Vehicle and/or any Sub-Fund being charged a different amount (including relative to another Apollo Client), which could be higher or lower, than would be the case under a different methodology. In addition, any methodology (including the choice thereof), as well as the application of any approximations it entails, involves inherent conflicts between the interests of the Umbrella Vehicle and/or any Sub-Fund, on the one hand, and any other Apollo Client or Apollo Affiliate to which all or a portion of the relevant personnel's time would otherwise be charged, on the other hand, and could result in incurrence of greater expenses by the Umbrella Vehicle and/or any Sub-Fund and its subsidiaries and potential and existing portfolio investments than would be the case if such services were provided by third parties at market rates. Further, there could be Apollo Clients whose governing documents restrict or preclude the allocation of any of the foregoing amounts to such Apollo Clients in which case such Apollo Clients could bear a lesser amount of such expenses relative to the Umbrella Vehicle or any other Apollo Client or not bear any such expenses at all.

### ***Management Fee***

The Investment Manager will be entitled to receive, out of the relevant Sub-Fund's assets, a management fee (the "**Management Fee**"), the terms and conditions as well as the maximum amount of which shall be set forth in respect of each Sub-Fund in the relevant Sub-Fund Supplement.

### ***Performance Fee***

The Investment Manager (or any other entity as may be designated by the Board of Directors from time to time for such purpose) may be entitled to receive, out of the assets of the relevant Sub-Fund or its Affiliates, a performance fee (the "**Performance Fee**"), the terms and conditions as well as the maximum amount of which shall be set forth in respect of each such Sub-Fund in the relevant Sub-Fund Supplement.

### ***Distribution Fee***

A Sub-Distributor may be entitled to receive a distribution fee (the "**Distribution Fee**"), the terms and conditions as well as the maximum amount of which shall be set forth in respect of each Sub-Fund in the relevant Sub-Fund Supplement.

### ***Special Fees***

Special fees (such as consulting, monitoring fees, break-up fees, directors' fees, closing fees and merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of a portfolio investment and similar fees) may be established by the Board of Directors for each Sub-Fund in the relevant Sub-Fund Supplement.

### ***Other fees***

Other fees may be established by the Board of Directors for each Sub-Fund in the relevant Sub-Fund Supplement.

### ***Operating Expenses***

As stated in more detail in the relevant Sub-Fund Supplement, the Sub-Fund, and not the AIFM or the Investment Manager or any of their respective Affiliates, will pay or otherwise bear all payments, fees, costs, expenses and other liabilities (for the avoidance of doubt, including any applicable VAT) or obligations resulting from, related to, associated with, arising from or incurred in connection with the Sub-Fund's, or, as determined by the Investment Manager in good faith,

any Additional Vehicle's, operations. Collectively, such operating expenses payable by each Sub-Fund shall be referred to as the "**Operating Expenses**".

References in this Section 13 to fees, costs and expenses related to, associated with, arising from or incurred in connection with, an investment will include all fees, costs and expenses related to, associated with, arising from or incurred in connection with, potential or unconsummated investments but that generally would not arise in connection with a consummated investment (such as Reverse Break-up Fees) and "travel and related expenses" will include all travel expenses (which could include use of private aircraft by investment professionals employed by Apollo but charged to the Sub-Fund at a comparable first-class commercial airline rate), accommodations, meals, events and entertainment.

Costs and expenses which cannot be allotted to one specific Sub-Fund (including those incurred in respect of one or more Additional Vehicles) will be charged to the different Sub-Funds as determined by the Board of Directors in good faith (also including any applicable VAT).

#### 14. **CERTAIN TAX MATTERS**

##### **Provision and disclosure of specific information and tax liabilities**

Each Investor represents, warrants and confirms that they will provide to the Umbrella Vehicle, the AIFM and/or the Investment Manager such information, representations, waivers, certificates, affidavits and forms as the Umbrella Vehicle, the AIFM or the Investment Manager (as applicable) requests from time to time (including, but not limited to, information in respect of their (or their beneficial owners') tax status and tax identification numbers, citizenship, residency, ownership or control (both direct and indirect) and the tax treatment of the Umbrella Vehicle in their jurisdiction of tax residence, or of their beneficial owners, as the case may be):

- so as to permit the Umbrella Vehicle, the AIFM and/or the Investment Manager to evaluate and comply with any legal, regulatory or tax requirements applicable, (or that may potentially be applicable) to the Umbrella Vehicle, the AIFM, the Investment Manager (and their Affiliates) (as applicable), the Investors' shares or any investments or proposed investments of the Umbrella Vehicle; and
- where the Umbrella Vehicle, the AIFM or the Investment Manager (as applicable) reasonably considers the provision of such information by the Investors to be appropriate in connection with any investment or proposed investment or otherwise in connection with the business of the Umbrella Vehicle, e.g. so as to comply with the ATAD Provisions ("**Investor Information**").

Without limitation to the generality of the above:

- Each Investor shall furnish the Umbrella Vehicle, the AIFM and/or the Investment Manager (as applicable) in such form (including by way of electronic certification) and at such time as is reasonably requested by the Umbrella Vehicle, the AIFM and/or the Investment Manager (as applicable) with any information, representations, waivers and forms as shall reasonably be requested by the Umbrella Vehicle, the AIFM and/or the Investment Manager (as applicable) to assist it in obtaining any exemption or reduction in or refund of any withholding or other Taxes imposed by or owed to any tax authority or other governmental agency upon the Umbrella Vehicle or a Sub-Fund in respect of any amounts paid to the Umbrella Vehicle or a Sub-Fund or amounts allocable or distributable by the Umbrella Vehicle or a Sub-Fund or otherwise in connection with an investment.
- Each Investor acknowledges that the Umbrella Vehicle, the Sub-Funds, the AIFM and the Investment Manager (as and where applicable) are obliged to comply with various tax compliance obligations (including, but not limited to, obligations relating to any Information Reporting Regime or the ATAD Provisions pursuant to which each Investor should be able to provide relevant information in order to confirm that its investment does not give rise to

a hybrid mismatch) and various anti-money laundering obligations and may in the future be subject to further similar obligations and agrees to cooperate with the Umbrella Vehicle and/or the AIFM in ensuring that the Umbrella Vehicle, the Sub-Funds, the AIFM and the Investment Manager (as and where applicable) are able to meet such obligations.

Each Investor shall inform the Umbrella Vehicle in writing of any change that may cause any information which an Investor has provided to the Umbrella Vehicle to become incorrect, incomplete, misleading or obsolete within 30 days of such change and provide the Umbrella Vehicle with an updated form, affidavit or certificate to the extent that such form, affidavit or certificate currently in use has expired or the information provided has changed.

If any Investor fails to provide any Investor Information or otherwise fails to comply with their obligations pursuant to this section, such Investor being a **"Recalcitrant Investor"**:

- such Recalcitrant Investor may be required to indemnify the Umbrella Vehicle, any relevant Sub-Fund, the AIFM, the Investment Manager and their Affiliates against any loss, cost, liability or expense (including additional liabilities to Tax) which any of them may incur as a result of such failure to comply and such persons shall have no obligation or liability to the Investor with respect to any Tax liabilities or obligations (including in respect of penalties) that may be incurred by the Investor or their beneficial owners as result of any non-compliance with an Information Reporting Regime or otherwise with respect to an Investor's shares which arises as a result of or otherwise in connection with such failure; and
- the Board of Directors and/or the AIFM shall have full authority (but shall not be obliged) to take any and all of the following actions as it considers reasonable in the circumstances: (i) withhold any Taxes required to be withheld pursuant to any applicable legislation, regulations, rules or agreements and apply the indemnity provisions as outlined above; (ii) redeem such Investor from the relevant Sub-Fund (iii) Transfer such Investor's Shares in the Sub-Fund to a third party in exchange for the consideration negotiated by the Umbrella Vehicle in good faith for such Interest; (iv) allocate to an Investor any Tax and/or other costs which are attributable to the failure to provide the relevant Investor Information and take such steps as are reasonably necessary so as to ensure that the burden of any such Taxes is borne by the Recalcitrant Investor (including without limitation adjusting the amount of any dividend or distribution or payment upon redemption); (v) treat the Investor as a Defaulting Investor and exercise any of the remedies set out in Section 6 "Issue of Shares" and (vi) take any other action that the Umbrella Vehicle and/or the AIFM deems in good faith to be reasonable to mitigate any adverse effect on the Umbrella Vehicle or any other partner.

If requested by the Umbrella Vehicle and/or the AIFM (as and where applicable), the Investor will execute any and all documents, opinions, instruments, certificates and waivers as the Umbrella Vehicle and/or the AIFM (as and where applicable) reasonably requests or that are otherwise required to effect the provisions in this section. Each Investor hereby grants to the Umbrella Vehicle a power of attorney, coupled with an interest, to execute any such documents, opinions, instruments or certificates on behalf of the Investor, if the Investor fails to do so.

The Umbrella Vehicle, the AIFM and the Investment Manager shall be entitled to disclose Investor Information to any governmental (including tax) authorities to any applicable tax withholding agent and any person to whom information is required or requested to be disclosed by any tax authority or other governmental agency; to any administrator or Service Provider to the Umbrella Vehicle; to its Affiliates or advisors or to any other person where it is necessary or appropriate in connection with any investment or proposed investment. This right includes disclosures to jurisdictions which do not have strict data protection or similar laws, and each Investor hereby waives all rights it may have under applicable bank secrecy, data protection and similar legislation that would otherwise prohibit any such disclosure and warrants that each person whose information the Investor provides (or has provided) to the Umbrella Vehicle has been given such information, and has given such consent, as may be necessary to permit the collection, processing, disclosure, transfer and reporting of their information as set out in this section.

## Other Tax Matters

The Umbrella Vehicle, the AIFM, the Investment Manager and the Sub-Funds are under no obligation to consider the separate interests of individual Investors (including, without limitation, the tax consequences to individual Investors or assignees) in deciding whether to take (or decline to take) any actions which the Umbrella Vehicle, the AIFM, the Investment Manager and the Sub-Funds (as applicable) have undertaken (or not undertaken) in good faith, and, without prejudice to the remainder of this Prospectus, the Umbrella Vehicle, the AIFM, the Investment Manager and the Sub-Funds shall not be liable for monetary damages for losses sustained, liabilities incurred, or benefits not derived by Investors of the Umbrella Vehicle, the AIFM, the Investment Manager and the Sub-Funds in connection with such decisions, provided that the Umbrella Vehicle has acted in good faith.

The Umbrella Vehicle shall be entitled to withhold or cause to be withheld from each Investor's distributions from a Sub-Fund such amounts on account of Taxes or similar charges as are required by applicable law. The Investors are solely responsible for reclaiming any such withheld amounts from the relevant tax authorities and each Investor hereby waives any claim or right of action against the Umbrella Vehicle, the intermediate vehicles, or any of their subsidiaries on account of such withholding.

In the event that the cost of a Tax liability is imposed on, or economically borne by the Umbrella Vehicle or a Sub-Fund, as applicable, (whether as a result of the imposition of Tax, an increase in the amount of Tax payable by an entity in which the Umbrella Vehicle or the Sub-Fund directly or indirectly invests, or otherwise) as a result of the ownership of any Shares by a particular Investor or Investors (but not, for the avoidance of doubt, the ownership of Shares by the Investors generally), the Umbrella Vehicle and/or the Sub-Fund may allocate to such Investor(s) any Tax which is attributable to that Investor and take such steps as are reasonably necessary so as to ensure that the burden of any such Tax is borne by the Investor(s) whose participation in the Umbrella Vehicle or Sub-Fund has caused the Tax liability (including without limitation adjusting the amount of any dividend or distribution or payment upon redemption).

If the Umbrella Vehicle determines in good faith that the continued participation of an Investor in a Sub-Fund would have material adverse tax consequences for the Umbrella Vehicle or a Sub-Fund or would result in the Umbrella Vehicle or a Sub-Fund or any entity in which a Sub-Fund directly or indirectly invests bearing the economic burden of Taxes that would not arise but for the continued participation of such Investors in the Umbrella Vehicle or Sub-Fund the Umbrella Vehicle or Sub-Fund may, in its discretion, redeem such Investor.

All sums payable by Investors pursuant to this Prospectus or any Supplement shall be made free and clear of any deduction or withholding except as required by law, and if sums are subject to any deduction or withholding the amount paid shall be increased so that the recipient of the payment receives the same amount it would have received absent such withholding or deduction.

## Genuine Diversity of Ownership

The application of certain aspects of the UK tax code may partially depend on whether the Umbrella Vehicle and/or the Sub Fund meet the "genuine diversity of ownership" condition in Regulation 75 of the UK Offshore Funds (Tax) Regulations (SI 2009/3001) (the "**GDO Condition**").

In this regard, the Board of Directors confirms that the Umbrella Vehicle is intended for and marketed to a wide range of investors (including retail investors, where permitted).

For the purposes of the GDO Condition, the Board of Directors undertakes that interests in the Umbrella Vehicle:

- are and will continue to be widely available; and
- are, and will continue to be, marketed to, and made available sufficiently widely, to reach the intended categories of investors mentioned above and in a manner appropriate to attract these kinds of investors.

## VAT

All sums referable to a supply or expressed to be payable pursuant to the terms of this Prospectus or any Supplement are exclusive of any applicable VAT. Where VAT is or becomes chargeable in respect of such supplies, the parties hereto agree that an amount equal to any applicable VAT shall be payable, in addition to those sums, against receipt of a valid VAT invoice in respect of the relevant supply. To the extent the amount paid pursuant to the terms of this Prospectus or any Supplement is subsequently reduced, the payee shall make the relevant VAT refund (to the extent received from the relevant tax authority) or provide the relevant VAT credit (if applicable). If the Umbrella Vehicle, a Sub-Fund, the Investment Manager and/or any of their Affiliates is liable to account for any VAT by reason of it being treated as making taxable supplies pursuant to the terms of this Prospectus or any Supplement or is required to indemnify any person to whom it has delegated powers pursuant to the terms of this Prospectus against VAT charged in respect of that person's (or its agent's) services in respect of the Umbrella Vehicle, the Sub-Fund, the AIFM, the Investment Manager and/or any of their Affiliates shall be entitled to be indemnified out of the Umbrella Vehicle or Sub-Funds assets in respect of any such liability, as applicable. If VAT is payable on any fee payable by the Umbrella Vehicle or a Sub-Fund to the Investment Manager or the AIFM or any fee payable by the Investment Manager or the AIFM to any of its Affiliates, then the Umbrella Vehicle or Sub-Fund shall pay such amount to the Investment Manager or the AIFM (as applicable) as shall be required to put the Investment Manager or the AIFM (as applicable) in funds to pay the VAT payable.

The obligations under this section will survive the dissolution, liquidation and termination of the Umbrella Vehicle (or the relevant Sub-Fund) and will survive the partial or complete transfer or redemption of an Investor's Shares.

## 15. TAX STATUS

The present Chapter is a short summary of certain important Luxembourg tax principles in relation to the Umbrella Vehicle. The summary is based on laws and regulations in force and applied in Luxembourg at the date of this Prospectus. Provisions may change at short-term notice, possibly with retroactive effect.

This Section 15 does not purport to be a complete summary of tax law and practice currently applicable in Luxembourg. Furthermore, this Section 15 does not address the taxation of the Umbrella Vehicle in any other jurisdiction or the taxation of any subsidiaries or intermediary companies of the Umbrella Vehicle or of any investment structure in which the Umbrella Vehicle holds an interest in any jurisdiction.

The considerations set forth below do not constitute tax advice, should not be relied upon and are no substitute for tax advice. Depending on individual circumstances, the taxation treatment for Investors may differ from the guidance below and prospective investors are advised to consult their own professional tax advisors in respect of their investment in the Umbrella Vehicle under the laws of their country of citizenship, residence, domicile, presence or incorporation.

The Umbrella Vehicle reserves the right to disclose the name of the Investors on the Register, or any other relevant information relating to Investors, to any tax authority where required by law or where the Umbrella Vehicle believes such disclosure is in the best interests of the Umbrella Vehicle, the relevant Sub-Fund or their respective Investors. If it does so, it shall advise the relevant Investors, unless prevented to do so by law.

### Taxation of the Umbrella Vehicle

Under present Luxembourg law and administrative practice, the Umbrella Vehicle is not liable for any Luxembourg corporate income Tax, net worth Tax or capital gains Tax. The Umbrella Vehicle is, however, liable in Luxembourg to a subscription Tax (*taxe d'abonnement*, "**Subscription Tax**") of in principle 0.05% (zero point zero five percent) *per annum* of its net assets, such Tax being payable quarterly on the basis of the value of the aggregate net assets of the Umbrella Vehicle at the end of the relevant calendar quarter. The value of assets represented by units or shares held in other Luxembourg portfolio funds is however exempt from the Subscription Tax provided such units or shares have already been subject to this Tax. Also, if the Umbrella Vehicle invests



in sustainable economic activities as defined in Article 3 of Regulation (EU) 2020/852, the annual Subscription Tax may be reduced to 0.04%, 0.03%, 0.02% or 0.01%, depending on the proportion of net assets of the Umbrella Vehicle invested in such sustainable economic activities.

This Subscription Tax may also be reduced to 0.01% for (i) individual compartments of UCIs with multiple compartments as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors (ii) undertakings whose exclusive object is the collective investment in deposits with credit institutions or (iii) undertakings whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions.

No stamp duty or other Tax is payable in Luxembourg on the issue of Shares. No Luxembourg Tax is payable on the realized capital appreciation of the assets of the Umbrella Vehicle.

The Umbrella Vehicle is liable for a fixed registration duty of EUR 75 (seventy-five Euro) which was paid upon establishment and which shall be paid also upon future modification (if any) of its Articles.

Nevertheless, the income received from the Umbrella Vehicle's portfolio (i.e. dividends, interest, capital gain) can be subject to Taxation deducted at source in the country of origin.

The Umbrella Vehicle is not subject to withholding Tax on dividend distributions to the Investors.

The Umbrella Vehicle is considered in Luxembourg as a taxable person for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Umbrella Vehicle could potentially trigger VAT and require the VAT registration of the Umbrella Vehicle in Luxembourg. As a result of such VAT registration, the Umbrella Vehicle will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Umbrella Vehicle to its Investors, to the extent such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

The Umbrella Vehicle will undertake to ensure that it is not resident for tax purposes in any jurisdiction other than Luxembourg.

The Umbrella Vehicle will comply with any tax filing requirements regarding the holding of real estate investments in Luxembourg in relation to the real estate levy (*prélèvement immobilier*) introduced by the Luxembourg law of 19 December 2020 on the 2021 Budget.

### **Luxembourg taxation of Investors**

Under current legislation, Investors are not subject to any capital gains, income or withholding Taxes in Luxembourg (except for those domiciled, resident or having a permanent establishment in Luxembourg to which the Shares can be attributed and except also with respect to Luxembourg gift Tax but only in the event that a gift is made pursuant to a deed signed before a Luxembourg notary or is registered in Luxembourg).

### **Automatic exchange of information**

#### *FATCA and CRS*

Investors should note that Luxembourg signed an Intergovernmental Agreement ("**IGA**") with the US in 2014 to assist with the implementation of FATCA and implemented the obligations resulting from the IGA into Luxembourg domestic law on 24 July 2015 via the FATCA Law.

Luxembourg further implemented the provisions of DAC as well as the multilateral agreement of 29 October 2014 by which the OECD adopts the CRS into domestic law on 18 December 2015 via the CRS Law.

Under the FATCA Law and the CRS Law, the Umbrella Vehicle - in its capacity as a financial institution – (or any other entity designated by the Umbrella Vehicle to this end) may be obliged to identify its Investors and, as the case may be, to report certain information regarding certain Investors (qualifying as reportable persons or qualifying as passive non-financial entities controlled by such reportable persons) as well as their investment and their allocable share of income to the Luxembourg tax authorities (*Administration des Contributions Directes*). The Luxembourg tax authorities will then forward such information to the relevant foreign authorities of other participating jurisdictions in the context of CRS and to the US Internal Revenue Service in the context of FATCA.

Investors have the right to access the data reported to the Luxembourg tax authorities and, as the case may be, to have these data rectified in case of error.

To comply with those obligations, the Umbrella Vehicle must obtain upon subscription or when a change of circumstances is brought to its attention, a FATCA and CRS self-certification from all of its Investors. On the request of the Umbrella Vehicle, each Investor shall agree to provide such documentation, including, in the case of a passive non-financial foreign entities/non-financial entity, on their Controlling Persons, along with the required supporting documentation. Similarly, each Investor shall agree to actively provide to the Umbrella Vehicle within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

Although the Umbrella Vehicle will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding Tax, no assurance can be given that the Umbrella Vehicle will be able to satisfy these obligations as it also depends on the Investors' own FATCA compliance. If the Umbrella Vehicle becomes subject to a withholding Tax or penalties as result of the FATCA regime, the value of the Shares held by the Investors may suffer material losses. The failure for the Umbrella Vehicle to obtain such information from each Investor and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding Tax to be imposed on payments of US source income and on proceeds from the sale of property or other assets that could give rise to US source interest and dividends as well as penalties.

Any Investor that fails to comply with the Umbrella Vehicle's documentation requests may be charged with any Taxes and/or penalties imposed on the Umbrella Vehicle as a result of such Investor's failure to provide the information and the Umbrella Vehicle may, in its sole discretion, redeem the Shares of such Investor.

Additionally, the Umbrella Vehicle is responsible for the processing of personal data of the Investors (and of their Controlling Persons if applicable) as further described in the Privacy Notice.

#### DAC 6

DAC has been amended by DAC 6. Under DAC 6, advice given and services rendered regarding cross-border tax planning arrangements that qualify as so-called Reportable Cross-border Arrangements (within the meaning of DAC 6) may need to be reported to the relevant tax authorities by intermediaries or by the taxpayer itself. The relevant tax authorities will thereafter automatically exchange this information within the EU through a centralized database. Any person that designs, markets, organizes or makes available for implementation or manages the implementation of a cross-border arrangement is to be considered an intermediary.

The Umbrella Vehicle will closely monitor whether any arrangement relating to its activities would constitute or form part of a Reportable Cross-border Arrangements for the purposes of DAC 6, as implemented from time to time in any relevant jurisdiction. The Umbrella Vehicle is not responsible for considering potential DAC 6 implications relating to the Investors. Prospective Investors must consult with their own advisors with respect to the consequences of investing in the Shares in the context of DAC 6, as implemented from time to time in any jurisdictions that are relevant to them.

## 16. CERTAIN INVESTOR MATTERS

### Meetings, Reports and Financial Year

#### *Meetings of Investors*

The annual General Meeting of the Umbrella Vehicle will be held at the registered office of the Umbrella Vehicle or at such other place in Luxembourg within six (6) months from the end of a financial year. The General Meeting shall be convened in accordance with the 1915 Law and the Articles. The requirements as to attendance, quorum and majorities at all General Meeting are those laid down in the 1915 Law and in the Articles. Investors have, as set out in more detail in the Articles, *inter alia* the right to vote on amendments of the Articles (including, but not limited to, by telephone conference).

Investors may be entitled to participate in a General Meeting by videoconference or by telecommunications means requiring their identification, and in such circumstances will be deemed to be present for quorum purposes (if any) and for the satisfaction of any majority conditions; provided that the Board of Directors is able to organize meetings by such means. These means must comply with technical features guaranteeing an effective participation to the meeting whereof the deliberations at a meeting are transmitted in an uninterrupted manner.

Each entire Share is entitled to one vote.

Resolutions of meetings of Investors apply to the Umbrella Vehicle as a whole and to all Investors of the Umbrella Vehicle; provided, that any amendment affecting the rights attached to the Shares of any Class and/or Sub-Fund(s) and the rights of the holders of such Shares may be submitted to a vote of the Investors of the relevant Class and/or Sub-Fund(s) as far as the Investors of the Class and/or Sub-Fund(s) in question are present or represented.

Except as otherwise required by the 1915 Law or as otherwise provided in the Articles, resolutions at a meeting of Investors duly convened are passed by a simple majority of the votes cast regardless of the proportion of the capital represented.

The Directors may determine all other conditions that must be fulfilled by Investors for them to take part in any meeting of Investors.

Notwithstanding anything herein to the contrary, the approval of the Investors of a Sub-Fund shall not be required for any transaction entered into by the Umbrella Vehicle, any Sub-Fund, any Additional Vehicle or any Portfolio Investment with any Affiliated Service Provider that is on an arm's-length basis or not materially less favorable to the Umbrella Vehicle, such Sub-Fund, such Additional Vehicle or such Portfolio Investment than the terms that could be obtained from a third party with commensurate skill, expertise or experience (to the extent applicable). Without limiting the generality of the foregoing, the terms of any such transaction shall be deemed to satisfy the foregoing standard if (a) such transaction is expressly permitted or contemplated in the Prospectus or the relevant Sub-Fund Supplement or the Articles, or (b) the Umbrella Vehicle, the Board of Directors or the management organ of any Additional Vehicle obtains advice from or the recommendation of an independent third-party consultant or expert that is not an Affiliate of the Investment Manager with the requisite skill, expertise or experience in the applicable subject matter that the terms of such transaction satisfy the foregoing standard.

Notwithstanding anything herein to the contrary, the Umbrella Vehicle, any Sub-Fund, any Additional Vehicle and any Portfolio Investment may engage in cross trades and cross investments with, provide financing to or receive financing from, any other Apollo Client, any Affiliate of the Umbrella Vehicle or of any Apollo Client or member of the Apollo Group, or any of their respective portfolio companies or investments and may acquire securities or other financial instruments and other assets from, sell or otherwise dispose of securities to other financial instruments and assets to, or engage in financing transactions with (or cause any Portfolio Investment to engage in financing transactions with) any such person, provided that such transaction is on an arm's length basis. Notwithstanding anything herein to the contrary (i) no Apollo Client, Affiliate of the Umbrella Vehicle or of any Apollo Client or member of the Apollo Group, or any of their respective portfolio companies or investments will be prohibited from

acquiring, or otherwise engaging in transactions, including financings, with respect to securities or other financial instruments of any person in which the Umbrella Vehicle or any Sub-Fund has a financial interest (whether in the same or a different class of securities or other financial instruments) or selling, divesting, making further acquisitions or otherwise engaging in transactions, including financings, with respect to securities or other financial instruments of such person, including following a co-investment; and (ii) the Umbrella Vehicle and any Sub-Fund will not be prohibited from acquiring, or otherwise engaging in transactions with respect to, securities or other financial instruments of any person in which an Apollo Client, any Affiliate of the Umbrella Vehicle or of any Apollo Client or any member of the Apollo Group, or any of their respective portfolio companies or investments has a financial interest (whether in the same or a different class of securities or other financial instruments) or selling, divesting, making further acquisitions or otherwise engaging in transactions with respect to securities or other financial instruments of such person, including following a co-investment.

#### *Financial Year*

The first financial year of the Umbrella Vehicle will commence on the date of its incorporation and end on 31 December 2023. Any other financial year will start on the first day of January and end on the last day of December of each calendar year.

#### *Accounting Standard*

Accounts are prepared in accordance with Luxembourg GAAP.

#### *Reports*

The Umbrella Vehicle will prepare, distribute and submit for approval its audited annual report, established in accordance with Luxembourg GAAP, to the Investors within 180 calendar days after the end of each financial year. The audited annual report will contain financial statements audited by the Auditor.

In addition and in accordance with the requirements of the 2010 Law, the Umbrella Vehicle will prepare and distribute an unaudited semi-annual report to investors within three (3) months following the period to which it refers.

The Board of Directors may, in its sole discretion, decide to provide Investors with additional unaudited reports at a higher frequency, and any other form of information or communication it deems appropriate, including such periodic reports as may be required in accordance with the ELTIF Regulation.

#### **Term, dissolution and liquidation**

The Umbrella Vehicle shall continue for an indefinite period of time, unless put into liquidation in certain specific circumstances, including as described below. The Board of Directors may create, within its sole discretion, Sub-Funds for an unlimited or limited period as provided for in the relevant Sub-Fund Supplement.

The Umbrella Vehicle may be dissolved and liquidated:

- at any time by a resolution of the General Meeting resolving in the conditions prescribed for in the amendment of the Articles; and
- *ipso jure* upon the dissolution of the last Sub-Fund.

Whenever the capital falls below two thirds of the legal minimum capital, as provided for by article 94 of the 2010 Law, the Board of Directors must submit the question of the dissolution of the Umbrella Vehicle to the General Meeting. In such event, the General Meeting, for which no quorum shall be required, shall decide on simple majority of the votes of the Shares present and represented at the meeting.

The question of the dissolution of the Umbrella Vehicle shall also be referred to the General Meeting whenever the capital falls below one quarter of the minimum capital. In such event, the

General Meeting shall be held without quorum requirements, and the dissolution may be decided by the Investors holding one quarter of the votes present and represented at that meeting.

The General Meeting must be convened so that it is held within a period of forty (40) days from when it is ascertained that the net assets of Umbrella Vehicle have fallen below two thirds or one quarter of the legal minimum as the case may be.

The issue of new Shares and redemptions by the Umbrella Vehicle (including in respect of any Sub-Fund) shall cease on the date of publication of the notice of the General Meeting to which the dissolution and liquidation of the Umbrella Vehicle shall be proposed. One or more liquidators shall, subject to the prior approval of the CSSF, be appointed by the General Meeting to realize the assets of the Umbrella Vehicle, subject to the supervision of the CSSF in the best interests of the Investors. The proceeds of the liquidation of each Sub-Fund, net of all liabilities and liquidation expenses, shall be distributed by the liquidators among the holders of Shares in each Class in accordance with their respective rights. The amounts not claimed by Investors at the end of the liquidation process shall be deposited, in accordance with Luxembourg law, with the *Caisse de Consignations* in Luxembourg until the statutory limitation period has lapsed.

Any decision to put the Umbrella Vehicle into liquidation will take into account the best interests of the Investors and will be subject to the prior non-objection of the CSSF. The Umbrella Vehicle will pay all costs associated with liquidation of the Umbrella Vehicle.

A Sub-Fund may be separately dissolved:

- on the expiration of the Term of the relevant Sub-Fund (if any) provided for in the relevant Sub-Fund Supplement of such Sub-Fund; or
- by a decision of the Board of Directors. Any such decision to put a Sub-Fund into liquidation will take into account the best interests of the Sub-Fund's Investors and will be subject to the prior non-objection of the CSSF.

In the event a decision to liquidate a Sub-Fund is taken, all Investors will be notified by the Board of Directors of such decision prior to the effective date of the liquidation and the notice will indicate the reasons for, and the procedures of, the liquidation operations.

### **Amalgamation / Merger**

Unless otherwise provided for in the relevant Sub-Fund Supplement, the Board of Directors may decide to terminate one Sub-Fund by contributing its assets and liabilities into another existing or new Sub-Fund or into another existing or new collective investment scheme or an assimilated entity, provided however that an ELTIF Sub-Fund may not be merged into a Sub-Fund which is not an ELTIF.

The Board of Directors may also organize the amalgamation of: (i) 2 (two) or more Sub-Funds into an existing or a new Sub-Fund; or (ii) 2 (two) or more Classes within a Sub-Fund.

Investors will be notified of any such decision as well as the relevant information in relation to the new Sub-Fund, the new collective investment scheme or assimilated entity or the new Class of Shares. Notice will be provided at least 1 (one) month before the amalgamation in order to enable Investors who hold redeemable Shares to request that their Shares be redeemed in accordance with the terms contained in the relevant Sub-Fund Supplement before the amalgamation is completed.

### **Consolidation / Splitting of Shares**

The Board of Directors may decide to consolidate Shares of different Classes within a Sub-Fund or to split the Shares within a given Class of a Sub-Fund.

## **Investors' rights in relation to Service Providers**

The Umbrella Vehicle is reliant on the performance of the Service Providers. Further information in relation to the roles of the Service Providers is set out above.

No Investor will have any direct contractual claim against any Service Provider with respect to any such Service Provider's breach of its obligations to the Umbrella Vehicle or any Sub-Fund. Any Investor who believes they may have a claim against any Service Provider in connection with their investment should consult their legal advisor.

## **Fair Treatment of Investors**

The AIFM has put in place policies and procedures to ensure compliance with the principles of fair treatment of Investors as required by AIFMD.

## **Governing Law and Jurisdiction**

Investors will subscribe for, or make a commitment to subscribe for, Shares pursuant to a Subscription Agreement, which will be governed by Luxembourg law.

The English version of this Prospectus is the authoritative version and shall prevail in the event of any inconsistency with any translation hereof.

Any disputes arising under or in connection with the Prospectus and/or the Articles shall be brought before the courts of the district of Luxembourg City.

Investors shall note that judgments falling within the scope of Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast) ("**Regulation 1215/2012**") and which are given and enforceable in a Member State shall be enforceable in another Member State without a declaration of enforceability being required, upon production of a copy of the judgment which satisfies the conditions necessary to establish its authenticity and a certificate to be issued by the court of origin.

The recognition and enforcement of such judgments may be refused by the Luxembourg court only in the event of an application for refusal of recognition or enforcement and in accordance with the specific provisions contained in Regulation 1215/2012. In particular, recognition and enforcement shall be refused if the judgment issued by the court of origin is contrary to the Luxembourg public order (*ordre public*).

## **17. INFORMATION AVAILABLE**

Copies of the Articles, this Prospectus, the relevant Sub-Fund Supplement, the AIFM Agreement, the Depositary Agreement, the Administration Agreement, the relevant Investment Management Agreement, the latest financial reports (as described in Section 14 "Certain Tax Matters".1 "Meetings, Reports and Financial Year") as well as any further documents and/or reports in respect of any Sub-Fund, if any, may be obtained free of charge during office hours at the registered office of the Umbrella Vehicle. In relation to ELTIF Sub-Funds, additional reporting may be foreseen in accordance with the ELTIF Regulation as further described in the relevant Supplement.

A key information document in compliance with the relevant provisions of, in relation to the EU, Regulation (EU) 1286/2014, as amended, and Commission Delegated Regulation (EU) 2017/653, and in relation to the UK, Regulation (EU) 1286/2014, as amended, and Commission Delegated Regulation (EU) 2017/653 as it forms part of UK domestic law by virtue of EUWA, is published for each share class available to Retail Investors. PRIIPs KIDs are provided to Retail Investors prior to their subscription in the relevant Sub-Fund and are provided (i) in paper form, (ii) using a durable medium other than paper, (iii) available electronically, such as in a data room for Investors or on a website for the Sub-Fund or (iv) upon request to the Umbrella Vehicle and/or the AIFM.

Investors are only entitled to receive communication and information of the Sub-Fund Supplement and Investment Management Agreement relating to the Sub-Fund(s) in which they have invested or are investing.

Except where the determination of the Net Asset Value of a particular Class or Sub-Fund has been suspended, the latest available Net Asset Value per Share of each Sub-Fund and Class, if applicable, and historical performance of each Sub-Fund shall be available at the Umbrella Vehicle's registered office.

## 18. AMENDMENTS

This Prospectus (including the terms of any Sub-Fund set out in its Sub-Fund Supplement) may be amended from time to time by the Board of Directors with the prior approval of the CSSF.

## 19. RISK FACTORS

### Certain Risk Factors

An investment in the Umbrella Vehicle or any Sub-Fund involves significant risks and other considerations and, therefore, should be undertaken only by prospective investors capable of evaluating and bearing such risks and other considerations. An investor must have the financial ability to understand, and the willingness to accept, the extent of its exposure to the risks and lack of liquidity inherent in an investment in the relevant Sub-Fund. Investors with any doubts as to the suitability of an investment in the Umbrella Vehicle (and/or any Sub-Fund) should consult their professional advisors to assist them in making their own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Umbrella Vehicle and/or the relevant Sub-Fund(s) in light of their own circumstances and financial condition. Sub-Fund returns will be unpredictable and, accordingly, any Sub-Fund's investment program is not suitable as the sole investment vehicle for an investor. A prospective investor should only invest in a Sub-Fund as part of a broader overall investment strategy, and should understand that the Sub-Fund requires a long-term commitment with no assurance that the Sub-Fund's investment objectives will be achieved or that there will be any return of capital. Therefore, investors should only invest in a Sub-Fund if they can withstand a total loss of their investment. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Shares. As a result of these factors, as well as other risks inherent in any investment or set forth elsewhere in this Prospectus, there can be no assurance that the Sub-Fund will meet its investment objectives or otherwise be able to successfully carry out its investment program. Prospective investors should make their own inquiries and investigation of the investment described in this Prospectus and the relevant Sub-Fund Supplement (the "**Offering Materials**"), including the merits and risks involved and the legal and tax consequences of such an investment, and consult their own advisors as to the Umbrella Vehicle, the relevant Sub-Fund(s), the offering of Shares described in the Offering Materials and the legal, tax and related matters concerning an investment in the Umbrella Vehicle and the relevant Sub-Fund(s).

Unless the context otherwise requires, any reference to the "Umbrella Vehicle" herein shall include a reference to the Sub-Funds or any one of them. The use of the word "including" or "include" herein will not be considered to limit the sentence that it modifies but instead will mean "including, without limitation" or "include, without limitation," as applicable. Certain statements made in this Prospectus that are not historical facts contain forward-looking statements regarding the Umbrella Vehicle and, in some cases, the future plans, objectives and expected performance of investments. To the extent that there are any, such forward-looking statements may be identified by the use of terminology including "may," "will," "seek," "should," "expect," "anticipate," "target," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Any such forward-looking statements are based on assumptions that Apollo and/or the applicable Portfolio Investment or issuer in which the Umbrella Vehicle invests directly or indirectly (as the case may be) believes are reasonable, but are subject to a wide range of risks and uncertainties and, therefore, there can be no assurance that actual events or results or the actual performance of the Umbrella Vehicle will not differ materially from those expressed or implied by such forward-looking statements. Any performance information set forth herein is intended solely to provide prospective investors with information

about certain of Apollo's and its managed funds' and accounts' prior investments. Accordingly, prospective investors should not construe the performance of any other Apollo Client (as defined below) or investment as providing any assurances regarding the performance of the Umbrella Vehicle. As such, undue reliance should not be placed on such information. As with all performance data, past performance is not indicative, or a guarantee, of future results.

Although the various risks discussed in this Prospectus are generally described separately, prospective investors should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased. The following list of potential risks does not purport to be a complete enumeration or explanation of the potential risks involved in an investment in the Umbrella Vehicle or the Umbrella Vehicle's investments.

Additional risks and uncertainties not currently known to the Umbrella Vehicle, or that have not been noted in these risk factors, could also have a negative or adverse effect, which could be material, on the performance of the Umbrella Vehicle and the value of the Shares. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence or of their magnitude or significance. Prospective investors should read this Prospectus, the relevant Sub-Fund Supplement and consult with their own advisors in evaluating the relative risks of the offering before deciding whether to invest in the Umbrella Vehicle and/or any Sub-Fund.

Each Investor (i) confirms that such Investor has carefully reviewed and understood the Articles, this Prospectus (including, but not limited to this Section 19 "*Risk Factors*" and Section 20 "*Conflicts of Interest*"), the relevant Sub-Fund Supplement, the Form ADV of the relevant Investment Manager and has retained or consulted his/her/its own attorneys, business advisors and/or tax advisors, as required, to assist in such Investor's evaluation and understanding thereof and in connection with the offering and sale of Shares, (ii) acknowledges that, subject to the express terms of the Fund Documents, the Apollo Group, the Board of Directors, the Investment Manager or any of their respective Affiliates may engage in any or all of the activities of the type or character described or contemplated in the Fund Documents and the Form ADV of the relevant Investment Manager, including causing the Umbrella Vehicle and/or any Sub-Fund and/or their subsidiaries and/or any Portfolio Investment to enter into agreements or other arrangements relating to the activities, and to pay fees of the type referred to in the Fund Documents, whether or not such activities have or could have an effect on the Umbrella Vehicle and/or any Sub-Fund's affairs or on any Portfolio Investment, and no such activity shall in and of itself (A) constitute a breach of the Fund Documents or any duty owed by any person to the Umbrella Vehicle, any Sub-Fund or the Investors, or (B) require the consent of the Investors, and (iii) acknowledges and agrees that the distribution of the Fund Documents and the Form ADV of the relevant Investment Manager prior to the Subscription Date or Closing Date (as applicable) as of which such Investor subscribes, respectively commits to subscribe, for Shares in the Umbrella Vehicle shall be deemed to constitute disclosure of all such activities provided prior to such Investor making its subscription.

**A. *Certain Risks Related to the Umbrella Vehicle, the Sub-Funds and the Shares***

*No Operating History; Newly Formed Entity.* The Umbrella Vehicle (including its Sub-Funds) is a newly formed structure with no operating history upon which to evaluate its likely performance. Accordingly, the Umbrella Vehicle and its Sub-Funds do not have performance history for a prospective investor to consider. An investment in the Umbrella Vehicle and any of its Sub-Funds does not represent an interest in any investment or investment portfolio of any prior, related or other Apollo Client(s) or investment. Past performance of investment entities associated with Apollo is not necessarily indicative of future results or performance and there can be no assurance that the Umbrella Vehicle or any of its Sub-Funds will achieve comparable results. Accordingly, investors should draw no conclusions from the performance of any other Apollo Clients and should not expect to achieve similar results. Nothing contained herein should be deemed to be a prediction or projection of the future performance of the Umbrella Vehicle or any of its Sub-Funds.

*Risk Associated with Unspecified Transactions; No Assurance of Investment Return.* As of the date of this Prospectus, with limited exceptions, none of the Umbrella Vehicle's (including



its Sub-Funds') investments have been identified. Investors will be relying on the ability of the Investment Manager to choose, make and realize investments using the Commitments, and there is no assurance that the Investment Manager will find a sufficient number of attractive opportunities to meet the Umbrella Vehicle's (including, as applicable, each of its Sub-Funds') investment objectives or that the Umbrella Vehicle (or any of its Sub-Funds) will be able to make and realize its investment objective. Identifying, closing and realizing attractive equity, credit, infrastructure, real estate and other investments that fall within the Umbrella Vehicle's (or any of its Sub-Fund's) investment mandate is highly competitive and involves a high degree of uncertainty. In addition, developing and maintaining relationships with joint venture or operating partners, on which some of the Umbrella Vehicle's (or its Sub-Fund's) strategy depends, is highly competitive. A failure by the Investment Manager to identify attractive investment opportunities, develop new relationships and maintain existing relationships with joint venture partners and other industry participants would adversely impact the Umbrella Vehicle (and/or any of its Sub-Funds).

The Investment Manager competes for investment opportunities and potential joint venture and operating partners with individuals, financial institutions (such as investment and mortgage banks, pension funds and real estate operating companies), hedge funds, sovereign wealth funds and other institutional investors. New competitors constantly enter the market, and in some cases existing competitors combine in a way that increases their strength in the market.

The realizable value of a highly illiquid investment, at any given time, may be less than its intrinsic value. In addition, certain types of investments held by the Umbrella Vehicle (or any of its Sub-Funds) may require a substantial amount of time to liquidate. Furthermore, to the extent the investment strategy of the Umbrella Vehicle (or any of its Sub-Funds) relies upon a certain set of market and economic conditions and such conditions do not materialize for an extended period of time, the Umbrella Vehicle (or any of its Sub-Funds) may not be able to deploy capital to make investments during this period of time. There can be no assurance that the Umbrella Vehicle (or any of its Sub-Funds) will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of assets and transactions described herein. There may be little or no near-term cash flow available to the Investors from the Umbrella Vehicle (or any of its Sub-Funds) and there can be no assurance that any Investor will receive any distribution from the Umbrella Vehicle (or any of its Sub-Funds). Depending on the terms applicable to the relevant Sub-Fund, it may be obligated to bear any fees, costs and expenses incurred in developing, investigating, negotiating or structuring any investment in which the Sub-Fund does not actually invest (including any such fees, costs and expenses not borne by Co-Investors and fees, costs and expenses associated with joint ventures and Platform Investments (as defined below), some of the economic benefits of which (if any) could accrue to Apollo or one or more other Apollo Clients or members of Apollo, rather than to the Umbrella Vehicle, as described in more detail below). In addition, the Umbrella Vehicle (or any of its Sub-Funds) can enter into agreements to consummate transactions that involve payments, such as Reverse Break-up Fees, by the Umbrella Vehicle (or any of its Sub-Funds) in certain circumstances if the Umbrella Vehicle does not consummate the transaction. As a result, the Umbrella Vehicle (or any of its Sub-Funds) could incur a substantial cost with no opportunity for a return. Portfolio Investments in illiquid, highly complex opportunities often require extensive due diligence activities and may require regulatory approvals prior to acquisition. The applicable Sub-Fund will generally bear the expenses of transactions that are not consummated. Further, the Umbrella Vehicle (or any of its Sub-Funds) can make (or commit to make) an investment with a view to selling a portion of such investment to Co-Investors or other persons (including Apollo Clients) prior to or within a reasonable time after the closing of the acquisition. In such event, the Umbrella Vehicle (or the applicable Sub-Fund(s)) will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, the Umbrella Vehicle (or the applicable Sub-Fund(s)) will bear the entire portion of any Reverse Break-up Fee or other fees, costs and expenses related to such investment, hold a larger than expected investment in such Portfolio Investment or could realize lower than expected returns from such investment (see also "*Over-Commitment*" and "*Co-Investors*" below). Accordingly, an investment in the Umbrella Vehicle (or any of its Sub-Funds) should only be considered by prospective investors who can afford a loss of their entire investment and there is no guarantee that Investors will receive income from their investment.

Any information included herein or in any of the Umbrella Vehicle's (or any of its Sub-Fund's) marketing materials regarding targeted returns for the Umbrella Vehicle is provided as an

indicator as to how the Umbrella Vehicle (or the applicable Sub-Fund(s)) is expected to be managed and is not intended to be viewed as an indicator of likely performance returns to investors in the Umbrella Vehicle (or the applicable Sub-Fund(s)). Any targeted return information is based upon projections, estimates and assumptions that a potential investment will yield a return equal to or greater than the target. Accordingly, there can be no assurance that the Umbrella Vehicle's (or any of its Sub-Fund's) projections, estimates or assumptions will be realized or that the Investment Manager will be successful in finding investment opportunities that meet these anticipated return parameters. Additionally, the Umbrella Vehicle's (or the applicable Sub-Fund's) estimates of potential returns from a potential investment should not be viewed as a guarantee as to the quality of the Umbrella Vehicle's (or the applicable Sub-Fund's) potential investments or of an investment in the Umbrella Vehicle nor as a representation as to the adequacy of the Umbrella Vehicle's (or the applicable Sub-Fund's) methodology for estimating returns.

*Lack of Diversification.* While diversification is likely to be an objective of the investment strategy of one or more Sub-Funds, there is no assurance as to the degree of diversification that will actually be achieved in such Sub-Fund's investments, by geographic region, asset type, sector or otherwise. As discussed in further detail in the relevant Sub-Fund Supplement, and subject to the investment restrictions set out therein, a significant proportion of a Sub-Fund's capital could be invested in a single Portfolio Investment, and accordingly a loss with respect to such Portfolio Investment could have a significant adverse impact on its capital. In addition, Sub-Funds may be subject to limitations with respect to the jurisdictions in which investments may be made, and so such Sub-Fund's ability to diversify its Portfolio Investments across multiple geographic regions may be limited. Because a Sub-Fund's investment limitations are measured immediately after making a Portfolio Investment, after giving effect to dispositions of other Portfolio Investments and recycling (where applicable), it is possible that such Sub-Fund will have exposure to any single Portfolio Investment or geographic region at any given time in excess of one or more percentage investment limitations applicable to the Umbrella Vehicle and/or a particular Sub-Fund, and the Board of Directors and the Investment Manager will generally not be obligated to divest of such excess holdings. In addition, (i) any Additional Investment (as defined below) will be treated in the same manner as the relevant Portfolio Investment to which it relates unless otherwise determined by the Board of Directors or the Investment Manager in their sole discretion and (ii) the portion of any Portfolio Investment that is designated as being financed by short-term borrowings may (depending on the terms applicable to the relevant Sub-Fund) be excluded from the calculation of applicable percentage investment limitations. In addition, because Apollo has developed expertise in certain core sectors, a Sub-Fund's investments could be concentrated in one or more of such sectors. To the extent that a Sub-Fund invests in more than one Portfolio Investment partnering with a single operational management team or other joint venture partner, such concentration will be more pronounced. Concentration of investments in an industry, sector, asset type or geographic region will make such Sub-Fund's portfolio more susceptible to fluctuations in value resulting from adverse economic and business conditions in those industries, sectors, asset types or geographic regions. The risk of loss on the Sub-Fund's investments may be increased as a result of such concentration. If Sub-Fund co-invests with other funds, including other Apollo Clients, an Investor invested in such other fund may have exposure to a Portfolio Investment through more than one investment vehicle. Further, Sub-Fund Supplements may contain exceptions to the aforementioned limitations (i) for payments made under, or required by, any excluded guarantees, or (ii) in the event the Sub-Fund has procured the binding commitment of one or more persons, including Co-Investors and other Apollo Clients, to acquire a portion of the Sub-Fund's investment. The Board of Directors will determine, in its sole discretion, whether a series of transactions constitutes a single investment for purposes of the limitations described in the applicable Sub-Fund Supplement. To the extent there is a downturn affecting a country, region or asset type in which a Sub-Fund's portfolio is concentrated, this could increase the risk of defaults, reduce the amount of payments such Sub-Fund receives on its investments and, consequently, could have an adverse impact on the Umbrella Vehicle's or the applicable Sub-Fund's financial condition and results and its ability to make distributions. In addition to the foregoing, because a particular Sub-Fund may make a limited number of investments and such investments may involve a high degree of risk, poor performance by even a single investment could severely affect the total returns to the Investors. Moreover, because it is not reasonable to expect all of one or more Sub-Fund's investments to perform well or even return capital (including in the form of current income), for such Sub-Funds to achieve above-

average returns, one or a few of its investments must perform very well. There are no assurances that this will be the case.

Additionally, in circumstances where the Board of Directors intends to refinance all or a portion of the capital invested in an investment, or syndicate part of an investment, there will be a risk that such refinancing or syndication may not be completed, which could lead to increased risk as a result of one or more Sub-Funds having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

Although it is not expected to be the primary strategy of one or more Sub-Funds, a portion of Sub-Funds' investments may include investments in assets based in, or companies that conduct all or a large portion of their operations in, countries outside Europe and North America. Certain of these countries may have a short history as market economies, and loans to companies or investments in assets or companies in such countries may entail a higher risk than with companies with operations or assets wholly in or substantially in Europe or North America. The particular risks include changes in exchange control regulations, political and social instability, government expropriation, imposition of unanticipated Taxes, illiquid markets and limited information, high transaction costs, limited government supervision of exchanges, brokers and companies, complex or undeveloped insolvency laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

*Share Valuation Risk.* Prospective Investors should be aware that the Umbrella Vehicle and its Sub-Funds may make investments in assets for which it is difficult or impossible to obtain an accurate independent valuation (including, without limitation, due to the absence of readily ascertainable market values and comparables, and limited sources of useful valuation information). Assets will be valued in accordance with the principles and methodologies as more particularly set out in the Articles, this Prospectus and the applicable Sub-Fund Supplement. However, this involves a degree of judgment and may not always prove accurate. Such valuations may not reflect the price that the Umbrella Vehicle or the applicable Sub-Fund would have received had its underlying Portfolio Investments actually been liquidated. There can therefore be no assurance that the valuations will, in fact, represent the actual value of the Portfolio Investments or the amounts that could at such time, or may ultimately, be realized with respect to the Portfolio Investments.

Due to such uncertainty as to valuation, Investors who redeem their Shares at any given time may receive a Redemption Price that may reflect a NAV that is substantially greater or lesser than that which they would have obtained had the Umbrella Vehicle or the applicable Sub-Fund actually been liquidated as of such date, with such disparity accruing to the benefit or detriment of Investors who did not obtain the repurchase of their Shares at such time. Similarly, Investors issued with new Shares at any given time may receive a greater or lesser number of Shares for their respective Contributions if the NAV is substantially greater or lesser than the Umbrella Vehicle's or any applicable Sub-Fund's actual liquidation value as of such date. Other than where Contributions are advanced and the determination of the NAV is suspended, there is no intention to make subsequent adjustments to the number of Shares issued to, or the Redemption Price received by, any Investor from time to time. Any Investors issued with new Shares may be required to bear liabilities incurred by the Umbrella Vehicle or any of its Sub-Funds prior to the date of their respective admissions to the Umbrella Vehicle and such Sub-Fund. In the event a number of existing Investors redeem all or a portion of their Shares, such liabilities may concentrate and become significant.

*Redemption Requests.* Prospective Investors should be aware that they may be required to bear the financial risk of their investment for an indefinite period of time and there may be no liquidity for their investment, in part due to the relative illiquidity of an asset class targeted by the Umbrella Vehicle or any particular Sub-Fund. An Investor may, subject to the provision of the Articles, this Prospectus and any relevant Sub-Fund Supplement, request that a portion of its Shares be redeemed by the relevant Sub-Fund as of the next Redemption Date by submitting to the AIFM, the Investment Manager, the Board of Directors or such other person identified in the relevant Sub-Fund Supplement, a Redemption Request during the applicable notice period. Investors should be aware that they have no right to require that any Redemption Request that they make be satisfied by the Umbrella Vehicle or the applicable Sub-Fund. Whether any Redemption Request is satisfied requires a decision of the AIFM, the Investment Manager, the

Board of Directors or such other person identified in the relevant Sub-Fund Supplement and, in particular, neither the Umbrella Vehicle nor any Sub-Fund will have any obligation to sell or dispose of any Portfolio Investments, borrow funds, cease making Portfolio Investments or reduce reserves in order to fund Redemption Requests.

*Lack of Liquidity.* The Umbrella Vehicle's or any Sub-Fund's ability to meet a Redemption Request may be adversely affected by the risks described herein. There can be no assurance that the Umbrella Vehicle or any Sub-Fund will be able to make redemptions or distributions in the future. In addition, there can be no assurance that the level of distributions from the Umbrella Vehicle or any Sub-Fund will increase over time. Furthermore, a large amount of Redemption Requests at any given time may substantially decrease the Umbrella Vehicle's or any Sub-Fund's liquidity and substantially affect the Umbrella Vehicle's or any Sub-Fund's ability to implement its investment objective, which in turn may adversely affect the Umbrella Vehicle's or any Sub-Fund's investment returns.

*Due Diligence.* The Investment Manager will conduct, and can use third parties to conduct, due diligence on prospective investments. In conducting such due diligence, the Investment Manager's investment professionals will use publicly available information, as well as information from their relationships with former and current banks, lenders, management teams, consultants, competitors and investment bankers. Such level of due diligence may not, however, reveal all matters and issues, material or otherwise, relating to such prospective investments.

*Delegation by the AIFM to the Investment Manager.* To the extent permitted by AIFMD and UK AIFMD, the AIFM has appointed or will appoint for each Sub-Fund an Investment Manager to act as an investment manager pursuant to an Investment Management Agreement (as may be amended from time to time). The Investment Manager is or will be responsible for the portfolio management of the relevant Sub-Fund(s) in accordance with such Sub-Fund's investment objective, investment policy and investment powers and restrictions. The Investment Manager is or will be vested with the power to take investment decisions on behalf of such Sub-Fund.

In consideration for its services, the Investment Manager will be entitled to the Management Fee as further set out in the Investment Management Agreement. Any further details on the duties, rights and obligations of the Investment Manager are outlined in the Investment Management Agreement.

*Reliance on the Investment Manager.* The Umbrella Vehicle has no employees and no separate facilities and is reliant on the Investment Manager, which will have discretion as to the implementation of a Sub-Fund's investment objective and policy. Furthermore, the success of the Umbrella Vehicle and each Sub-Fund will depend, in large part, upon the capabilities and expertise of the relevant Investment Manager, its advisors and its investment team. The Investment Manager will have responsibility for making all investment and management decisions on behalf of a Sub-Fund; Investors will not be able to make any investment or any other decisions on behalf of it. The Investors will not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by the Investment Manager in its selection of Portfolio Investments, nor, subject to compliance with all applicable laws, to receive the detailed financial information issued by Portfolio Investments that is available to the Investment Manager. In order to safeguard their limited liability against the liabilities and obligations of the Umbrella Vehicle and each Sub-Fund, and as required under the Articles, Investors must rely entirely on the Board of Directors, the AIFM, the Investment Manager and the advisors to conduct and manage the affairs of the Umbrella Vehicle. There is no assurance that the principals or other key members of the management of the Investment Manager will continue to be employed by the Investment Manager for any period. In the event of the death, disability, or departure of any of such individuals, the business and the performance of the Umbrella Vehicle or any Sub-Fund may be adversely affected.

*Dependence on Personnel.* The Umbrella Vehicle and each Sub-Fund will depend on the diligence, skill and business relationships of the Apollo team and senior management of the Investment Manager. The Investment Manager's ability to successfully manage the Umbrella Vehicle's and each Sub-Fund's affairs depends on Apollo's employees and advisors. The Umbrella Vehicle's and each Sub Fund's success will also depend to a significant extent on

access of the Investment Manager to other investment professionals and partners of Apollo and information generated by the Apollo professionals in their investment and monitoring activities. The Investment Manager will be relying extensively on the experience, relationships and expertise of these persons. Particularly given the open-ended nature of the Umbrella Vehicle and certain of the Sub-Funds, there can be no assurance that these persons will remain with Apollo or will otherwise continue to be able to carry on their current duties throughout the term of the Umbrella Vehicle or such Sub-Fund(s) or that Apollo will be able to attract and retain replacements or additional persons when needed. The loss of the services of one or more of these professionals could have an adverse impact on the Umbrella Vehicle's and each Sub-Fund's ability to realize its investment objectives. The Umbrella Vehicle and each Sub-Fund will also depend on the success of operating executives (including persons or entities employed, engaged or retained by Apollo Consulting (as defined below)) in supplementing the Umbrella Vehicle's and each Sub-Fund's investment team in, among other things, sourcing investment opportunities, in transaction analysis, due diligence and macro-economic analysis, and with asset management, managerial and operational skills as appropriate for the assets in question. While certain operating executives are exclusive to Apollo, and may or may not be employees of Apollo, they will not have the same compensation incentives as the Umbrella Vehicle's and each Sub-Fund's investment team due to, among other things, factors that distinguish these engagements from those of Apollo investment professionals, such as, without limitation, the fact that they could be involved in only certain aspects of an investment. Furthermore, certain Apollo personnel, in addition to their responsibilities on behalf of the Investment Manager, the Umbrella Vehicle and each Sub-Fund, are and will continue to be involved in the investment activities of other Apollo Clients, in other business activities of Apollo (including special purpose acquisition companies ("**SPACs**") and their acquisition targets in which Apollo invests) and in personal investment activities. In particular, certain senior investment professionals of Apollo have established family offices to provide investment advisory, accounting, administrative and other services to their respective family accounts (including certain charitable accounts) in connection with their personal investment activities unrelated to their investments in Apollo entities and their respective involvement in such family offices may require the respective resources and attention of each such senior investment professional who may also have responsibilities to the Umbrella Vehicle's and each Sub-Fund's affairs. See also "*Management Team*" below.

*Apollo is Not a Unitary Enterprise.* Consistent with usage common in the private fund industry, this Prospectus references Apollo as if it were a collectively managed enterprise. Prospective investors are cautioned that Apollo is not a unitary enterprise, but instead a firm comprised of teams of individuals and affiliated entities that are bound together with overlapping interests, duties and branding. As discussed under "Reliance on the Investment Manager," above, prospective investors must only look to the actual members of the Board of Directors and the relevant Investment Manager for the management of any Sub-Fund. Other individuals and entities that are part of Apollo generally will have no authority to participate in the management of a Sub-Fund and no obligation to provide any Sub-Fund with any specific benefits, and no obligation to any Sub-Fund to continue or expand any activities they previously engaged in. Moreover, such individuals and entities may be legally (or by Apollo policy) prohibited from providing certain types of benefits to a Sub-Fund and often will have duties and interests that conflict with those of a Sub-Fund. Accordingly, which it is anticipated that any Sub-Fund will derive some degree of benefit from being part of Apollo, prospective investors must not rely upon any specific benefits and must not assume that any such benefits as do arise will have a material impact upon a Sub-Fund's performance.

*Possibility of Misconduct of Employees and Service Providers.* Misconduct by employees of the Board of Directors, the Investment Manager, advisors and Service Providers to the Umbrella Vehicle and/or their respective Affiliates (including any Affiliated Service Provider) could cause the Umbrella Vehicle or any Sub-Fund to incur significant losses and expenses and subject the Umbrella Vehicle or any Sub-Fund to civil penalties. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by the Umbrella Vehicle or any Sub-Fund, the improper use or disclosure of confidential, personal or material non-public information (including trading in securities, even during permissible "trading windows" or pursuant to 10b5-1 trading plans, if, for example, the applicable regulatory authority concludes that any determination as to whether material non-public information is known at such

time was not made in accordance with Apollo's compliance policies and procedures), which could result in litigation or serious financial harm, including limiting the Umbrella Vehicle's or any Sub-Fund's business prospects or future marketing activities, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to the Umbrella Vehicle or any Sub-Fund. Apollo has controls and procedures through which it seeks to minimize the risk of such misconduct occurring. However, no assurances can be given that the Board of Directors or the Investment Manager will be able to identify or prevent such misconduct.

*Risks Associated with Affiliated Service Providers.* The Umbrella Vehicle, its Sub-Funds and its Portfolio Investments (including potential Portfolio Investments) will acquire or appoint from time-to-time Affiliated Service Providers to provide particular services to Portfolio Investments (including potential Portfolio Investments). The Umbrella Vehicle and each Sub-Fund will depend upon the diligence, skill and business relationships of the Affiliated Service Providers. Key employees of an Affiliated Service Provider could depart at any time. The departure of a significant number of the employees of an Affiliated Service Provider could therefore have a material adverse effect on the Umbrella Vehicle's or one or more Sub-Fund's ability to achieve its investment objectives. Affiliated Service Providers will not provide services to the Umbrella Vehicle or any Sub-Fund on an exclusive basis, and may prioritize servicing other Apollo Clients or their potential and existing portfolio investments over the Umbrella Vehicle or such Sub-Fund. In addition, the historical performance of Affiliated Service Providers is not indicative, or a guarantee, of their future performance, and may vary as a result of an adverse development in the Affiliated Service Provider's business, an economic downturn or legal, tax or regulatory changes. Affiliated Service Providers owned by the Umbrella Vehicle or any Sub-Fund (if any) may operate at a loss, may require substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or experience financial distress, any of which may result in a loss to the Umbrella Vehicle and diminish a Sub-Fund's ability to make other investments. Any adverse development with respect to an Affiliated Service Provider's financial condition may also result in an interruption of services to the Umbrella Vehicle, which could have a material adverse effect on a Sub-Fund's ability to meet its investment objective. See "*Conflicts of Interest—Affiliated Service Providers*" below.

*Investors' Rights against Service Providers.* It should be noted that Investors will only be able to exercise their rights directly against the Umbrella Vehicle and/or its Sub-Funds and will not have any direct contractual rights against the Service Providers of Umbrella Vehicle or its Sub-Funds appointed from time to time. The foregoing is without prejudice to other rights which investors may have under ordinary rules of law or pursuant to specific legislation (e.g., a right of access to and rectification of personal data).

*Systems Risk and Cybersecurity.* The Umbrella Vehicle and its Sub-Funds rely extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes, including trading, clearing and settling transactions, evaluating certain investments, monitoring its portfolio and net capital, generating risk management and other reports that are critical to oversight of the Umbrella Vehicle's and its Sub-Funds' activities, and processing investor data and administration of the Umbrella Vehicle and its Sub-Funds. Certain of the Umbrella Vehicle's, its Sub-Funds', the Board of Directors', the AIFM's and Investment Manager's operations will be dependent upon systems operated by third parties, including prime-broker(s), administrators, depositaries, market counterparties and their sub-custodians and other Service Providers. The Umbrella Vehicle's and its Sub-Funds' Service Providers, including any Affiliated Service Providers, may also depend on information technology systems and, notwithstanding the diligence that the Umbrella Vehicle and its Sub-Funds may perform on its Service Providers, the Umbrella Vehicle and its Sub-Funds may not be in a position to verify the risks or reliability of such information technology systems. The Umbrella Vehicle, its Sub-Funds, the Board of Directors, the AIFM, the Investment Manager, their respective Affiliates and their respective Service Providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users, as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. For example, information and technology systems are vulnerable to damage or interruption from

computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Such damage or interruptions to information technology systems may cause losses to the Umbrella Vehicle, its Sub-Funds, Investors or Portfolio Investments, without limitation, by interfering with the processing of transactions, affecting the Umbrella Vehicle's, its Sub-Fund's or Portfolio Investment's ability to conduct valuations or impeding or sabotaging trading. The Umbrella Vehicle, its Sub-Funds and Portfolio Investments may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose the Umbrella Vehicle, its Sub-Funds, the Board of Directors, the AIFM, the Investment Manager (which in turn are entitled to indemnification by the Umbrella Vehicle and its Sub-Funds) and Portfolio Investments to civil liability as well as regulatory inquiry and/or action. Investors could also be exposed to losses resulting from unauthorized use of their personal information. Similar types of cybersecurity risks also are present for Portfolio Investments, and could affect their business and financial performance, resulting in material adverse consequences for such Portfolio Investments and loss in value of the Umbrella Vehicle's and its Sub-Funds' investment therein. In addition, there are increased risks relating to the Investment Manager's and Affiliated Service Providers' reliance on their computer programs and systems when their personnel are required to work remotely for extended periods of time, such as in connection with events such as the outbreak of infectious disease or other adverse public health developments or natural disasters, including an increased risk of cyber-attacks and unauthorized access to their computer systems.

*Operational Risk.* The Umbrella Vehicle depends on the Investment Manager to develop the appropriate systems and procedures to control operational risk. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in the Umbrella Vehicle's operations, may cause the Umbrella Vehicle and/or its Sub-Funds to suffer financial loss, the disruption of its business, liability to clients or third parties, regulatory intervention or reputational damage. The Umbrella Vehicle's and its Sub-Funds' business is highly dependent on its ability to process transactions across numerous and diverse markets. Consequently, the Umbrella Vehicle and its Sub-Funds rely heavily on the Investment Manager's financial, accounting and other data processing systems. The ability of their systems to accommodate an increasing volume of transactions could also constrain the Umbrella Vehicle's and its Sub-Funds' abilities to properly manage their portfolios. Investors are generally not notified of the occurrence of an error or the resolution of any error. Generally, the Board of Directors, the AIFM, the Investment Manager and their respective Affiliates will not be held accountable for such errors, and the Umbrella Vehicle and its Sub-Funds could bear losses resulting from such errors.

*Location and Infrastructure.* Apollo maintains its headquarters in New York City, with other offices in North America, Europe and Asia. Loss of its space in one or more of the foregoing office buildings and/or key personnel, whether through fire, terrorist action, earthquake or another catastrophic event, could adversely affect the Umbrella Vehicle's and its Sub-Funds' operations and the investment returns. A serious impairment to the infrastructure of such office buildings such as extended loss of power or a prolonged restriction of physical access to the building such as by governmental authorities or due to an infectious disease outbreak or natural disaster also could adversely affect the operations and investment returns of the Umbrella Vehicle or any of its Sub-Funds. The Board of Directors, the AIFM and the Investment Manager (as applicable) may contract for offsite data back-up and recovery and have a business continuity and disaster recovery plan for offsite operation, but the risk of disruption of operations remains. Similar risks apply to the Umbrella Vehicle's and its Sub-Funds' Service Providers (including its broker-dealers and other custodians of the Umbrella Vehicle's and its Sub-Funds' assets, as well as Affiliated Service Providers).

*Risk to the Sub-Funds of Apollo Financial Distress and Operational Impairment.* If Apollo were to suffer significant financial distress (including due to extraordinary market conditions), a change of control and/or loss of access to credit, the Sub-Funds may be adversely affected and fail to fulfil their investment objectives. Such negative effects could include the loss of the ability

of the Investment Manager to retain employees and provide its previous or anticipated quality of service.

*No Market for Interests; Restrictions on Transfer; No Right of Withdrawal.* The Shares will not be registered under the securities laws of any state or other jurisdiction. The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws, the Shares may not be transferred or resold within the United States or to, or for the account or benefit of, any U.S. person. Investors' Subscription Agreements, the Prospectus, the applicable Sub-Fund Supplement and the Articles may contain representations and impose restrictions on transferability designed to assure that the conditions of the exemptions from such registration requirements are met (as applicable). Unless otherwise provided for in the applicable Sub-Fund Supplement, the Shares may not be sold, assigned, pledged, mortgaged, charged or otherwise transferred in any manner whatsoever (including directly, indirectly or synthetically) without the prior consent of the Board of Directors (or its delegate), which may be withheld in its sole discretion.

In general (and as more particularly set out in the relevant Sub-Fund Supplement), Investors will be subject to transfer restrictions (both in terms of whether they may transfer at all, and to whom they may transfer). Investors may also not be permitted to transfer all or any part of their interest to a person which gives rise to CFIUS (as defined below) or national security considerations with respect to the Umbrella Vehicle, its Sub-Funds, an existing or potential Portfolio Investment or any of their actual or potential assets. See "*CFIUS and National Security/Investment Clearance Considerations*" below. Investors desiring to transfer interests will be required to reimburse the Umbrella Vehicle's and/or the applicable Sub Fund's expenses of such transfer, unless the Board of Directors, in its sole discretion, elects to have the Umbrella Vehicle bear such expenses, which can, in certain circumstances, be substantial. Provided that the aforementioned conditions, as well as any others set out in the relevant Sub-Fund Supplement, are satisfied, any Transferee must provide the Administrator with a duly completed Subscription Agreement, written share transfer agreement and any required AML/ KYC documents as set forth in the Prospectus, applicable Sub-Fund Supplement and Articles. Unless the Board of Directors, in its sole discretion, consents, and/or unless otherwise set out in the relevant Sub-Fund Supplement, (a) management fee discounts and the terms of Other Agreements will not be permitted to be assigned to the Transferee of any interest; and (b) an existing Investor that increases its Commitment by way of a transfer will not be permitted to aggregate its original and transferred Commitments for purposes of the management fee discounts or the terms of Other Agreements related to the size of an Investor's Commitment. Further, in connection with any such transfer, the transferring Investor may forfeit any such discounts or other rights, as determined by the Board of Directors in its sole discretion.

*Lack of Investor Control Over the Umbrella Vehicle's Policies and the Selection of Service Providers.* The Board of Directors, the AIFM and the Investment Manager (as applicable) will have exclusive responsibility for the Umbrella Vehicle's activities, and Investors will not be able to make investment or any other decisions concerning the management of the Umbrella Vehicle or any Sub-Fund. Notwithstanding the aforementioned, Investors will have approval rights in respect of: (i) redemptions in kind, on an individual investor basis; (ii) changes to the Articles; (iii) approval of audited financial statements; and (iv) any other approval right in accordance with the 1915 Law, including *inter alia*, the appointment of directors and the appointment of the Auditor (the "**Voting Matters**").

The management, financing and disposition policies of the Umbrella Vehicle and its Sub-Funds are determined by the Board of Directors. These policies may be changed from time to time at the discretion of the Board of Directors without a vote of the Investors, although the Board of Directors, the AIFM and the Investment Manager have no present intention to make any such changes. Any such changes could be detrimental to the value of the Umbrella Vehicle and/or any of its Sub-Funds. In addition, Investors will have no right to participate in the day-to-day operation of the Umbrella Vehicle and its Sub-Funds, including, except as set forth in the Articles, the Prospectus and/or the relevant Sub-Fund Supplement, investment and disposition decisions and decisions regarding the selection of Service Providers (including Affiliated Service Providers) and the operation and financing of its investments. The Investors will also have no opportunity to evaluate any economic, financial or other information that will be utilized by the Board of Directors, the AIFM and the Investment Manager (as applicable) in its selection of investments, nor will



Investors receive all financial information with respect to any investment that is available to the Board of Directors, the AIFM and the Investment Manager as applicable (save as provided in the Umbrella Vehicle's and/or the relevant Sub-Fund's periodic reporting).

Particularly given the open-ended nature of the Umbrella Vehicle (and certain of its Sub-Funds), there is a large degree of flexibility in the Board of Directors', the AIFM's and the Investment Manager's discretion (as applicable) regarding when Portfolio Investments must be realized. Finally, as further discussed in "*Conflicts of Interest—Selection of Service Providers*," the Board of Directors, the AIFM and the Investment Manager (as applicable) will select the Umbrella Vehicle's and its Sub-Funds' Service Providers (which is likely to include Affiliated Service Providers) and determine the compensation of such providers without the review by or consent of the Investors, or any other independent party, except as may otherwise be provided in the Articles, the Prospectus or the relevant Sub-Fund Supplement. The Investors must therefore rely on the ability of the Board of Directors, the AIFM and the Investment Manager (as applicable) to select and compensate Service Providers in a manner beneficial to the Umbrella Vehicle and its Sub-Funds, and to make and manage investments and dispose of such investments. The success of the Umbrella Vehicle and its Sub-Funds will depend on the ability of the Board of Directors, the AIFM and the Investment Manager (as applicable) to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of investments. The Board of Directors, the AIFM and the Investment Manager (as applicable) may be unable to find a sufficient number of suitable attractive opportunities to meet a Sub-Fund's investment program. No person should purchase an interest unless such person is willing to entrust all aspects of the management of the Umbrella Vehicle and its Sub-Funds to the Board of Directors, the AIFM and the Investment Manager (as applicable).

*Investor Defaults.* As more particularly set out in the relevant Sub-Fund Supplement, in respect of Sub-Funds that employ a Capital Call structure, if an Investor fails to pay when due instalments of its Commitment to the Umbrella Vehicle (including any distributed amounts that have been recalled pursuant to the terms of the Articles, the Prospectus and/or the relevant Sub-Fund Supplement (as applicable)), the Umbrella Vehicle may (subject to the terms of the relevant Sub-Fund Supplement) (i) issue a call notice requiring each non-Defaulting Investor to contribute its pro rata portion (determined in accordance with such non-Defaulting Investor's Commitments) of the Default Amount as further described in the relevant Sub-Fund Supplement and/or (ii) permit Apollo or its Affiliates and/or (ii) permit the Board of Directors to elect to fund the portion of such Portfolio Investment that is subject to default and syndicate such portion to other investors, including to one or more Investors and/or other Apollo Clients or other persons. If an Investor defaults and the capital contributions made by non-Defaulting Investors and borrowings by the Umbrella Vehicle are inadequate to cover the defaulted capital contribution, the Umbrella Vehicle or any of its Sub-Funds may be unable to pay its obligations when due. As a result, the Umbrella Vehicle and/or any of its Sub-Funds may be subjected to significant penalties that could materially adversely affect the returns to the Investors (including non-Defaulting Investors). If an Investor defaults, it may be subject to various remedies as provided for in the relevant Sub-Fund Supplement, including loss of its voting rights, and loss of any entitlement to distributions prior to dissolution or termination of the Umbrella Vehicle except in limited circumstances and/or a forfeiture of all or a portion of its interest. Such Defaulting Investor will remain fully liable to the Umbrella Vehicle for amounts due in respect of its Commitment.

*Liability of Investors.* The Umbrella Vehicle is a Luxembourg umbrella investment company with variable capital (*société d'investissement à capital variable* or "**SICAV**"), established as a public limited liability company (*société anonyme*). Each Sub-Fund will generally invest all or substantially all of its assets through one or more subsidiaries established for the purpose of holding the Umbrella Vehicle's investments. As such, generally, an Investor should not be personally liable for the debts of the Umbrella Vehicle except that, in the event the Umbrella Vehicle is otherwise unable to meet its obligations, the Investors may, under applicable law, be obligated to repay amounts previously received by them to the extent such amounts are deemed to have been wrongfully distributed to them, subject to certain limitations set forth in the relevant Sub-Fund Supplement. In addition, any Investor's Commitment is susceptible to risk of loss as a result of any liability of the Umbrella Vehicle irrespective of whether such liability is attributable to an investment with respect to which such Investor did not contribute any capital or otherwise participate.

*Investment via Master-Feeder Structure.* Sub-Funds may invest through a "master-feeder" structure. The "master-feeder" fund structure presents certain unique risks to investors. For example, a smaller feeder vehicle investing in a master fund may be materially affected by the actions of a larger feeder vehicle investing in the same master fund. If a larger feeder vehicle withdraws from such master fund, the remaining feeder vehicle(s) may experience higher pro rata Operating Expenses, thereby producing lower returns. A master fund may become less diverse due to a withdrawal by a larger feeder vehicle, resulting in increased portfolio risk. In addition, certain conflicts of interest may exist due to different tax considerations applicable to any parallel vehicles and/or feeder vehicles. Due to regulatory, tax and/or other considerations that may be applicable to the Umbrella Vehicle or a Sub-Fund, certain investments may be made through subsidiaries, some of which may be taxable as corporations, which may reduce the overall return to all investors, including the Investors in the relevant Sub-Fund.

*Standard of Care; Exculpation and Indemnification.* The Fund Documents contain provisions that, subject to applicable law, reduce or modify the duties that an Indemnified Party would otherwise owe to the Umbrella Vehicle and/or relevant Sub-Fund and the Investors. As discussed in Section 3 " *Management and Administration*" of this Prospectus, no Indemnified Party will be liable to any Sub-Fund, the Umbrella Vehicle or any Investors for: (i) any losses due to any act or omission by any Indemnified Party in connection with the conduct of the business of the relevant Sub-Fund or the Umbrella Vehicle, unless that act or omission: (a) results in the criminal conviction of, or admission by consent by or plea of no contest by, such Indemnified Party to a material violation of United States federal or applicable European securities laws, or any rule or regulation promulgated thereunder, or any other criminal statute of any such jurisdiction involving a material breach of fiduciary duty, (b) results in the conviction of such Indemnified Party of a felony under any United States federal or state statute (not including a motor vehicle offence), (c) constitutes the commission by such Indemnified Party of an action, or the omission by such Indemnified Party to take an action, if such commission or omission constitutes bad faith, gross negligence (*faute lourde*), wilful misconduct, fraud (but, for the purposes of clarification, fraud for this purpose shall not include conduct that does not rise to the level of an intentional or reckless act) or wilful or reckless disregard for such Indemnified Party's duties to the Umbrella Vehicle or the Investors (but excluding any action or omission that constitutes: (x) a fraudulent conveyance, or (y) the aiding and abetting by such Indemnified Party of the conduct of another person where the action or omission by such aiding and abetting Indemnified Party does not in and of itself constitute any of the foregoing), or (d) a finding by any court or governmental body of competent jurisdiction in a final judgement that such person has received any material improper personal benefit as a result of its breach of any covenant, agreement, representation or warranty contained in the Prospectus, the relevant Sub-Fund Supplement, the Articles, the AIFM Agreement or the relevant Investment Management Agreement or any platform advisory agreement (as applicable), (ii) any losses due to any action or omission by any other party/Investors, (iii) any losses due to any mistake, action, inaction, negligence, dishonesty, actual fraud or bad faith of any broker, placement agent or other agent as provided in the Prospectus, or (iv) any change in U.S. federal, state or local or non-U.S. income tax laws, or in interpretations thereof, as they apply to the Umbrella Vehicle or the Investors, whether the change occurs through legislative, judicial or administrative action. Furthermore, an Indemnified Party will be entitled to receive advances for any fees, costs and expenses incurred in the defense or settlement of any claim that may be subject to a right of indemnification. For example, in their capacity as directors or members of management committees of Portfolio Investments or other entities in which a Sub-Fund directly or indirectly invests, the applicable Indemnified Party may be subject to derivative or other similar claims brought by shareholders of, or other investors in, such entities. Any Indemnified Party may first seek indemnification or advancement from the Umbrella Vehicle and/or relevant Sub-Fund (which indemnification or advancement will be considered an Operating Expense of, and be borne by, the Umbrella Vehicle and/or relevant Sub-Fund prior to seeking to cause such amounts to be borne by any other indemnitor (including insurance maintained by Apollo, the Umbrella Vehicle and/or relevant Sub-Fund or the applicable Portfolio Investment)), regardless of the ultimate allocation of the corresponding liabilities.

The fees, costs and expenses (whether or not advanced) and other liabilities resulting from the Umbrella Vehicle's indemnification obligations are (subject to the terms of the relevant Sub-Fund Supplement) generally Operating Expenses and will be paid by or otherwise satisfied out of the assets of the Umbrella Vehicle, including the Commitments of the Investors. The

application of the foregoing standards may result in Investors having a more limited right of action in certain cases than they would in the absence of such standards. In particular, a "gross negligence" standard of care has been held in some jurisdictions to involve conduct that is closer to wilful misconduct. To the fullest extent permitted by applicable law, in the exercise of its authority pursuant to the Fund Documents, the Board of Directors will not be required or expected to disregard the interests of other Apollo Clients and other Apollo stakeholders (including Apollo, its subsidiaries and their owners) if such interests are in conflict with those of the Umbrella Vehicle and/or any Sub-Fund (although the Board of Directors will not be authorized to disregard the interests of the Umbrella Vehicle and/or the relevant Sub-Fund). As a result of these considerations, even though such provisions in the Fund Documents will not act as a waiver on the part of any Investor of any of its rights under applicable securities laws or other laws the applicability of which is not permitted to be waived, the Umbrella Vehicle and/or any Sub-Fund may bear significant financial losses even where such losses were caused by the negligence (even if heightened) of such Indemnified Parties. Such financial losses may have an adverse effect on the returns to the Investors and, if the assets of the Umbrella Vehicle or a Sub-Fund (as applicable) are insufficient to satisfy the Umbrella Vehicle's indemnification obligations, may result in the recall by the Board of Directors of distributions previously made to the Investors, to the extent such recall provisions are provided for in the relevant Sub-Fund Supplement.

*Recourse to Fund Assets.* A Sub-Fund's assets, including all investments made by the Sub-Fund and any capital held by the Sub-Fund, are available to satisfy all liabilities and other obligations of the Sub-Fund, including indemnification of Indemnified Parties. If a Sub-Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Sub-Fund's assets generally and may not be limited to any particular asset, such as the investment giving rise to the liability. In addition, certain borrowings, including borrowings made on a joint, several, joint and several, cross-collateralized or other basis with other Apollo Clients may be (unless an Investor is obligated to fund its entire subscription "up-front"), directly or indirectly, secured by a pledge or charge of the obligations of the Investors (including Feeder Vehicles) to make capital contributions to the Umbrella Vehicle, a back-to-back pledge or charge of the obligations of the Investors in certain Feeder Vehicles to make capital contributions to the applicable Feeder Vehicle or by the pledge or charge of obligations that are, directly or indirectly, secured by the types of pledges or charges previously described in this sentence. Any such pledge or charge may grant the lender or collateral agent under any such facility the right to require Investors to fund their Undrawn Commitments (noting, however, that Investors in certain Sub-Funds may be obligated to fund their entire subscription "up-front" and so pledges over Undrawn Commitments are unlikely to be given in such circumstances). If such a pledge is granted, this will limit the Investors' ability to use their interests as collateral for other indebtedness (which in any case would be subject to the consent of the Board of Directors in its sole discretion). In addition, the inability of any Sub-Fund to repay borrowings under any credit facility secured by Undrawn Commitments will enable a lender to take action against any Investor in such Sub-Fund to the extent of its then Undrawn Commitment in the relevant Sub-Fund. In the case of subscription line borrowings, the Investors whose Undrawn Commitments have been pledged or charged will be called upon to fund their entire Undrawn Commitments to repay indebtedness and the failure of other Investors to honor their Commitments may result in an Investor's payment obligation exceeding its pro rata share of the indebtedness that has been obtained by the relevant Sub-Fund.

Subject to the terms of the relevant Sub-Fund Supplement, the Board of Directors, the AIFM and/or the Investment Manager (as applicable) have the ability to cause a Sub-Fund and/or related entities, including subsidiaries and SPVs, including newly-formed entities, to enter into "NAV" facilities or similar financing arrangements the effect of which, among other things, could accelerate the receipt of incentive allocation by the Investment Manager. In connection with such transactions, the Board of Directors and/or the Investment Manager (as applicable) has the ability to pledge the Sub-Fund's investments, including on a cross-collateralization basis, without taking into account the potential for non-pro rata investments by Investors as a result of an Investor's opt-out rights. Such financing arrangements will generally not be considered borrowings by a Sub-Fund for purposes of the limitations on borrowings (or any limits on issuing additional interests) by a Sub-Fund that are set forth in the relevant Sub-Fund Supplement and/or the Articles and will be excluded from the calculation of any applicable percentage investment limitations set forth therein. An Investor may also be required to fund amounts to repay subscription line borrowings

or other similar facilities, such as "NAV" facilities, incurred in connection with an investment or managing a Sub-Fund's investment portfolio even if such Investor did not participate in the relevant investment(s) in connection with which such borrowings were incurred.

*Board Participation.* It is possible that employees or consultants of Apollo and its Affiliates will serve as directors of the Portfolio Investments. In addition to any duties Apollo employees may owe to the Umbrella Vehicle or any of its Sub-Funds, as directors of Portfolio Investments, these Apollo employees or consultants will also owe duties to the shareholders of the Portfolio Investments and persons other than the Investors (which, in each case, could include other Apollo Clients who are themselves shareholders of such Portfolio Investment). In general, such positions are often important to a Sub-Fund's investment strategy and may enhance the ability of the Board of Directors, the AIFM and the Investment Manager (as applicable) to manage such Sub-Fund's investments. However, such positions may have the effect of impairing the ability of the Sub-Fund to sell the related investments when, and upon the terms, the Investment Manager may otherwise desire. In addition, such positions may place Apollo employees or consultants in a position where they must make a decision that is either not in the best interests of the Sub-Fund or not in the best interests of the shareholders of the Portfolio Investment. Should an Apollo employee or consultant make a decision that is not in the best interests of the shareholders of a Portfolio Investment, such decision may subject the Board of Directors, the AIFM, the Investment Manager, the Umbrella Vehicle and any of its Sub-Funds to claims they would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In general, a Sub-Fund will indemnify the Board of Directors, the AIFM, the Investment Manager and other Indemnified Parties from such claims. In addition, the interests of other Apollo Clients that have invested in the Portfolio Investment with respect to the management, investment decisions or operations of a Portfolio Investment may at times be in direct conflict with those of a Sub-Fund. As a result, in such circumstances, Apollo and its Affiliates will face actual or apparent conflicts of interest, in particular in exercising powers of control over, or making decisions with respect to, such Portfolio Investments.

*Equity Bridge to Financing.* From time to time, and subject to the terms of the Articles, this Prospectus and/or the relevant Sub-Fund Supplement, a Sub-Fund may provide interim financing to Portfolio Investments or may "underwrite" co-investment capital in order to facilitate an investment, typically on a short-term and unsecured basis in anticipation of a future issuance of equity or long term debt investments, repayment, refinancing or "sell-down" to Co-Investors (such equity bridge to financing for an investment being an "**Equity Bridge to Financing**"). For reasons not always in a Sub-Fund's control, such Equity Bridge to Financings may not be repaid, refinanced or "sold-down" to Co-Investors or such equity or long-term debt securities may not be issued to a Sub-Fund, in which case, the Sub-Fund's exposure to the applicable investment may be larger than originally intended or desired and such Equity Bridge to Financings may remain outstanding. Furthermore, the interest rate (if any) on an Equity Bridge to Financing may not adequately reflect the risk associated with the unsecured position taken by the Sub-Fund.

*Changes in Investment Focus.* A Sub-Fund is only generally restricted by the limitations set forth in the Fund Documents (including any limitations set out in Section 5 "*Investment Objective and Strategy*"). While the Fund Documents contain descriptions of the types of investments that certain Apollo Clients have historically made and information about Apollo's expectations with respect to a Sub-Fund, many factors may contribute to changes in emphasis in the construction of the portfolio, including changes in market or economic conditions or regulation as they affect various industries and changes in the political or social situations in particular countries. There can be no assurance that the investment portfolio of a Sub-Fund will resemble the portfolio of any prior or other Apollo Client.

*Distributions in-Kind.* The potential exists for Portfolio Investments that cannot be liquidated prior to the liquidation of the Umbrella Vehicle and/or a Sub-Fund; as such distributions in kind may (subject to the terms of the Articles and the relevant Sub-Fund Supplement) be made to the Investors upon the liquidation of the Umbrella Vehicle and/or the relevant Sub-Fund. Although it is the general intention of the Board of Directors to make all distributions in cash, at any time and from time to time prior to the liquidation of the Umbrella Vehicle, the Umbrella Vehicle and/or the relevant Sub-Fund may distribute in kind one or more Portfolio Investments consisting of certain marketable securities to the Investors. In addition, pursuant to the Fund Documents, with respect to any distribution a portion of which is to be made in kind and a portion of which is

to be made in cash, such in kind and in cash portions will be distributed to all Investors on a *pro rata* basis. Accordingly, Investors may receive a disproportionate amount of a distribution in kind. In addition, when investments are distributed to Investors in kind, such Investors may then become a note or security holder of (or possibly Investors in) the underlying Portfolio Investments and may be unable to protect their interests effectively.

Furthermore, to the extent that an Investor receives interests in one or more special purpose vehicles, such Investor will generally have no control over when and at what price the investments in which such vehicles have an interest are sold. In addition, payment to such Investor of that portion of its liquidation proceeds attributable to Portfolio Investments held by one or more special purpose vehicles will be delayed until such time as such vehicles elect to liquidate such investments. To the extent that special purpose vehicles are established for the purpose of distributing interests to Investors, such vehicles will generally be managed towards liquidation. The Board of Directors may, in certain circumstances, offer the Investors an in-kind distribution of marketable investments in lieu of receiving a cash distribution, and there may be conditions associated with such a choice that renders such election unavailable to certain Investors.

Upon liquidation of the Umbrella Vehicle, the Articles do not impose a strict obligation on the Board of Directors to realize investments for cash. As discussed in "*Certain Risks Related to the Umbrella Vehicle's Investments—Investments That Cannot Be Disposed of Prior to Dissolution of the Umbrella Vehicle by Expiration of the Term or Otherwise*" below, the Board of Directors will be required to use its commercially reasonable efforts to sell the Umbrella Vehicle's assets but is otherwise permitted to distribute assets in kind to the Investors, including restricted securities. Portfolio Investments distributed in kind may not be readily marketable or saleable and may have to be held by the Investors for an indefinite period of time. If distributions are made of property other than cash, the amount of any such distributions will be accounted for at the fair value of such property. Widespread holding of in kind distributions, particularly of private illiquid investments, may entail a significant administrative burden. In addition, the direct holding of certain investments may subject the holder to suit or Taxes in jurisdictions in which such investments are located.

*Agreements with Certain Investors.* The Board of Directors, on its own behalf and/or on behalf of the Umbrella Vehicle and/or (depending on the terms of the relevant Sub-Fund Supplements) certain Sub-Funds, may enter into Other Agreements with Investors without the approval of any Investor, which have the effect of establishing rights under, altering or supplementing the terms of, or confirming the interpretation of the applicable Fund Document (including a Subscription Agreement) in order to meet certain requirements or requests of such Investors. See also "*Conflicts of Interest—Other Agreements*" below.

*CFIUS and National Security/Investment Clearance Considerations.* Certain investments by the Umbrella Vehicle or any of its Sub-Funds that involve a business, portfolio company or real estate connected with, related to or that implicate national security or critical infrastructure could be subject to review and approval by foreign direct investment mechanisms such as the Committee on Foreign Investment in the United States ("**CFIUS**") and/or non-U.S. national security/investment clearance regulators depending on the beneficial ownership and control of interests in the Umbrella Vehicle, as well as access to information and other rights regarding its investments. In the event that CFIUS or another regulator reviews one or more of the Umbrella Vehicle's (or any of its Sub-Funds') proposed or existing investments, there can be no assurances that the Umbrella Vehicle (or the relevant Sub-Fund) will be able to maintain, or proceed with, such investments on terms acceptable to the Umbrella Vehicle (or the relevant Sub-Fund). CFIUS or another regulator may seek to impose limitations or restrictions that prevent the Umbrella Vehicle (or the relevant Sub-Fund) from maintaining or pursuing investments, which could adversely affect the Umbrella Vehicle's (or the relevant Sub-Fund's) performance with respect to such investments (if consummated) and thus the Umbrella Vehicle's (or the relevant Sub-Fund's) performance as a whole. In addition, certain of the Investors are expected to be non-U.S. investors, and in the aggregate, are expected to comprise a substantial portion of the Umbrella Vehicle's aggregate Commitments, which increases the Umbrella Vehicle's perceived risk profile in CFIUS' eyes. In the event that restrictions are anticipated to be imposed on any investment by the Umbrella Vehicle due to the rights, powers, information access, or presence of an Investor or group of Investors or other national security considerations, the Board of Directors may choose to exclude such Investor(s) from participating in such investment. In the event that restrictions are

imposed on any existing investment by the Umbrella Vehicle due to the rights, powers, information access, or presence of an Investor or group of Investors or other national security considerations, the Board of Directors may require such Investor(s) to withdraw from the Umbrella Vehicle or a particular Sub-Fund. The Board of Directors will also have authority to restrict information otherwise required to be provided to Investors to the extent necessary or desirable to address national security considerations. An Investor may not be permitted to Transfer all or any part of its interest to a person that gives rise to CFIUS or national security considerations with respect to the Umbrella Vehicle or actual or potential investments.

If the Umbrella Vehicle (or any of its Sub-Funds) is investing in Portfolio Investments for which CFIUS approval is required or otherwise being sought, the U.S. government may require the Umbrella Vehicle (or the relevant Sub-Fund) to address perceived threats to national security through mitigation measures, including contractual undertakings with the U.S. Government, board resolutions and proxy agreements. The necessity of a CFIUS filing, the length of the CFIUS review process, or the time to negotiate any mitigation measures could place the Umbrella Vehicle at a competitive disadvantage to U.S. purchasers not subject to CFIUS approval. Such mitigation measures could also effectively impose significant operational restrictions on the Umbrella Vehicle, the relevant Sub-Fund, the Board of Directors, the Investment Manager or the AIFM (as applicable). Should CFIUS approval, or other regulatory approval, be a closing condition to a prospective transaction, there is a risk that such approval might not be granted and the Umbrella Vehicle will have to bear the costs and expenses relating to such unconsummated investment, in addition to the risk that disadvantageous conditions may be imposed. Similar rules or regulations also exist in several non-U.S. jurisdictions that would subject the Umbrella Vehicle (or any of its Sub-Funds) to comparable risks.

*Disclosure of Confidential Fund and Investor Information.* Under the Fund Documents, the Investors may disclose information or matters relating to the Umbrella Vehicle and/or a Sub-Fund and their affairs if, among other things, such disclosure is required by or facilitates compliance with or a request made pursuant to law, governmental rule or regulation, or by a tax authority. In addition, the Investors are expected to include persons or entities that are subject to state public records or similar laws that may compel public disclosure of confidential information regarding the Umbrella Vehicle, its investments or its investors. There can be no assurance that such information will not be disclosed either publicly or to regulators, or otherwise. To the extent that any governmental or state public records or similar laws would require an Investor or any of its Affiliates or agents or any person to whom disclosure is made by an Investor to disclose information relating to the Umbrella Vehicle or its investments, Affiliates or investors, which disclosure could, for example, affect the Umbrella Vehicle's competitive advantage in finding attractive investment opportunities or constitute trade secrets of the Board of Directors, the Board of Directors may, in order to prevent any such potential disclosure that the Board of Directors determines in good faith is likely to occur, withhold certain of the information otherwise to be provided to such Investor. Confidential information regarding the Umbrella Vehicle and one or more Sub-Funds may also become subject to public disclosure or regulatory disclosure due to the relationship between the Umbrella Vehicle and a public entity. In addition, in order to comply (or to facilitate compliance) with regulations and policies to which the Umbrella Vehicle, the Board of Directors, the AIFM, the Investment Manager, the Portfolio Investments in which the Umbrella Vehicle invests or Service Providers (including financial institutions) are or may become subject, in an effort to obtain an economic, tax or similar result more favorable to the Umbrella Vehicle as a whole or any Investor or to satisfy legal, tax, regulatory, business or other requirements or requests in connection with transactions, the Umbrella Vehicle, the Board of Directors, the AIFM, the Investment Manager, their respective Affiliates or one or more Portfolio Investments in which the Umbrella Vehicle invests and their respective consultants, attorneys or other advisors will be required to disclose information about the Investors, including their identities and the identities of their beneficial owners, as well as information reasonably required in connection with any tax audit involving the Umbrella Vehicle or any Investor. Furthermore, the Board of Directors may, to the maximum extent permitted by applicable law or the Articles, keep confidential from any Investor any information (including information that constitutes "material non-public technical information" under Section 721 of the United States Defense Production Act of 1950, as amended (50 U.S.C. §4565), the United States Foreign Risk Review Modernization Act of 2018, as amended, and all rules and regulations thereunder, including those codified at 31 C.F.R. Part 800 et seq. and associated regulatory guidance) the disclosure of which the Board of Directors

reasonably believes is required by law, agreement or otherwise to be kept confidential, or the Board of Directors reasonably believes may have an adverse effect on (i) the ability to entertain, negotiate or consummate any proposed portfolio investment or any transaction directly or indirectly related to, or giving rise to, such proposed portfolio investment, (ii) the Umbrella Vehicle, the Board of Directors, the AIFM, the Investment Manager or any of their Affiliates, including Portfolio Investments, or (iii) any person that is, directly or indirectly, the subject of a Portfolio Investment.

*Electronic Delivery of Certain Documents.* The Investors will be deemed to consent to electronic delivery (including electronic mail (or other electronic communication) or posting to the Umbrella Vehicle's or the relevant Sub-Fund's intranet website or other internet service in accordance with the Fund Documents) of: (i) certain closing documents such as the Fund Documents and the Subscription Agreement; (ii) any notices or communications required or contemplated to be delivered to the Investors by the Umbrella Vehicle, the Board of Directors, the AIFM, the Investment Manager or any of their respective Affiliates, pursuant to applicable law or regulation (including the Advisers Act and the U.S. Gramm-Leach-Bliley Act, as amended), at the option of the person making such delivery; (iii) certain tax related information and documents; and (iv) capital demand notices and other notices, requests, demands, consents or other communications and any financial statements, reports, schedules, certificates or opinions required to be provided to the Investors under the Fund Documents or under any Other Agreement. There are certain costs (e.g., on-line time) and possible risks (e.g., slow downloading time and system outages) associated with electronic delivery that will be borne by the Umbrella Vehicle. Moreover, the Board of Directors cannot provide any assurance that these communication methods are secure and will not be responsible or liable for any computer viruses, problems or malfunctions resulting from any computer viruses or related problems that may be associated with the use of an internet based system. See "*Systems Risk and Cybersecurity*" above.

*Substantial Fees and Expenses.* The Sub-Funds will each pay their respective Management Fees, Organizational Expenses and Operating Expenses (including their share of the organizational expenses and operating expenses of the Umbrella Vehicle) whether or not they make any profits, as set forth in Section 13 "Costs and Expenses", the Articles and the relevant Sub-Fund Supplement. When Apollo pays such expenses on behalf of a Sub-Fund, Apollo will seek and obtain reimbursement from the Sub-Fund and, to the extent Apollo incurred a cost of capital for the time period between payment of the expense and reimbursement by the Sub-Fund, Apollo may include such amount in the amount reimbursed from the Sub-Fund (with Apollo determining in its sole discretion whether to include (i) the calculation of the aggregate amount of the cost of capital and (ii) such amount as part of the reimbursement). Such amounts will not (unless otherwise specified in the relevant Sub-Fund Supplement) generally constitute Special Fees and, therefore, such amounts will not generally reduce Management Fees paid by a Sub-Fund. It is difficult to predict the future expenses of the Umbrella Vehicle and/or any Sub-Fund. Such expenses will be substantial, and neither the Umbrella Vehicle and/or any Sub-Fund's expenses nor its fees (other than, if contemplated by the relevant Sub-Fund Supplement) are subject to any cap.

#### **B. *Certain Risks Related to the Umbrella Vehicle's Investments***

*General Investment Risks.* All investments involve risks, including the risk that the entire amount invested may be lost. No guarantee or representation is made that one or more Sub-Fund's investment objectives will be achieved. The Sub-Funds may utilize various investment techniques, such as leverage and derivatives (including swaps), which can in certain circumstances increase the adverse impact to which the Sub-Fund's investments may be subject. See "*Use and Availability of Leverage; Recent Changes in Credit Markets*" below.

*General Economic Conditions and Recent Events.* Various sectors of the global financial markets have been experiencing an extended period of adverse conditions. Market uncertainty has increased dramatically and adverse market conditions have expanded to worldwide markets. These conditions have resulted in disruption of the global credit markets, periods of reduced liquidity, greater volatility, general widening of credit spreads, an acute contraction in the availability of credit and a lack of price transparency (see also "*Use and Availability of Leverage; Recent Changes in Credit Markets*" below). These volatile and often difficult global credit market

conditions have episodically adversely affected the market values of equity, fixed-income and other securities and this volatility may continue and conditions could even deteriorate further. Some of the largest banks and companies across many sectors of the economy in Europe and other countries have declared bankruptcy, entered into insolvency, administration or similar proceedings, been nationalized by government authorities, and/or agreed to merge with or be acquired by other banks or companies that had been considered their peers. The long-term impact of these events is uncertain, but could continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity. Further, due to the geographic concentration limitations set forth in the Fund Documents, a Sub-Fund may have a restricted ability to mitigate against market-specific risks in such countries by diversifying its Portfolio Investments across geographic regions.

Other factors that could negatively affect a Sub-Fund's business, potentially materially, include travel-related health events, such as COVID-19 (as discussed further below), Ebola, H1N1, MERS-CoV SARs, avian flu, or similar outbreaks, which may have global impacts and cause significant changes in oil prices. The outbreak of the 2019 Novel Coronavirus ("**COVID-19**") (which on March 11, 2020, the World Health Organization publicly characterized as a pandemic) across nearly all countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified, many countries have reacted by instituting quarantines, restrictions on travel, bans and/or limitations on public events and public gatherings, closures of a variety of venues (e.g., restaurants, concert halls, museums, theatres, schools and stadiums, non-essential stores, malls and other entertainment facilities and commercial buildings) or shelter-in-place orders designed to help slow the spread of COVID-19. Businesses throughout many countries in which the Umbrella Vehicle expects to invest have implemented protective measures throughout the pandemic, such as work-from-home arrangements, partial or full shutdowns of operations, furlough or termination of employees and cancellation of customer, employee or industry events. For example, where employees are suspected of having contracted a contagious disease, many employers have been required to apply quarantines or suspend operations. Such measures have impacted on the commerciality of transactions, the ease with which transactions may be executed, or the general costs otherwise incurred by such businesses in which the Umbrella Vehicle and its Sub-Funds may invest. Such measures, including the unknown duration thereof in many instances, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are continuing to create disruption in global supply chains, and adversely impacting a number of industries, such as transportation, retail, hospitality and entertainment. Quarantined regions around the globe have restricted the flow of goods in and out of such regions, meaning a shortage of materials and components being distributed from these areas has been created. The outbreak is viewed as adversely impacting economic and market conditions and could trigger a prolonged period of global economic slowdown. Additionally, while certain jurisdictions have begun to reduce protective measures and "re-open" there is no guarantee that such measures will not further adversely affect businesses or that they will remain "re-opened." The rapid and evolving development of this situation precludes any prediction as to the ultimate adverse impact of COVID-19.

The effect of the COVID-19 outbreak on the global economy and on the public has been severe and could exacerbate other pre-existing political, social, economic, market and financial risks. Further, while many countries have enacted economic stimulus measures aimed at curbing the negative economic impacts to the U.S., Europe and other countries as a result of COVID-19, the impacts on markets, business activity and the global economy of such measures, as well as potential changes in economic and fiscal policies that may be adopted to address the pandemic and related externalities, are not yet fully identified or understood. In this environment, there is a heightened likelihood of government intervention or regulation and/or changes in law, including by way of example laws and regulations requiring creditors to waive payments from debtors, defer maturities on debt instruments and/or cancel or delay foreclosures on assets, any of which could have a material adverse effect on the Umbrella Vehicle and its investments. In addition, laws and regulations have been implemented (and other laws and regulations are being considered) around the world that place restrictions on lenders and landlords in the real estate sector and other industries from exercising certain of their rights in the event of borrower or tenant defaults or delinquencies, including with respect to foreclosure and eviction rights. For example, certain



jurisdictions have implemented debt payment relief packages or suspended the enforcement of residential and commercial evictions. Many countries have also instituted protections such as residential and commercial protections for non-payment of rent, payment holidays, and increased notice periods prior to evictions. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are (i) expected to have a material adverse impact on tenants, real estate lenders and commercial property owners like Apollo, (ii) creating significant disruption in supply chains and economic activity and (iii) having a particularly adverse impact on hospitality, tourism, entertainment and other industries. Although vaccines for COVID-19 are being made available around the world, it will take time for the vaccine to materially affect the spread of the virus and the outbreak could have a continued adverse impact on economic and market conditions.

There are no comparable recent events in Europe or other countries that provide guidance as to the effect of the spread of COVID-19 and a pandemic on the business, financial condition and results of operations of Portfolio Investments. Historically, widespread outbreaks of communicable diseases have affected investment sentiment and caused sporadic volatility in global markets. Such effects will be unevenly distributed across sectors, businesses, and national economies, depending upon, amongst other things, the global distribution of detected cases of COVID-19. In light of all of the above, COVID-19 presents material uncertainty and risk with respect to Apollo Clients' performance and financial results. There is substantial uncertainty of COVID-19's potential effect on the Umbrella Vehicle, its Sub-Funds and any Portfolio Investments, which could have a material adverse effect on the Umbrella Vehicle's and its Sub-Fund's investments (specifically, COVID-19 might cause the overall delay of the Umbrella Vehicle's investment process, timelines and opportunities) and on the business, financial condition and results of operations of Portfolio Investments, particularly those Portfolio Investments that were already highly leveraged or distressed prior to such economic downturn, and their ability to meet their financial obligations. Failure to meet any such financial obligations could result in the Umbrella Vehicle and its Portfolio Investments being subject to margin calls or being required to repay indebtedness or other financial obligations immediately in whole or in part, together with any attendant costs, and the Umbrella Vehicle, its Sub-Funds and its Portfolio Investments could be forced to sell some of its assets to fund such costs. In addition, solvency concerns can be exacerbated if the situation results in working capital lines being blocked, financial covenants being breached, events of default occurring and/or the triggering of termination payments or other contingent liabilities for non-performance. Any slow-down in business activity may negatively impact liquidity of one or more Sub-Funds. In the event of any such consequences, the Umbrella Vehicle and its Sub-Funds could lose both invested capital in and anticipated profits from the affected investment. No previous success by the Investment Manager or their respective Affiliates in dislocated markets is any guarantee of the Umbrella Vehicle's success in respect of investing and managing any Portfolio Investment during and post-the COVID-19 pandemic.

In addition, the world-wide pandemic caused by COVID-19 has had a substantial impact on the operations of tax authorities, and such continued impact could, among other things, impose delays on their response and processing time to requests and elections from taxpayers. Such delays may have an adverse effect on the Umbrella Vehicle's and its Sub-Funds' operations and structure.

Furthermore, a counterparty's ability to meet or willingness to honor its financial obligations (including its ability to extend credit or otherwise to transact with the Umbrella Vehicle, its Sub-Funds or a portfolio company) may be negatively impacted. Current conditions may affect how counterparties interpret their obligations (and the Umbrella Vehicle's obligations) pursuant to counterparty arrangements such that the applicability, or lack thereof, of force majeure or similar provisions could also come into question and ultimately could work to the detriment of the Umbrella Vehicle. These circumstances also may hinder the AIFM and the Investment Manager, the Umbrella Vehicle's, its Sub-Funds' and/or Portfolio Investments' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

The investments made by the Sub-Funds are expected to be sensitive to the performance of the overall economy. General fluctuations in the market prices of securities and interest rates may affect the value of Portfolio Investments or increase the risks associated with an investment in the Sub-Funds. There can be no assurances that conditions in the global financial markets will not change to the detriment of the Sub-Fund's investments and investment strategy. The continuing negative impact on economic fundamentals and consumer and business confidence would likely further increase market volatility and reduce liquidity, both of which could adversely affect the access to capital, ability to utilize leverage or overall performance of the Sub-Funds or one or more of its Portfolio Investments and these or similar events may affect the ability of the Sub-Funds to execute their investment strategies.

*Highly Volatile Markets.* The prices of financial instruments in which a Sub-Fund may invest can be highly volatile. The prices of instruments in which the Sub-Fund could invest are influenced by numerous factors, including interest rates, currency rates, default rates, governmental policies and political and economic events (both domestic and global). Moreover, political or economic crisis, or other events, may occur that can be highly disruptive to the markets in which the Sub-Fund may invest. In addition, governments from time to time intervene (directly and by regulation), which intervention may adversely affect the performance of the Sub-Fund and its investment activities. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets, many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. A Sub-Fund is also subject to the risk of a temporary or permanent failure of the exchanges and other markets on which its investments may trade. Sustained market turmoil and periods of heightened market volatility make it more difficult to produce positive trading results, and there can be no assurance that one or more Sub-Fund's strategies will be successful in such markets or that historically low-risk strategies will not perform with unprecedented volatility and risk.

*Interest Rate Fluctuations.* General fluctuations in the market prices of securities and interest rates may affect the value of the investments held by a Sub-Fund. Volatility and instability in the securities markets may also increase the risks inherent in a Sub-Fund's investments. A significant market fluctuation often decreases tolerance for counterparty risks, which can negatively impact financial institutions, even causing their failure as occurred in the most recent global economic downturn. A Sub-Fund and its Portfolio Investments expect to regularly seek to obtain new debt and refinance existing debt, and significant increases in interest rates, or other disruptions in the credit markets, would make it difficult to carry on normal financing activities, such as obtaining committed debt financing for acquisitions, bridge financings or permanent financings. Tightening of loan underwriting standards, which often occur during market disruptions, can have a negative impact including through reduction of permitted leverage levels and increased requirements for borrower quality. A Sub-Fund's ability to generate attractive investment returns will be adversely affected by any worsening of financing terms and availability.

*Business and Market Risks.* A Sub-Fund's investments could involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in competitive environment, changes in national or international economic and market conditions and changes in laws, regulations, trade barriers, commodity prices and controls, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks, security operations, infectious disease outbreaks, epidemics and pandemics. Certain changes in market conditions may adversely affect a Sub-Fund by reducing the value or performance of its investments or by reducing its ability to raise or deploy capital, each of which could negatively impact the returns to the Investors. In addition, the Investment Manager's strategy for a portfolio company may involve an acquisition program, restructuring and/or operational improvements, all of which entail a high degree of uncertainty. Portfolio companies that the Investment Manager expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive positions, or may otherwise have a weak financial condition or experience financial distress. The possibility of partial or total loss of capital will exist, and prospective investors should not invest unless they can bear the consequences of such loss. Changing market and economic conditions may make a Sub-Fund's investment strategy less profitable.

*Competition for Investment Opportunities.* There is currently, and will likely continue to be, competition for investment opportunities by investment vehicles with investment objectives and strategies identical or similar to any Sub-Fund's investment objectives and strategies, as well as by business development companies, master limited partnerships, strategic investors, hedge funds and others. Some of these competitors may have more relevant experience, greater financial, technical, marketing and other resources, more personnel, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital and access to funding sources unavailable to the Sub-Funds and a greater ability to achieve synergistic cost savings in respect of an investment than the Sub-Funds, the Board of Directors, the AIFM, the Investment Manager, Apollo and each of their respective Affiliates. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Sub-Funds and adversely affecting the terms, including pricing, upon which investments can be made. Such competition is particularly acute with respect to participation in auction proceedings. To the extent that the Sub-Funds encounter competition for investments, returns to Investors may decrease.

Based on the foregoing, there can be no assurance that the Sub-Funds will be able to identify or consummate investments that satisfy the Sub-Funds' rate of return objectives or realize upon their values or that the Sub-Funds will be able to invest fully their committed capital. The success of the Sub-Funds will depend on the Board of Directors' and the Investment Manager's ability to identify suitable investments and to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of Portfolio Investments.

*Risks of Leverage.* Borrowing money to partially or wholly purchase Portfolio Investments (where permitted by the relevant Fund Documents) could provide a Sub-Fund with the opportunity for greater capital appreciation but, at the same time, will increase the Umbrella Vehicle's exposure to capital and interest rate risk and higher expenses. The terms and cost of such borrowing will be dependent on market conditions and could (subject to the terms of the Fund Documents) involve one or more types of financing, including without limitation, asset-based financing, repurchase agreements, securities lending, and/or prime brokerage financing. See "*Recourse to Fund Assets*" above and "*Use and Availability of Leverage; Recent Changes in Credit Markets*" below. If the assets of a Sub-Fund are not sufficient to pay the principal of, and interest on, the debt when due, or if a Sub-Fund breaches any covenant or any other obligation with respect to such borrowing, then the Sub-Fund could sustain a total loss of its Portfolio Investments.

*Risks Related to Disposition.* The ability to exit a Portfolio Investment could, depending upon the type of investment in such Portfolio Investment, depend upon the ability of a potential buyer to secure the financing necessary to consummate a sale, including or for the Portfolio Investments in which a Sub-Fund has made structured equity investments to fully repay such obligations. There can be no assurance that a Sub-Fund will be able to dispose of its investments at the price and at the time it wishes to do so, which could impede a Sub-Fund's ability to respond to adverse changes in the performance of its Portfolio Investments and could significantly affect the Sub-Fund's financial condition and operating results. Portfolio Investments in publicly traded companies may also be subject to legal or contractual restrictions on resale, including the possibility that the Board of Directors, the AIFM or the Investment Manager will be in possession of material non-public information about the company. In addition, the ability to exit an investment will depend upon, among other things, favorable market conditions.

*Risks Associated with the Investment Strategy.* The current strategy of one or more Sub-Funds is to invest across a variety of assets across different geographies. Accordingly, the Sub-Funds will be required to maintain expertise, relationships and market knowledge across a range of asset and investment types and geographic regions, and will be subject to the market conditions affecting each such investment in various markets, including such factors as the local legal and regulatory environment, economic climate, business layoffs, industry slowdowns, changing demographics and supply and demand issues affecting each such market. This multi-market approach could require more management time, staff support and expense than would be experienced with a company whose focus is dedicated to a greater extent on fewer investment types or regions than is contemplated by the Sub-Funds.

*Allocation of Investment Opportunities.* Apollo provides investment management services to other Apollo Clients, and Apollo and/or such Apollo Clients could have one or more investment strategies that overlap or conflict with those of the Sub-Funds. The employment by Apollo of conflicting strategies for other Apollo Clients could adversely affect the prices and availability of the securities and other assets in which the Sub-Funds invest. If participation in specific investment opportunities is appropriate for both a Sub-Fund and one or more other Apollo Clients (or Apollo itself, such as an Apollo sponsored SPAC), participation in such opportunities will (subject to any restrictions set out in the applicable Sub-Fund Supplement(s)) be allocated pursuant to Apollo's allocation policies and procedures. There can be no assurance, however, that the application of such policies will result in the allocation of a specific investment opportunity to a Sub-Fund or that such Sub-Fund will participate in all investment opportunities falling within its investment objective. Such considerations can result in allocations of certain investments among the Sub-Funds and other Apollo Clients on other than a *pari passu* basis and, in some cases, to a newly-formed Apollo Client or an Apollo sponsored SPAC established for a particular investment or otherwise. In the past, the application of such policies has resulted in the allocation by Apollo of certain investment opportunities relating to the alternative investment management business to (i) Apollo (or an Apollo-sponsored SPAC) rather than to Apollo Clients or (ii) a newly-formed Apollo Client created for a particular investment opportunity, and Apollo expects to allocate such opportunities in a similar manner in the future. As Apollo continues to seek additional sourcing channels for investment opportunities for the Sub-Funds and other Apollo Clients, as well as Apollo, it is also anticipated that there will be opportunities for investments in various companies or businesses, including among others financial services companies and investment advisory/management businesses, that would be allocated to Apollo (and not Apollo Clients, including the Sub-Funds) as part of developing investment sourcing opportunities for the platform, including as part of such underlying investment, a commitment to fund or otherwise contemporaneously participate in such sourcing opportunities by Apollo Clients, including the Sub-Funds. Any fees, costs and expenses arising from or in connection with the discovery, evaluation, investigation, development and consummation of potential Platform Investments or joint ventures (including joint ventures formed in connection with Platform Investments) will (unless otherwise specified in the relevant Sub-Fund Supplement) be considered Operating Expenses and will be borne by the Sub-Fund in accordance with Apollo's expense allocation procedures as further discussed in "*Conflicts of Interest—Allocation of Expenses*" below. In addition, for any such Platform Investments or joint ventures, to the extent the Sub-Funds participate in one or more investment opportunities sourced by such platform (irrespective of whether any such investment is consummated), any fees earned by Apollo in respect of such Platform Investment or joint venture, including management fees or other incentive compensation arrangements, will not (unless otherwise specified in the relevant Sub-Fund Supplement) generally constitute Special Fees and accordingly will not generally be applied to reduce management fees; instead such payments will generally (unless otherwise specified in the relevant Sub-Fund Supplement) be treated as Other Fees. None of the Investors will have an interest in investments made by such other Apollo Clients solely by reason of their investment in the Sub-Fund. In addition, to the extent that the participation of a Sub-Fund in an investment opportunity that is otherwise suitable for a Sub-Fund and other Apollo Clients would cause the investment to become subject to requirements and restrictions of the AIFMD that could have an adverse impact on any or all participating investors, Apollo may determine to exclude the Sub-Fund, from participating in the investment opportunity (see "*Certain Risks Related to Regulatory Matters—The Alternative Investment Fund Managers Directive*" below).

To the extent that the participation of the Umbrella Vehicle, its Sub-Funds or any investor in the Sub-Funds in an investment opportunity that is otherwise suitable for the Umbrella Vehicle, its Sub-Funds and other Apollo Clients would cause the investment to become subject to requirements and restrictions of a law, rule or regulation that could have an adverse impact on any participating investor in such investment opportunity, Apollo may determine to modify some or all of the terms of such investment opportunity or to exclude the Umbrella Vehicle, its Sub-Funds or any such investor in the Umbrella Vehicle or its Sub-Funds from participating in such investment opportunity.

*Expedited Transactions.* Investment analyses and decisions by the Board of Directors and the Investment Manager will often be undertaken on an expedited basis in order for a Sub-Fund to take advantage of investment opportunities. In such cases, the information available to the

Board of Directors and the Investment Manager at the time of an investment decision may be limited, and the Board of Directors and the Investment Manager may not have access to the detailed information necessary for a full evaluation of the investment opportunity. In addition, the financial information available to the Board of Directors and the Investment Manager may not be accurate or provided based upon accepted accounting methods. The Board of Directors and the Investment Manager will rely upon independent consultants or advisors in connection with the evaluation of proposed investments. There can be no assurance that these consultants or advisors will accurately evaluate such investments (see also "*Certain Risks Related to the Umbrella Vehicle, the Sub-Funds and the Shares—Due Diligence*" above).

*Hedging Policies/Risks.* The Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments may employ hedging strategies (whether by means of derivatives or otherwise and whether in support of financing techniques or otherwise) that are designed to reduce the risks to the Umbrella Vehicle, its Sub-Funds and/or such Portfolio Investments of fluctuations in interest rates, securities, commodities and other asset prices and currency exchange rates, as well as other identifiable risks. While the transactions implementing such hedging strategies are intended to reduce certain risks, such transactions themselves could entail certain other risks, such as the risk that counterparties to such transactions may default on their obligations and the risk that the prices and/or cash flows being hedged behave differently than expected. Thus, while the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments should benefit from the use of these hedging strategies, unanticipated changes in interest rates, securities, commodities and other asset prices or currency exchange rates or other events related to hedging activities may result in a poorer overall performance for the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments than if any of them or their Portfolio Investments had not implemented such hedging strategies (see "*Certain Risks Related to Investments in the Target Jurisdictions—Currency Value Fluctuations*" below).

*Use of Derivatives and Other Specialized Techniques—Generally.* The Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments may engage in a variety of over-the-counter ("**OTC**") and other derivative transactions as part of their hedging or investment strategies, including total return swaps on individual or baskets of assets, interest rate swaps, credit default swaps, repurchase agreements, forward contracts, purchases and sales of commodity futures, put and call options, floors, collars or other similar arrangements and derivative transactions. Both the CFTC and EMIR (and where applicable UK EMIR) (all as defined below) currently require the clearing of certain derivatives by relevant entities other than certain specified "end users" in relation to the CFTC and "non-financial counterparties below the clearing threshold" in relation to EMIR. Additional products are expected to be required to be cleared in the future. Clearinghouse collateral requirements may differ from and be greater than the collateral terms negotiated with derivatives counterparties in the OTC market. This may increase the cost incurred by the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments, as applicable, in entering into these products and impact the ability of the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments, as applicable, to pursue certain investment strategies. For derivatives that are cleared through a clearinghouse, the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments, as applicable, will face the clearinghouse as legal counterparty and will be subject to clearinghouse performance and credit risk. It is anticipated that some Portfolio Investments will constitute "end- users" (or non-financial counterparties below the clearing threshold in relation to EMIR) and will therefore be eligible to elect an exemption from the clearing requirements described above.

The markets with respect to non-cleared OTC derivatives are "principals' markets," in which performance with respect to a swap contract is the responsibility only of the counterparty to the contract, and not of any exchange or clearinghouse. As a result, the Umbrella Vehicle, its Sub-Fund and/or their Portfolio Investments, as applicable, will be subject to counterparty risk relating to the inability or refusal of a counterparty to perform such uncleared derivatives contracts (although under EMIR, the implementation of certain risk mitigation techniques may be required). If a counterparty's creditworthiness declines, the value of OTC derivatives contracts with such counterparty can be expected to decline, potentially resulting in significant losses to the Umbrella Vehicle, its Sub-Funds or their Portfolio Investments. If a default, an event of default, termination event or other similar condition or event were to occur with respect to the Umbrella Vehicle, its Sub-Funds or a Portfolio Investment under any OTC derivative instruments, the relevant counterparty may generally terminate all transactions with the Umbrella Vehicle, a Sub-Fund or

such Portfolio Investment, as applicable, potentially resulting in significant losses to the Umbrella Vehicle, a Sub-Fund or such Portfolio Investment, as the case may be.

Suitable derivative instruments may not continue to be available at a reasonable cost. Participants in the OTC derivative markets are generally not required to make continuous markets in the instruments in which they trade. Participants could also refuse to quote prices for OTC derivatives contracts or could quote prices with an unusually wide spread. Disruptions can also occur in any market in which the Umbrella Vehicle, its Sub-Funds or any of their Portfolio Investments trade due to unusually high trading volume, political intervention or other factors. A reduction or absence of price transparency or liquidity could increase the margin requirements, if any, under the relevant transactions and may result in significant losses or loss of liquidity to the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments, as applicable. There is no limitation on daily price movements on these instruments. The imposition of controls by governmental authorities might also limit such trading to less than that which the AIFM would otherwise recommend, to the possible detriment of the Umbrella Vehicle or its Sub-Funds. Market illiquidity or disruption could result in significant losses to the Umbrella Vehicle or its Sub-Funds.

Derivative instruments may also embed varying degrees of leverage. Accordingly, the leverage offered by trading in derivative instruments may magnify the gains and losses experienced by the Umbrella Vehicle, its Sub-Funds or a Portfolio Investment. Thus, like other leveraged investments, a derivatives trade may result in losses in excess of the amount invested. Any increase in the amount of leverage applied will increase the risk of loss due to the amount of additional leverage applied. Also, certain derivative instruments, such as swap agreements, shift the investment exposure from one type of investment to another. Depending on how they are used, such agreements may increase or decrease the overall volatility of the Umbrella Vehicle, its Sub-Funds or a Portfolio Investment. A significant factor in the performance of many derivatives is the change in the specific factors that determine the amounts of payments due to and from the Umbrella Vehicle, its Sub-Funds or a Portfolio Investment, as the case may be, pursuant to such derivative instrument. If a derivative instrument calls for payments by the Umbrella Vehicle, its Sub-Funds or a Portfolio Investment, the Umbrella Vehicle, such Sub-Fund or Portfolio Investment must be prepared to make such payments when due.

In addition to any EMIR related obligations to which the Umbrella Vehicle or the Portfolio Investments may be subject, counterparties to the Umbrella Vehicle or the Portfolio Investments may be subject to capital and other requirements as a "swap dealer" or "major swap participant" which may increase their costs of doing business, a portion of which increase may be passed on to the Umbrella Vehicle, its Sub-Funds or each such Portfolio Investment. Persons deemed to be swap dealers or major swap participants are required to register with the CFTC as such and would be subject to a number of regulatory requirements, such as specific record-keeping, back-office and reporting requirements, margin collection requirements for swaps that are not cleared, capital requirements, disclosure obligations, specific compliance obligations and special obligations to governmental entities. While it is unlikely that the Umbrella Vehicle, its Sub-Funds or a Portfolio Investment would be directly subject to these requirements, the requirements will likely apply to many of the Umbrella Vehicle's, its Sub-Funds' or its Portfolio Investments' counterparties which may increase the cost of trading swaps through increased fees to offset the counterparties' trading and compliance costs. On the other hand, the Umbrella Vehicle, its Sub-Funds and its Portfolio Investments may trade in certain swaps or derivative instruments with unregistered and unregulated entities, and therefore may not benefit from protections afforded to counterparties of registered and regulated swap entities.

Speculative position limits are not currently applicable to OTC derivative transactions, although the Umbrella Vehicle's derivatives counterparties may limit the size or duration of positions available to the Umbrella Vehicle as a consequence of credit or other considerations. Position limits are the maximum amounts of net long or net short positions that any one person or entity may own or control in a particular financial instrument. In addition, pursuant to the U.S. Dodd- Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") the CFTC has sought to implement regulations for federal speculative position limits in 25 core physical commodity contracts and their economically equivalent futures, options and swaps as well as aggregation rules and exemptions therefrom. In addition, the Dodd- Frank Act requires the U.S. Securities and Exchange Commission (the "**SEC**") to set position limits on security- based swaps. The Dodd-Frank Act and related CFTC and SEC rules (certain of which have not yet been

released or finalized) also impose other significant new regulations on the derivatives markets, including the registration of and regulations on persons deemed to be swap dealers or major swap participants. Such regulated swap entities are subject to a number of regulatory requirements which may result in such counterparties increasing the Umbrella Vehicle's and its issuers' cost of trading derivatives instruments through increased fees or spreads to offset the compliance costs and requirements.

Pursuant to the Dodd-Frank Act, the CFTC and other prudential regulators have finalized margin requirements for uncleared OTC derivatives. Although the regulations include limited exemptions from margin requirements for so-called "nonfinancial end-users," the Umbrella Vehicle and its Portfolio Investments may not be able to rely on such exemptions. It is anticipated, however, that some Portfolio Investments will constitute "end-users" and therefore will be exempt from the margin requirements described above. Uncertainty remains regarding the application of post-financial crisis swaps legislation (including the Dodd-Frank Act and the regulations adopted thereunder) and, consequently, the full impact that such legislation ultimately will have on the Umbrella Vehicle and its issuers' derivative instruments is not fully known to date.

The investment techniques related to derivative instruments are highly specialized and may be considered speculative. Such techniques often involve forecasts and complex judgments regarding relative price movements and other economic developments. The success or failure of these investment techniques may turn on small changes in exogenous factors not within the control of issuers, the Board of Directors, the Investment Manager or any of the Portfolio Investments. For all the foregoing reasons, while the Umbrella Vehicle and its Sub-Funds may benefit from the use of derivatives and related techniques, such instruments can expose the Umbrella Vehicle, its Sub-Funds and their investments to significant risk of loss and may result in a poorer overall performance for the Umbrella Vehicle and its Sub-Funds than if they had not entered into such transactions.

*Use of Derivatives and Other Specialized Techniques —Options.* The Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments may buy or sell (write) both call options and put options (either exchange-traded or OTC in principal-to-principal transactions), and when either writes options it may do so on a "covered" or an "uncovered" basis. The Umbrella Vehicle's options transactions may be part of a hedging tactic (*i.e.*, offsetting the risk involved in another position) or a form of leverage, in which the Umbrella Vehicle has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances. In general, the principal risks involved in options trading can be described as follows, without taking into account other positions or transactions into which the Umbrella Vehicle may enter. When the Umbrella Vehicle buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, it could result in a total loss of the Umbrella Vehicle's investment in the option (including commissions). When the Umbrella Vehicle sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. Thus, the risk of writing a call is theoretically unlimited unless the call option is "covered." A call option is "covered" when the writer owns the underlying assets in at least the amount of which the call option applies.

*Use of Derivatives and Other Specialized Techniques —Repurchase and Reverse Repurchase Agreements.* The Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments may enter into repurchase and reverse repurchase agreements. Under a repurchase agreement, the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments, as applicable, "sells" financial instruments and agrees to repurchase them at a specified date and price. Repurchase agreements may involve the risk that the market value of the financial instruments purchased with the proceeds of the repurchase agreement by the Umbrella Vehicle, its Sub-Funds and/or such Portfolio Investment may decline below the price of the financial instruments the Umbrella Vehicle, its Sub-Funds and/or such Portfolio Investment has sold but is obligated to repurchase. In the event the buyer of financial instruments under a repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce the obligation of the Umbrella Vehicle, its Sub-Funds and/or such Portfolio Investment, as applicable, to repurchase the financial instruments, and the Umbrella Vehicle, its Sub-Funds and/or such Portfolio Investment, as applicable, use of the proceeds of

the repurchase agreement may effectively be restricted pending such decision. To the extent that, in the meantime, the value of the financial instruments that the Umbrella Vehicle, its Sub-Funds and/or such Portfolio Investment, as applicable, has purchased has decreased, it could experience a loss. In a reverse repurchase transaction, the Umbrella Vehicle, its Sub-Funds and/or such Portfolio Investment "buys" financial instruments from another party, subject to the obligation of the other party to repurchase such financial instruments at a negotiated price. If the seller of financial instruments to the Umbrella Vehicle, its Sub-Funds and/or such Portfolio Investment, as applicable, will seek to dispose of such financial instruments, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy laws, the Umbrella Vehicle, its Sub-Funds and/or such Portfolio Investment, as applicable, may be restricted in its ability to dispose of the underlying financial instruments. It is possible, in a bankruptcy or liquidation scenario, that the Umbrella Vehicle, its Sub-Funds and/or such Portfolio Investment, as applicable, may not be able to substantiate its interest in the underlying financial instruments. Finally, if a seller defaults on its obligation to repurchase financial instruments, the Umbrella Vehicle, its Sub-Funds and/or such Portfolio Investment, as applicable, may suffer a loss to the extent that it is forced to liquidate the purchased financial instruments in the market, and proceeds from the sale of the underlying financial instruments are less than the repurchase price agreed to by the defaulting seller.

*Use of Derivatives and Other Specialized Techniques —Credit Derivative Transactions.* As part of its investment program, the Umbrella Vehicle may enter into credit derivative transactions. Credit derivatives are transactions between two parties which are designed to isolate and transfer the credit risk associated with a third party (the "reference entity"). Credit derivative transactions in their most common form consist of credit default swap transactions under which one party (the "credit protection buyer") agrees to make one or more payments in exchange for the other party's (the "credit protection seller") obligation to assume the risk of loss if an agreed-upon "credit event" occurs with respect to the reference entity. Credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference entity (mainly a default on a material portion of its outstanding obligations or a bankruptcy, or in some cases, a restructuring of its debt). Upon the occurrence of a credit event, credit default swaps may be cash settled (either directly or by way of an auction) or physically settled. If the transaction is cash settled, the amount payable by the credit protection seller following a credit event will usually be determined by reference to the difference between the nominal value of a specified obligation of the reference entity and its market value after the occurrence of the credit event (which sometimes may be established in an industry-wide auction process). If the transaction is physically settled, the credit protection buyer will deliver an obligation of the reference entity that is either specified in the contract or the general characteristics are described therein to the credit protection seller in return for the payment of its nominal value.

Credit derivatives may be used to create an exposure to the underlying asset or reference entity, to reduce existing exposure or to create a profit through trading differences in their buying and selling prices. The Umbrella Vehicle or its issuers may enter into credit derivatives transactions as protection buyer or seller.

Credit derivative transactions are an established feature of the financial markets and both the number of participants and range of products available have significantly increased over the years. Pricing of credit derivative transactions depends on many variables, including the pricing and volatility of the common stock of the reference entity, market value of the reference entity's obligations and potential loss upon default by the reference entity on any of its obligations, among other factors. As such, there are many factors upon which market participants may have divergent views.

*Use of Derivatives and Other Specialized Techniques —Total Return Swaps.* The Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments may utilize customized derivative instruments, such as a total return swap ("TRS"), to receive synthetically the economic attributes associated with an investment in a security or financial instrument or a basket of securities or financial instruments. A TRS may also be originated at the Umbrella Vehicle level using a subscription line credit facility, which will be secured by, among other things, Investors' commitments. TRS allow investors to gain exposure to an underlying instrument without actually owning the instrument. In these swaps, the total return (interest, fixed fees and capital



gains/losses on an underlying credit instrument) is paid to an investor in exchange for a floating rate payment. A TRS may be a leveraged investment in the underlying instrument. Because swap maturities may not correspond with the maturities of the credit instruments underlying the swap, swaps may need to be renewed as they mature. However, there is a limited number of providers of such swaps, and there is no assurance the initial swap providers will choose to renew the swaps, and, if they do not renew, that the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments, as applicable would be able to obtain suitable replacement providers. TRS are subject to risks related to changes in interest rates, credit spreads, credit quality and expected recovery rates of the underlying credit instrument as well as renewal risks. There may be circumstances in which the AIFM or the Investment Manager (as applicable) would conclude that the best or only means by which the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments could make a desirable investment is through the use of such derivative structures. The Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments may be exposed to certain risks should the AIFM or the Investment Manager (as applicable) use derivatives as a means to implement synthetically its investment strategies. If the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments enters into a derivative instrument whereby it agrees to receive the economic return of an individual security or financial instrument or a basket of securities or financial instruments, it will typically contract to receive such returns for a predetermined period of time. During such period, the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments, as applicable may not have the ability to increase or decrease its exposure. In addition, such customized derivative instruments are expected to be highly illiquid and it is possible that the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments, as applicable, will not be able to terminate such derivative instruments prior to their expiration date or that the penalties associated with such a termination might impact the Umbrella Vehicle's performance in a materially adverse manner. In the event the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments, as applicable, seeks to participate through the use of such synthetic derivative instruments, it may not acquire any voting interests or other shareholder rights that would be acquired with a direct investment in the underlying securities or financial instruments. Accordingly, the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments may not be able to participate in matters submitted to a vote of the shareholders or other holders of record. In addition, the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments, as applicable, may not receive all of the information and reports to shareholders that it would receive with a direct investment. Further, the counterparty to any such customized derivative instrument will be paid structuring fees and ongoing transaction fees, which will reduce the investment performance of the Umbrella Vehicle, its Sub-Funds and/or their Portfolio Investments, as applicable. Finally, certain aspects of the U.S. federal income tax treatment of such customized derivative instruments are uncertain and, if the U.S. federal income tax treatment of such instruments is successfully challenged by the U.S. Internal Revenue Service ("IRS"), an Investor's after-tax return from its investment may be adversely affected.

*Use and Availability of Leverage; Recent Changes in Credit Markets.* The availability of capital is generally a function of capital market conditions that are beyond the control of the Umbrella Vehicle or any portfolio company. Subject to the terms of the applicable Sub-Fund Supplement(s), the Umbrella Vehicle expects to leverage its investments with debt financing at the Sub-Fund, special purpose vehicle and/or Portfolio Investment level. For example, a special purpose vehicle formed to hold one or more investments may also engage in borrowing. In addition, a special purpose vehicle could enter into a "margin loan" whereby it borrows money from a bank (distributing the proceeds to the Umbrella Vehicle for further distribution to Investors) and pledges the shares of the underlying portfolio company (or other asset) as collateral for the loan. Under these arrangements, the special purpose vehicle would typically be subject to a margin call if the value of the underlying assets decreases significantly. In order to meet the margin call, the special purpose vehicle will need additional assets to avoid foreclosure. Even if the margin loan is not recourse to the Umbrella Vehicle, the Umbrella Vehicle may contribute additional capital to the special purpose vehicle to avoid adverse consequences to the investment, including foreclosure on the collateral at a lower valuation. Utilization of such leverage (including through credit facilities (including subscription line facilities), guarantees, letters of credit, equity commitment letters, reverse repurchase agreements, dollar rolls, margin financing, options, futures, repurchase agreements, contracts, short sales, swaps (including total return swaps) and other derivative instruments, or similar credit support (including on a joint and several or cross-collateralized basis or other forms of indebtedness or credit support)) will result in fees, expenses

and interest costs borne by the Umbrella Vehicle. Although the use of leverage could enhance returns and increase the number of investments that can be made by the Umbrella Vehicle, it may also substantially increase the risk of loss. Furthermore, although the Umbrella Vehicle will seek to use leverage in a manner it believes to be appropriate under the circumstances, the leveraged capital structure of any such portfolio company will increase the exposure of such portfolio company to adverse economic factors (such as rising interest rates, changes in commodity prices, downturns in the economy or a deterioration in the condition of such portfolio company or its industry), each of which may impair such portfolio company's ability to finance its future operations and capital needs and may result in the imposition of restrictive financial and operating covenants. If any such factors cause or contribute to such portfolio company's inability to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness or similar payments or obligations, such portfolio company's flexibility to respond to changing business and economic conditions may be constrained materially and may increase the risk of insolvency and the value of the Umbrella Vehicle's investment in such portfolio company could be significantly reduced or even eliminated. Similarly, with respect to leverage at the level of a Sub-Fund, if the assets of the Sub-Fund (including its Commitments) are not sufficient to pay the principal of, and interest on, the debt when due, the Sub-Fund could sustain a total loss of its investments. The ability of portfolio companies and other issuers to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise, or to raise capital in the leveraged finance debt markets, which historically have been cyclical with regard to the availability of financing. In addition, the Umbrella Vehicle may enter into contractual arrangements, including deferred purchase price payments, staged funding obligations, earn outs, milestone payments, equity commitment letters and other forms of credit support, and other contractual undertakings such as indemnification obligations or so-called "bad-boy" guarantees, that obligate it to fund amounts to special purpose vehicles, portfolio companies or other third parties. Such arrangements may not constitute borrowings or guarantees under the Fund Documents and (in this case) would not be subject to the related caps or percentage limitations set out in the Fund Documents (if any), even though these arrangements pose many of the same risks and conflicts associated with the use of leverage that the caps intend to address.

Furthermore the continuing uncertainty in the global financial system could lead to an overall weakening of global economies, which could adversely affect the financial resources of Portfolio Investments. Favorable borrowing conditions in the debt markets, which historically have been cyclical, have often benefited investments by Apollo Clients and enabled Apollo to make substantial distributions from the Portfolio Investments of its previous funds. However, there have been periods of volatility, uncertainty and a deterioration of the global credit markets which reduced investor demand and liquidity for investment grade, high yield and senior bank debt and caused some investment banks and other lenders to be unwilling (or significantly less willing) to finance new investments or to offer committed financing for investments on terms less favorable than terms offered in the past, making it significantly more difficult for sponsors to obtain favorable financing. There remain elevated levels of uncertainty in the global financial markets today and there can be no certainty that recurring periods of limited financing availability (or an increase in the interest cost) for leveraged transactions could return, and should such conditions arise, they could impair, potentially materially, the Umbrella Vehicle's, a Sub-Fund's or a Portfolio Investment's ability to consummate transactions or could cause the Umbrella Vehicle, a Sub-Fund or a Portfolio Investment to enter into certain leveraged transactions on less attractive terms. As such, there can be no guarantee that debt facilities will be available at commercially attractive rates throughout the term of the Umbrella Vehicle or that of any Sub-Fund or when due for refinancing. If a Portfolio Investment is unable to obtain favorable financing terms, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, the Sub-Fund may hold a larger than expected equity investment in such Portfolio Investment and may realize lower than expected returns from the Portfolio Investment that would adversely affect the Sub-Fund's ability to generate attractive investment returns for the Investors. Any failure by lenders to provide previously committed financing could also expose the Sub-Fund to potential claims by sellers of assets which the Sub-Fund may have been contracted to purchase.

*Spread Widening Risks.* For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of debt instruments and other securities may decline substantially. In particular, purchasing debt instruments or other assets at what may appear to be "undervalued" or "discounted" levels is no

guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale, if applicable. It may not be possible to predict, or to hedge against, such "spread widening" risk. Additionally, the perceived discount in pricing from previous environments described herein may still not reflect the true value of the assets underlying debt instruments in which a Sub-Fund invests.

*Financing Arrangements.* To the extent that the Umbrella Vehicle or any Sub-Fund enters into financing arrangements, such arrangements may contain provisions that expose it to particular risk of loss. For example, any cross-default provisions could magnify the effect of an individual default. A cross-default provision in a bond indenture or loan agreement puts a borrower in default if the borrower defaults on another obligation. If a cross-default provision were exercised, this could result in a substantial loss for the Umbrella Vehicle or such Sub-Fund. Also, the Umbrella Vehicle or any Portfolio Investment may, in the future, enter into financing arrangements that contain financial covenants that could require it to maintain certain financial ratios. If the Umbrella Vehicle, a Sub-Fund or a Portfolio Investment were to breach the financial covenants contained in any such financing arrangement, it might be required to repay such debt immediately in whole or in part, together with any attendant costs, and the Umbrella Vehicle or the relevant Sub-Fund might be forced to sell Portfolio Investments or (where all or a portion of Commitments to a Sub-Fund remain unfunded) call Commitments from Investors. The Umbrella Vehicle or a Sub-Fund might also be required to reduce or suspend distributions. In addition, pursuant to the Fund Documents, the Board of Directors may be permitted to pledge the obligations of the Investors to make capital contributions to secure financing arrangements for the Umbrella Vehicle or a Sub-Fund, pledge assets of the Umbrella Vehicle or a particular Sub-Fund (including other Portfolio Investments of the Umbrella Vehicle or a particular Sub-Fund) and also guarantee the indebtedness of others (including Portfolio Investments and entities through which investments by the Umbrella Vehicle or a particular Sub-Fund are held). The Investors may be required to make Contributions to the Umbrella Vehicle or a particular Sub-Fund to permit the Umbrella Vehicle or such Sub-Fund to repay debt rather than to make investments.

*Credit Facilities.* As described in Section 5 "*Investment Objective and Strategy*", and in the applicable Sub-Fund Supplement(s), each Sub-Fund is expected to obtain one or more credit facilities (each a "**Credit Facility**") in order (i) to facilitate investments, financings or dispositions by the Sub-Fund and Portfolio Investments, (ii) to fund Organizational Expenses, Operating Expenses, Management Fees, placement fees or other obligations of a Sub-Fund (including to facilitate the making of distributions) or Portfolio Investments or (iii) to otherwise carry out the activities of a Sub-Fund. Any such borrowings by a Sub-Fund or its operating entities or other subsidiaries could be directly or indirectly secured by the Investors' Undrawn Commitments (in cases where the relevant Sub-Fund does not require subscriptions to be fully paid up at the point of subscription), by the assets of the Sub-Fund, or by a combination thereof. If a Sub-Fund obtains a Credit Facility, it is generally expected that the Sub-Fund's interim capital needs would be satisfied through borrowings by a Sub-Fund under the Credit Facility, and (where Commitments are not made in full at the point of subscription) drawdowns of capital contributions by the Sub-Fund, including those used to pay interest on Credit Facilities, would generally be expected to be "batched" together into larger, less frequent capital calls (although actual timing and amounts may vary).

Where the terms of a Sub-Fund do not require Commitments to be paid up in full at the point of subscription, Investors therein will generally be required to, that the relevant Sub-Fund is able to (i) pledge, charge or otherwise grant a security interest over its right to receive their Undrawn Commitments (or in the case of a Feeder Vehicle, the unfunded capital commitments of the Feeder Vehicle and/or its investors), or (ii) assign to a lender or collateral agent the right to deliver drawdown notices with respect to capital contributions, the proceeds of which will be used to pay amounts in respect of any such financing and enforce all available remedies under the Fund Documents against Investors that fail to make such capital contributions pursuant to drawdown notices and declare and treat such Investors as Defaulting Investors, in each case, in favor of the Sub-Fund's creditors as security for such arrangements.

There are no limitations under the Articles or this Prospectus on the time any other borrowings or guarantees by a Sub-Fund under a Credit Facility may remain outstanding (but there may be such limitations in the applicable Sub-Fund Supplement), and it should be noted that the interest expense and other fees, costs and expenses of or related to any borrowings or

guarantees by a Sub-Fund will be Operating Expenses and, accordingly, will decrease net returns of the Sub-Fund. It may be the case that interest will accrue on any such outstanding borrowings at a rate lower than the percentage preferred return or hurdle stipulated for a particular Sub-Fund (with the preferred return or hurdle generally beginning to accrue when capital contributions to repay borrowings are actually due to be made to the Sub-Fund rather than upon the date on which a borrowing is made under any Credit Facility). In light of the foregoing, the Board of Directors could have an incentive to fund the acquisition of Portfolio Investments and ongoing capital needs of a Sub-Fund with the proceeds of borrowings under Credit Facilities or other borrowings guaranteed by a Sub-Fund in lieu of drawing down unused Commitments. See also "*Use and Availability of Leverage; Recent Changes in Credit Markets*" above.

To the extent that a Sub-Fund is unable to obtain a Credit Facility, access to such facility becomes unavailable or the Board of Directors and/or Investment Manager otherwise determines not to use such facility, this could have an unfavorable impact on the Umbrella Vehicle's or a Sub-Fund's activities and/or returns. Moreover, it is possible that a counterparty, lender or other unaffiliated participant in Credit Facilities (or otherwise in connection with Portfolio Investments) requires or desires facing only one fund entity or group of entities, which may result in (i) the Umbrella Vehicle, a Sub-Fund and/or a Portfolio Investment being solely liable with respect to its own and such third party for such other entities' share of the applicable obligation, or (ii) the Umbrella Vehicle, such Sub-Fund or such Portfolio Investment being jointly and severally liable for the full amount of such applicable obligation. In addition, although the Board of Directors will, in good faith, allocate the related repayment obligations and other related liabilities arising out of such Credit Facilities among the foregoing (to the extent applicable) alternative investment vehicles of a Sub-Fund will, in such circumstance, be subject to each other's credit risk, as well as the credit risk of such Portfolio Investments. In such situations it is not expected that the Umbrella Vehicle, such Sub-Fund and/or such Portfolio Investment would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third-party counterparty. In addition, the Board of Directors may be subject to conflicts of interest in allocating such repayment obligations and other related liabilities. Further, the Fund Documents will generally only impose a percentage cap on the amount of cash borrowings (excluding for the avoidance of doubt, obligations that do not involve borrowings for money, such as certain derivative transactions) that are recourse to a Sub-Fund. The Board of Directors will in its sole discretion determine whether and to what extent a borrowing is "recourse" to a Sub-Fund and will be subject to conflicts of interest in making such determination given that, among other things, if a borrowing is not deemed to be recourse to a Sub-Fund then it will generally not count towards the aforementioned cap on borrowings at the Umbrella Vehicle or Sub-Fund level.

**Benchmark Rates.** The London Inter-Bank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" are the subject of ongoing national, international and other regulatory guidance and reform. Some of these reforms are already effective whilst others are yet to apply. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. On 27 July, 2017, the U.K. Financial Conduct Authority ("**FCA**") announced that it intended to stop compelling banks to submit rates for the calculation of LIBOR after 2021. On 5 March 2021 (the "**FCA LIBOR Announcement**") the FCA announced that, immediately after 31 December 2021, all sterling, euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month U.S. dollar settings, either ceased to be provided by an administrator or became unrepresentative of the relevant underlying market. The FCA LIBOR Announcement also provided that the remaining U.S. dollar settings would similarly either cease to be provided or would become unrepresentative immediately after 30 June 2023. Transition away from LIBOR as a benchmark reference for interest rates may affect the cost of capital and may require amending or restructuring debt instruments and related hedging arrangements for the Umbrella Vehicle, its Sub-Funds and their Portfolio Investments, and may impact the value of floating rate instruments based on LIBOR that are held or may be held by the Umbrella Vehicle or its Sub-Funds in the future, which may result in additional costs or adversely affect the Umbrella Vehicle's or its Sub-Funds' liquidity, results of operations and financial condition. Industry participants continue to consider alternatives to LIBOR. While some instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, not all instruments may have such provisions and there is significant uncertainty regarding the effectiveness of any such alternative methodologies. As such, the potential effect of a transition

away from such rates on the Umbrella Vehicle or the financial instruments in which the Sub-Funds invest cannot yet be determined.

As an alternative to LIBOR, the Federal Reserve has announced that it is considering replacing U.S.-dollar LIBOR with the Secured Overnight Financing Rate ("**SOFR**"), a new index calculated by short-term repurchase agreements, backed by U.S. Treasury Instruments. It remains unclear whether alternative reference rates such as SOFR will attain market acceptance as replacements for LIBOR. As such, it is not possible to predict all potential effects of these changes on U.S. and global credit markets.

The process of replacing IBOR-based rates with a new risk-free rate ("**RFR**") may result in higher volatility and lower liquidity in IBOR-based rates in any period before the IBOR-based rates are definitively discontinued. There can be no guarantee that the switch from IBOR-based rates to RFRs across different instruments and currencies will be coordinated or occur at the same time. Mismatches may therefore arise between different assets and liabilities creating unexpected gains and/or losses. The change from IBOR-based rates to RFRs may threaten the applicability of hedge accounting both on a historic and forward-looking basis. The International Accounting Standards Board has stated that it will consult on and issue guidance, including around grandfathering of IBOR-referencing hedges. IBOR-based rates are conceptually different to overnight RFRs. There can be no guarantee that forward-looking RFR rates will be available for the same designated maturities as the current IBOR-based rates. Accordingly, the amount of any payment referencing an RFR may not be finally determined until the end of the relevant calculation period, rather than at the beginning, increasing the risk of administrative errors and funding shortfalls.

*Additional Capital.* The Umbrella Vehicle and its Sub-Funds expect to make Additional Investments and fund obligations (subject to certain limitations set forth in the Fund Documents), for, among other reasons, the funding of add-on acquisitions or other investments or repayment of indebtedness by a Sub-Fund or a Portfolio Investment or other obligations, contingencies or liabilities, to satisfy working capital requirements or capital expenditures or in furtherance of a Sub-Fund or a Portfolio Investment's or any of its subsidiaries' or Affiliates' strategies ("**Additional Investments**"). The amount of Additional Investments needed will depend upon the maturity and objectives of the particular investment. In addition, a Sub-Fund may make Additional Investments in a Portfolio Investment for purposes of, for example, exercising its pre-emptive rights or warrants or options or converting convertible securities that were issued in connection with an existing investment in such Portfolio Investment in order to, among other things, preserve the Sub-Fund's proportionate ownership when a subsequent equity or debt financing is planned, to protect the Sub-Fund's investment when, for example, such Portfolio Investment's performance does not meet expectations, to preserve or enhance the value of an existing investment (including through add-on acquisitions or other investments) or in anticipation of disposition, refinancing, recapitalization or other transactions. The availability of capital is generally a function of capital market conditions that are beyond the control of a Sub-Fund, and there can be no assurance a Sub-Fund will be able to predict accurately the future capital requirements necessary for success or whether or not additional funds will be needed or be available from a Sub-Fund or any other financing source. For instance, a Sub-Fund may be called upon to make Additional Investments or have the opportunity to increase its investment in a Portfolio Investment. There can be no assurance that the Sub-Fund will make Additional Investments or that it will have sufficient funds or the ability to do so. Any decision by the Sub-Fund not to make an Additional Investment or its inability to make such an investment may, in either case, have a substantial negative impact on a Portfolio Investment in need of such an investment or may diminish the Sub-Fund's ability to influence the Portfolio Investment's future development.

*Lack of Liquidity of Investments.* The investments to be made by the Sub-Funds are likely to be illiquid. Any return of capital or realization of gains will generally require a disposition of some or all of an investment. A Sub-Fund's ability to dispose of investments could be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by a Sub-Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Portfolio Investments in publicly traded companies (including Portfolio Investments that have made initial public offerings) may also be

subject to legal or contractual restrictions on resale, including the possibility that the Board of Directors, the AIFM or the Investment Manager and/or their Affiliates will be in possession of material non-public information about the company. The Investment Manager is unable to predict with confidence what, if any, exit strategies will ultimately be available for any given position. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors. The larger the transaction in which a Sub-Fund is participating, the more uncertain such Sub-Fund's exit strategy tends to become. In addition, the ability to exit an investment through the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which a Sub-Fund invests and an active mergers and acquisitions (or recapitalizations and reorganizations) market. Public offering, merger and acquisition and recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, which are illustrative only and not exhaustive, depending on the type of investment made by a Sub-Fund in such entity, the Sub-Fund may not be able to realize an investment in a privately-held entity until the sale of such entity. In some instances, given the illiquidity of most investments, a Sub-Fund may hold such investments past its term, and the sale of investments held by a Sub-Fund may require lengthy negotiations even if the proposed sale occurs after the term of Sub-Fund has ended. There can be no assurance that a Sub-Fund will be able to dispose of its investments at the price and at the time it wishes to do so. Furthermore, such illiquidity may continue even if the underlying entities obtain listings on securities exchanges or otherwise are traded in a liquid market. As discussed above under "*Certain Risks Related to the Umbrella Vehicle, the Sub-Funds and the Shares—Distributions in-Kind*", the potential exists for investments that cannot be liquidated within the term of the Umbrella Vehicle or a Sub-Fund to be distributed in kind to the Investors upon the termination of a Sub-Fund. The possibility of partial or total loss of capital will exist, and prospective investors should not invest unless they can bear the consequences of such loss.

*Investment and Trading Risks.* All investments risk the loss of capital. The Investment Manager believes that its investment programs and research techniques moderate this risk through a careful selection of investments. No guarantee or representation is made that a Sub-Fund's program will be successful. A Sub-Fund's investment program may utilize such investment techniques as leverage, short sales, swaps, options on securities and forward contracts which practices may, in certain circumstances, increase the adverse impact to which a Sub-Fund may be subject. A Sub-Fund may invest in bonds or other fixed income instruments, including public and private non-investment grade bonds, secured and unsecured loans, mezzanine and other forms of subordinated debt, convertible securities, options, swaps, collateralized loan obligations and other similar securities and other instruments. Such securities may face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments. The market prices of such securities are also subject to abrupt and erratic market movements and changes in liquidity and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than those prevailing in other securities markets.

*Co-Investors.* The Board of Directors and/or the Investment Manager will, from time to time, depending on the type of investment opportunity, in their sole and absolute discretion, offer Co-Investment to, reserve Co-Investments for, or otherwise cause a Sub-Fund to participate in Co-Investment with: (i) other Apollo Clients (including for this purpose, affiliated insurance company balance sheets), (ii) any member of the Apollo group, (iii) management or employees of the relevant Portfolio Investment, consultants or advisors with respect to such Portfolio Investment or pre-existing investors or other persons associated with such Portfolio Investment, (iv) any joint venture partner, (v) any private fund, investment management business or similar person or business sponsored, managed or advised by persons other than Apollo or (vi) any other person, including persons or entities whom the Board of Directors believes will be of benefit to the Umbrella Vehicle, its Sub-Funds or one or more Portfolio Investments or who may provide a strategic, sourcing, tax, structuring, regulatory or other benefit to Apollo, any Apollo Client, the Umbrella Vehicle, any Sub-Fund, a Portfolio Investment or one or more of their respective Affiliates due to industry expertise, regulatory expertise, end-user expertise or otherwise (including private funds sponsored by persons other than Apollo) (each a "**Co-Investor**" and collectively, the "**Co-Investors**") (including participants in side-by-side co-investment rights). The

Board of Directors and/or the Investment Manager may or may not also, in their sole discretion, offer opportunities to provide debt financing to Portfolio Investments to any persons, but no such participation in the debt financing will be treated as a Co-Investment alongside the Umbrella Vehicle and its Sub-Funds, unless otherwise determined by the Board of Directors and/or the Investment Manager in its sole discretion. The Board of Directors and/or the Investment Manager may also structure a Co-Investment in a manner that does not involve forming a vehicle managed or advised by the Board of Directors and/or the Investment Manager or one of their Affiliates, and any investors so participating in such Co-Investment will not be Co-Investors for purposes of the Fund Documents unless otherwise determined by the Board of Directors and/or the Investment Manager, in its direction.

Apollo has the authority to allocate Co-Investment Opportunities among Co-Investors in any manner it deems appropriate, taking into account those factors that it deems relevant under the circumstances, including: (i) the character or nature of the Co-Investment Opportunity (e.g., its size, structure, geographic location, relevant industry, tax characteristics, timing and any contemplated minimum commitment threshold); (ii) the level of demand for participation in such Co-Investment Opportunity; (iii) the ability of a prospective Co-Investor to analyze or consummate a potential Co-Investment Opportunity on an expedited basis; (iv) certainty of funding and whether a prospective Co-Investor has the financial resources to provide the requisite capital; (v) the investing objectives and existing portfolio of the prospective Co-Investor; (vi) as noted above, whether a prospective Co-Investor meets any of the criteria described herein; (vii) the reporting, public relations, competitive, confidentiality or other issues that may also arise as a result of the Co-Investment; (viii) the legal or regulatory constraints to which the proposed investment is expected to give rise; (ix) the ability of the prospective Co-Investor to make commitments to invest in other Apollo Clients (including contemporaneously with the applicable Co-Investment); (x) Apollo's own interests; (xi) whether the prospective Co-Investor can provide a strategic, sourcing or similar benefit to Apollo, the Umbrella Vehicle, any Sub-Fund, a Portfolio Investment or one or more of their respective Affiliates due to industry expertise, regulatory expertise, end-user expertise or otherwise and (xii) the prospective Co-Investor's existing or prospective relationship with Apollo, including, for example, the fact that certain insurance balance sheet investors are Affiliates of Apollo as well as Apollo Clients. With respect to allocations influenced by Apollo's own interests, there may be a variety of circumstances where Apollo will be incentivized to afford Co-Investment Opportunities to one Co-Investor over another. Apollo expects that these factors will lead Apollo to favor some potential Co-Investors over others with respect to the frequency with which Apollo offers them Co-Investment Opportunities. Apollo also expects to allocate certain Co-Investors a greater proportion of an investment opportunity than others as a result of these factors. In addition, depending on the fee structure of the Co-Investment Opportunity, if any, Apollo could be economically incentivized to offer such Co-Investment Opportunity to certain Co-Investors over others based on its economic arrangement with such Co-Investors in connection with the applicable Co-Investment Opportunity or otherwise.

Apollo could be contractually incentivized or obligated to offer certain Co-Investors a minimum amount of Co-Investment Opportunities or otherwise bear adverse economic consequences for failure to do so, which consequences may include, a loss of future economic rights, including carried interest or other incentive arrangements. Apollo also could agree in an Apollo Client's governing documents that all or certain of the investors in such Apollo Client will be offered Co-Investment Opportunities arising out of such Apollo Client's investment activities on a priority basis before any other person is offered all or a portion of any such opportunity (however, such an agreement generally would be expected to be subordinate to Apollo's ability to offer Co-Investment Opportunities to other Apollo Clients or strategic Co-Investors). Further, from time to time, Apollo establishes Apollo Clients for the sole purposes of investing in Co-Investment Opportunities that arise. Moreover, given Apollo's management of substantially all of the Athene Group's assets, and the anticipated treatment of the Athene Group and its related entities as Apollo Clients (including following the contemplated merger between Apollo and the Athene Group), Apollo is incentivized to allocate Co-Investment Opportunities to the Athene Group, which could create the appearance or existence of a conflict of interest insofar as Apollo being viewed as allocating Co-Investment Opportunities, including on a selective basis, to itself.

Apollo could allocate Co-Investment Opportunities to prospective Co-Investors that ultimately decline to participate in the offered Co-Investment. In such instance, if another Co-Investor is not identified, a Sub-Fund may be unable to consummate an investment, or may end

up holding a larger portion of an investment than the Board of Directors and/or the Investment Manager (as applicable) had initially anticipated, in which case any Sub-Fund may have insufficient capital to pursue other opportunities or may not achieve its intended portfolio diversification. If any Sub-Fund has participated in a Co-Investment Opportunity alongside any co-investment vehicle or other Apollo Client and such Sub-Fund is subsequently called upon to make an Additional Investment in respect of such Portfolio Investment or such Sub-Fund may participate in such Additional Investment for a non-pro rata share up to the full amount of such Additional Investment.

Co-Investments involving the raising of passive investor capital will generally be made at substantially the same time as (or within a reasonable time before or after) a Sub-Fund's investment and on economic terms at the investment level substantially no more favorable to the applicable Co-Investors than those on which a Sub-Fund invests at the time of such Co-Investment (to the extent reasonably practicable, taking into account such facts and circumstances as are applicable with respect to such Co-Investment at the time of such Co-Investment and it being understood that legal, tax, accounting, regulatory or other considerations or limitations may affect the form of such Co-Investments). Any such Co-Investment (other than a Co-Investment by another Apollo Client that was not formed for the purpose of co-investing in the applicable Co-Investment) generally will be sold or otherwise disposed of within a reasonable time (and, in the case of a partial disposition, in substantially the same proportion) as such Sub-Fund's disposition of its interest in such investment and on economic terms at the investment level substantially no more favorable to such Co-Investors than those on which a Sub-Fund disposes of its interest in such investment at the time of such disposition (to the extent reasonably practicable, taking into account such facts and circumstances as are applicable with respect to such Co-Investment at the time of the disposition of such Co-Investment), unless, in either case, the Board of Directors and/or the Investment Manager determines in good faith that (a) other terms, proportions or timing are (i) advisable due to legal, tax, accounting, regulatory or other considerations or limitations or (ii) advisable in order to facilitate a transaction; or (b) such Co-Investment is or was intended, on or prior to the date of the consummation of the relevant portfolio investment, to be syndicated. The previous sentence will also not apply to any investments by (a) management or employees of the relevant Portfolio Investment, (b) consultants or advisors with respect to such Portfolio Investment, (c) pre-existing investors or other persons that are not Affiliates of the Board of Directors and/or the Investment Manager and are associated with such Portfolio Investment, (d) any joint-venture partner, (e) any private fund or similar person or business sponsored, managed or advised by persons other than Apollo and (f) any person or entity that the Board of Directors believes will be of benefit to the Umbrella Vehicle, one or more Sub-Funds or Portfolio Investments or that may provide a strategic, sourcing or similar benefit to Apollo, the Umbrella Vehicle, the Sub-Funds, a Portfolio Investment or one or more of their respective Affiliates due to industry expertise, regulatory expertise, end-user expertise or otherwise.

Co-Investors in certain transactions could be offered the ability to participate in any leverage arrangements utilized by the Umbrella Vehicle or one or more Sub-Funds, or in similar arrangements designed to approximate the leverage arrangements utilized by the Umbrella Vehicle or one or more Sub-Funds; however, such opportunities will not always be available or practicable, the terms of any such arrangements utilized for Co-Investors may differ from those of the arrangements utilized for the Umbrella Vehicle or one or more Sub-Funds and, even where available, Co-Investors will not be required to participate or to make the same election as one another in this regard. Any of the foregoing could result in the returns from such investment experienced by a Sub-Fund, on the one hand, differing from the returns experienced by some or all of the Co-Investors, on the other hand, and no such transaction, arrangement or variation will be deemed to contravene the investment-level alignment principles contemplated by this section. Further, the use of such leverage arrangements by the Umbrella Vehicle or one or more Sub-Funds and not by a Co-Investment vehicle could present conflicts of interest for Apollo in terms of how it manages the underlying investment or in the event of a default or margin call in respect of the investment that is the subject of a margin loan.

With respect to broken deal expenses, the Board of Directors and/or the Investment Manager may, but is not required to, seek to cause the Co-Investors to bear their respective pro rata portions of broken deal expenses; however, there can be no assurance that the Board of Directors and/or the Investment Manager will be successful in causing any such Co-Investors to



bear their respective pro rata portions of such broken deal expenses. Any such fees, costs, or expenses related to Co-Investments (irrespective of whether such Co-Investments are ultimately consummated), that are not borne by Co-Investors will be considered Operating Expenses of, and be borne by, the particular Sub-Fund. In practice, it is anticipated that the particular Sub-Fund will be responsible for the payment of all broken deal expenses, including legal fees, due diligence expenses, travel and related expenses, reverse termination fees and other fees, costs and expenses.

In connection with any Co-Investment, the Investment Manager or any of its Affiliates will retain the portion of the Special Fees allocable or otherwise attributable to investments in Portfolio Investments by any such Co-Investors, whether or not such Portfolio Investments are consummated; provided, that if a particular Sub-Fund is responsible for the payment of the portion of any breakup fees intended to be provided by a prospective Co-Investor with respect to a prospective portfolio investment that is not consummated, then the portion of any breakup fees received by the Investment Manager or any of its Affiliates or any employees of any of the foregoing with respect to such unconsummated portfolio investment that is allocable to the share of such capital intended to be provided by such prospective Co-Investor (had such unconsummated portfolio investment been made) will instead be deemed to be allocable to the share of capital intended to be provided by the particular Sub-Fund with respect to such unconsummated portfolio investment, and the portion of any such amounts that is allocable to the Management Fee-bearing Investors will offset the Management Fee payable by particular Sub-Fund in accordance with the terms of the Fund Documents.

Apollo is under no obligation to provide Co-Investment Opportunities and could offer a Co-Investment Opportunity to one or more Co-Investors without offering such opportunity to other potential Co-Investors. The Board of Directors and/or the Investment Manager will, in their sole and absolute discretion, determine if an investment by a Sub-Fund alongside or with another person or entity in a given Portfolio Investment or other issuer of securities constitutes a Co-Investment.

In those circumstances where such Co-Investors involve a Portfolio Investment's management group, such Co-Investors may receive compensation arrangements relating to the investment, including incentive compensation arrangements. Some of the Co-Investors with whom a Sub-Fund may co-invest have pre-existing investments with Apollo, and the terms of such pre-existing investments may differ from the terms upon which such persons may invest with a Sub-Fund in such investment.

In addition, a Sub-Fund may acquire an interest in an investment through a sale or other disposition of a portion of another Apollo Client's interest in such investment. In connection therewith, unless otherwise determined by the Board of Directors and/or the Investment Manager, a Sub-Fund will pay to such Apollo Client a purchase price determined in accordance with Apollo's policies and procedures and the governing documents of the applicable Apollo Clients.

Any references in this Prospectus to "**Co-Investments**," "**Co-Investment Opportunities**," "**Co-Investors**" and any similar terminology are intended to refer to investment opportunities that are allocated to a Sub-Fund based on their investment strategy and objectives and with respect to which the Board of Directors, the Investment Manager or Apollo (as applicable) has, in each case, in its sole and absolute discretion, determined that it is appropriate to offer the opportunity to co-invest alongside a Sub-Fund to one or more such Co-Investors. Any such references are not intended to refer to investments made by persons in debt or similar securities (including certain types of securities with equity-like attributes, such as preferred equity) that are issued by Portfolio Investments, including debt or similar securities with respect to which AGS (as defined below) or any other Affiliated Service Provider may act as a broker or dealer in reselling such debt or similar securities or otherwise assisting in structuring or facilitating the initial resales of such debt or similar securities under Rule 144A under the Securities Act. By way of example only, no financial institution or other person that is investing in the corporate debt or similar securities issued by a Portfolio Investment or otherwise providing any form of debt financing in connection with a Sub-Fund's acquisition of or investment in such Portfolio Investment will be deemed a "Co-Investor" for purposes of this Prospectus any Sub-Fund Supplement or the Articles, nor will any such investment by any such person in such corporate debt or similar securities be deemed a "Co-Investment" or "Co-Investment Opportunity" for purposes of this

Prospectus, any Sub-Fund Supplement or the Articles. Further, if a Sub-Fund acquires (or commits to acquire) certain outstanding debt or similar securities of a Portfolio Investment or acquires (or commits to acquire) debt or similar securities issued (or proposed to be issued) in connection with a Sub-Fund's investment or in acquisition of a Portfolio Investment, such Sub-Fund will not be deemed to be co-investing with any other holder of any such securities, no such person will be deemed a Co-Investor in respect of their acquisition of such securities and none of the Board of Directors, the Investment Manager or Apollo (as applicable) will be under any obligation to offer the right to participate in the acquisition of such securities alongside any of its Sub-Funds to any Co-Investor who is co-investing alongside any of its Sub-Funds in the equity (or similar) securities of such Portfolio Investment, unless, in each case, the Board of Directors and/or the Investment Manager determines otherwise, in its sole and absolute discretion. Moreover, AGS' or any other Affiliated Service Provider's offering, placement, arrangement, underwriting or other role with respect to the sale or resale of debt or other securities will not be subject to any of the co-investment allocation processes, procedures, considerations or restrictions (if any) that are contemplated by this Prospectus, the Articles or the applicable Sub-Fund Supplement(s).

The commitment of Co-Investors to a Portfolio Investment could be substantial and such investments may involve risks not present in investments where such Co-Investors are not involved. Any fees, costs, or expenses related to Co-Investments will generally be borne by the relevant portfolio company (and, therefore, by a particular Sub-Fund to the extent of its participation therein). These expenses will generally be borne, directly or indirectly, by a particular Sub-Fund, irrespective of whether such Co-Investments are ultimately consummated, and include, among other things, broken deal expenses, Reverse Break-up Fees and any other expenses that a Co-Investor refuses to bear. All such amounts, including broken deal expenses that are not borne by Co-Investors, will be considered Operating Expenses of, and be borne by, a particular Sub-Fund. Further, a particular Sub-Fund may in certain circumstances be liable for the entire amount of such fees, costs and expenses, even if Co-Investors commit to participate in the relevant investment at the same time as a particular Sub-Fund. Further, it is possible that a Co-Investor may experience financial, legal or regulatory difficulties, may at any time have economic, tax or business interests or goals that are inconsistent with those of a Sub-Fund, may take a different view from Apollo as to the appropriate strategy for an investment, or may be in a position to take action contrary to a Sub-Fund's investment objectives. Additionally, a Sub-Fund's position could also be diluted or subordinated by subsequent investments of Co-Investors. Finally, a Sub-Fund may in certain circumstances be liable for the actions or omissions of Co-Investors. See also "*Over-Commitment*" below.

*Co-Investments and Other Investments – Syndication.* In addition to the ability to syndicate a particular Sub-Fund's investments to Co-Investors as described herein, Apollo may establish one or more investment vehicles (which, or the investors in which, may include Apollo Affiliates, Apollo Clients, members of the Athene Group and third parties) that are dedicated syndication vehicles whose purpose includes committing to investments (in the form of equity or debt financing) alongside a particular Sub-Fund and/or other Apollo Clients, with a view toward syndicating all or a portion of certain of such investments to other Apollo Clients, Co-Investors and/or other third parties in certain circumstances (a "**Syndication Entity**"). Syndication Entities, if any, are anticipated to be permitted to be offered the opportunity to participate in investment opportunities after any Sub-Fund has been allocated their share of the applicable investment (as determined pursuant to Apollo's investment allocation policies and procedures). It is anticipated that the presence of a Syndication Entity could be beneficial to a Sub-Fund and the potential investment in certain circumstances, including, among other things: (i) where a Sub-Fund has exhausted its available capital for the applicable transaction; (ii) a customary co-invest syndication is not available or practical under the circumstances or does not (or is not expected to) result in a successful syndication of the full amount required; (iii) an investment is larger than what the Sub-Fund would otherwise be able to speak for; (iv) a Syndication Entity could help to reduce concentration risk through syndicating excess deal capacity (after giving effect to the portions of the investment that are allocated to the Sub-Funds or, under certain circumstances, offered to Co-Investors); or (v) timing, legal, regulatory, tax or similar constraints could be mitigated or nullified to the extent a Syndication Entity commits to the transaction alongside any of its Sub-Funds. Consistent with Apollo's prior practice and experience, it is anticipated that Co-Investment Opportunities will continue to play an important role in the Sub-Funds' investment programs and

will often be available for relatively large investments (it being understood that there can be no guarantee on the ultimate availability of Co-Investment Opportunities), and it is Apollo's belief that a Syndication Entity could contribute to the execution of this program by allowing Sub-Funds to source and execute relatively larger transactions. The presence of a Syndication Entity could broaden the universe of attractive investments available to the Umbrella Vehicle or any of its Sub-Funds by allowing the Sub-Funds to speak for larger deals while maintaining both what Apollo believes to be appropriate portfolio construction within the Sub-Funds and Apollo's typical levels of Co-Investor participation (without increasing duplicative exposure for Co-Investors), and could enable any of its Sub-Funds to avoid complex consortium dynamics and maintain control of investments, thereby allowing it to seek to drive operational improvement and outcomes and determine exit strategies in the manner Apollo believes to be most beneficial to the relevant Sub-Funds.

While it is not anticipated that a Syndication Entity will be entitled to be offered any investment opportunities in any particular strategy on a priority basis, Apollo could be subject to a conflict of interest in connection with its determination of the portion of such investment that is to be allocated to any of its Sub-Funds or offered to Co-Investors. Further, Syndication Entities are anticipated to participate in the equity and debt of portfolio investments, including where the Sub-Funds participate (along with any Co-Investors) only in the equity of such portfolio investment, in another level of the capital structure or in a non-*pari passu* manner vis-à-vis such Syndication Entities. To the extent any such arrangements are entered into, they could result in fewer Co-Investment Opportunities being made available to the Investors.

In addition, Apollo or one or more Affiliated Service Providers are expected to receive fees (including from investors acquiring interests in the relevant investment through the applicable syndication and from portfolio companies) in connection with a Syndication Entity's participation in any investment. Any such fees, as well as the portion of any Special Fees allocable to a Syndication Entity's participation in any investment alongside any of its Sub-Funds, will be for the benefit of Apollo or the applicable Affiliated Service Provider, and will not be treated as Special Fees or offset Management Fees payable by the Umbrella Vehicle and its Sub-Funds. Parties (including Investors, certain strategic partners and third-party investors) who ultimately participate in an investment syndicated through a Syndication Entity may participate pursuant to more favorable rights or pre-negotiated terms, including with respect to discounts or rebates of performance-based compensation or management fees. See "*Conflicts of Interest—Capital Structure Conflicts.*"

*Co-Investments—Economics.* Subject to the terms of the applicable Fund Documents, the Board of Directors, the Investment Manager, any Apollo Clients, any Apollo Affiliates or any of their respective Affiliates may (or may not) in their sole discretion, (i) charge or otherwise receive carried interest, performance fees, incentive allocation, management fees, consulting fees, transaction fees and other fees and costs to any Co-Investors (including at lower rates than what is being charged to investors of a particular Sub-Fund) and may make an investment, or otherwise participate, in any vehicle formed to structure a Co-Investment and facilitate receipt of such carried interest, performance fees, incentive allocation, management fees, consulting fees, transaction fees and other fees and costs or (ii) collect customary fees (including breakup fees) in connection with actual or contemplated investments that are the subject of such Co-Investment arrangements. Any performance-based compensation (such as carried interest or performance allocations), management fees or other similar fees received from Co-Investors with respect to any Co-Investment may (or may not) differ from those charged to the Umbrella Vehicle or a particular Sub-Fund. Furthermore, since the Board of Directors or the Investment Manager, as applicable may receive performance-based compensation (such as carried interest or performance allocations), management fees or other similar fees under its agreement with such a Co-Investor, which may be more favorable than the fees paid by the Umbrella Vehicle or a particular Sub-Fund, there may be an incentive for the Board of Directors and/or the Investment Manager to transfer interests in a portfolio company investment to a Co-Investor in greater amounts and on terms, including price, that are less favorable to a particular Sub-Fund than they would otherwise be. Additionally, in those circumstances where the applicable Co-Investors include one or more members of a portfolio company's management group, the Co-Investors who are members of such management group may receive compensation relating to the investment in such portfolio company, including incentive compensation arrangements. With respect to consummated Co-Investments, Co-Investors will typically bear their pro rata share of fees, costs

and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their Co-Investments.

*Co-Investments with Apollo & Apollo Clients.* Apollo Clients, Apollo and their respective portfolio companies, and Apollo SPACs could participate in Portfolio Investments alongside the Sub-Funds (whether in the same or different classes, series or tranches). Such investments will likely involve risks not present in investments where a third party is not involved, including the possibility that a co-venturer or partner of the Sub-Funds will at any time have economic or business interests or goals that are inconsistent with those of any Sub-Fund, or may be in a position to take action contrary to the Sub-Funds' investment objectives. In addition, the Sub-Funds could be liable for actions of its co-venturers or partners. Apollo could also offer Co-Investment Opportunities to Apollo co-investment vehicles (which could include participation by Apollo professionals and employees and other Apollo Clients or entities and other key advisors/relationships of Apollo). In determining the allocation of such Co-Investment Opportunities, Apollo considers a multitude of factors, including its own interest in investing in the opportunity. Additionally, to the extent a deposit, commitment (financial or otherwise) or other contingency is required or otherwise viewed at the time as prudent for an investment opportunity or transaction process, the Sub-Funds or another Apollo Client could make the deposit, provide the commitment or make such arrangements to support and be liable for the contingency on behalf of itself and other Apollo Clients. See also "*Investments in Which Multiple Apollo Clients Participate*" and "*Over-Commitment*" below.

*Rebalancing Among Parallel Vehicles.* In connection with the admission (including to a Parallel Vehicle) of an additional Investors, or an existing Investor increasing its Commitment, subject to applicable law and applicable tax, regulatory, accounting or other considerations or limitations, the Board of Directors, the Investment Manager or the AIFM may, to the extent it deems appropriate, at one or more times reallocate existing investments among the Parallel Vehicle and Investors, so as to maintain an appropriate allocation of investments across all Parallel Vehicle and Investors after taking into account such new admission or increased Commitment. If the Board of Directors, the Investment Manager or the AIFM elects to reallocate investments among the Parallel Vehicle and Investors, this reallocation may involve transferring portions of existing investments among the Parallel Vehicles, reallocating investments among Investors and/or structural reallocation of exposure to the relevant investment, which reallocation will account for the amount of such additional Investors' participation therein upon the relevant subsequent Closing.

*Additional Vehicles.* If it considers appropriate for any legal, tax, regulatory, compliance, structuring or other considerations of the Umbrella Vehicle, a Sub-Fund or of certain Investors, the Investment Manager, or any of its Affiliates may, in its sole discretion, establish one or more parallel vehicles to invest alongside the Umbrella Vehicle or that particular Sub-Fund (as determined in the Investment Manager's discretion, "**Parallel Vehicles**"), which may not have investment objectives and/or strategies that are identical to the investment objectives and strategies of the Umbrella Vehicle for a particular Sub-Fund, and/or feeder vehicles to invest through the Umbrella Vehicle or a particular Sub-Fund ("**Feeder Vehicles**", and collectively with Parallel Vehicles, "**Additional Vehicles**"). The costs and expenses associated with the organization and operation of any Additional Vehicle may be apportioned to, and borne solely by, the investors participating in such Additional Vehicle or be allocated among the Umbrella Vehicle or a particular Sub-Fund, and any Additional Vehicles as determined by the Investment Manager in good faith. Investors should note that, as a result of the legal, tax, regulatory, compliance, structuring or other considerations mentioned above, the terms of such Parallel Vehicles may substantially differ from the terms of the Umbrella Vehicle or a particular Sub-Fund.

*Fees and Carried Interest Payable with Respect to Co-Investments.* Apollo can in its discretion: (i) receive performance-based compensation (such as carried interest or performance allocations), management fees or other similar fees from Co-Investors, and Apollo may make an investment, or otherwise participate, in any vehicle formed to structure a Co-Investment to facilitate, among other things, receipt of such performance-based compensation, management fees or other similar fees; and (ii) collect customary fees in connection with actual or contemplated investments that are the subject of such co-investment arrangements, and any such fees will be retained by, and be for the benefit of, the Investment Manager or any of its respective Affiliates (including the portions of any such fees not allocable to the Umbrella Vehicle or any of its Sub-

Funds based on the share of capital for the Portfolio Investment in question provided by the Umbrella Vehicle or such Sub-Fund (or that was expected to be provided by the Umbrella Vehicle or such Sub-Fund) relative to the share of capital for such Portfolio Investment provided by any Co-Investors (or that was expected to be provided by such Co-Investors)). Any such carried interest, incentive allocation, management fees or other similar fees received from Co-Investors with respect to any Co-Investment may (or may not) differ from those charged to the Umbrella Vehicle. Furthermore, since the Investment Manager or its Affiliates, as applicable, may receive carried interest, incentive allocation, management fees or other similar fees under its agreement with such a Co-Investor, which may be more favorable than the fees paid by the Umbrella Vehicle or any Sub-Fund, there may be an incentive for the Board of Directors and/or the Investment Manager to transfer interests in a Portfolio Investment to a Co-Investor in greater amounts and on terms, including price, that are less favorable to the Umbrella Vehicle or any of its Sub-Funds than they would otherwise be. Additionally, in those circumstances where the applicable Co-Investors include one or more members of a Portfolio Investment's management group, the Co-Investors who are members of such management group may receive compensation relating to the investment in such Portfolio Investment, including incentive compensation arrangements.

*Provision of Debt Finance to Portfolio Companies.* To the extent that the Board of Directors and/or the Investment Manager offers opportunities to provide debt financing to portfolio companies, whether or not such debt was acquired from the Umbrella Vehicle, such debt financing will not be treated as a co-investment, and thus will not be governed by the same rules that govern the disposition of co-investments alongside the Umbrella Vehicle. In addition, holders of portfolio company debt may be adverse to those of the Umbrella Vehicle as further discussed in "*Conflicts of Interest—Capital Structure Conflicts*" below.

*ESG Considerations.* Subject to the Articles and the applicable Sub-Fund Supplement(s), the Board of Directors, the AIFM and the Investment Manager may, depending on the relevant Sub-Fund's investment strategy, take into account certain ESG considerations in the discovering, developing, negotiating, evaluating, acquiring, structuring, holding, carrying, monitoring, managing and disposing of any of a Sub-Fund's investments. The application of that approach could involve higher compliance expenses or costs or the forgoing of certain opportunities. There are no universally accepted ESG standards and not all Investors may agree on the appropriate ESG standards to apply in a particular situation. The Board of Directors, the AIFM and the Investment Manager will apply (or not apply) particular ESG standards and considerations in their sole discretion.

The regulatory environment for ESG-related investments is evolving and changes to it could adversely affect the Umbrella Vehicle, the relevant Sub-Fund and its portfolio companies. To the extent that regulators adopt regulatory regimes that lead to increased oversight of ESG-related investments and funds, and create additional compliance, transaction, data collection, disclosure or other costs, the returns of the Umbrella Vehicle or any of its Sub-Funds may be negatively affected. For example, the regulatory regimes and practice applicable to ESG standards within the EEA may evolve and develop further over time, and may be subject to future substantial changes. In particular, the SFDR as well as supporting and related regulations are likely to be amended and new guidance may also be issued by the European Supervisory Authorities. Such amendments or changes may require the adoption of specific procedural or organizational arrangements that may affect the activities performed by the AIFM and the Investment Manager in relation to the Umbrella Vehicle or any of its Sub-Funds and may require additional disclosure to Investors with respect to ESG matters, or entail additional costs to be borne in the performance of the activities regulated under the Fund Documents. In addition to penalties, any non-compliance with such regulations could potentially have adverse consequences with respect to marketing the Umbrella Vehicle or any of its Sub-Funds.

In addition, the Taxonomy Regulation sets forth a general framework for the development of an EU-wide classification system for environmentally sustainable economic activities, with certain provisions now effective and others due to take effect in due course. The EU taxonomy for environmentally sustainable activities has now been agreed and published, however its impacts and effects are yet to be seen and there is a risk that the reorientation in the market could be adverse to the Sub-Funds' investment businesses, at least in the short term, and to the Portfolio Investments if they are perceived to be less valuable as a consequence of, for example, their carbon footprint. In this respect, each Investor acknowledges that the entry into force of ESG-

related regulatory regimes and further developments in regulatory expectations and best practice under such regimes, as well as any subsequent changes to the regulatory frameworks applying to ESG standards, as applicable to the AIFM, the Umbrella Vehicle, its Sub-Funds or their Portfolio Investments, could adversely affect the ability of the AIFM to perform the management services or adversely affect the portfolio companies and the operations and investment returns of the Umbrella Vehicle and its Sub-Funds.

*Increasing Scrutiny and Changing Expectations.* Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to Apollo's ESG policies may impose additional costs or expose Apollo, the Board of Directors, the AIFM, the Investment Manager, the Umbrella Vehicle or any of its Sub-Funds to additional risks. Companies across all industries are facing increasing scrutiny relating to their ESG policies. Investor advocacy groups, certain lenders and other market participants are increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. The increased focus and activism related to ESG and similar matters may hinder access to capital, as lenders may decide to reallocate capital or to not commit capital as a result of their assessment of ESG practices. These limitations in both the debt and equity capital markets may affect the Umbrella Vehicle's or any of its Sub-Funds' ability to grow, as its plans for growth may include accessing the equity capital markets. If those markets are unavailable, or if the Umbrella Vehicle or any of its Sub-Funds is unable to access alternative means of financing on acceptable terms, or at all, the Umbrella Vehicle or such Sub-Fund may be unable to implement its business strategy, which would have a material adverse effect on its financial condition and returns and impair the Umbrella Vehicle's or such Sub-Fund's ability to service its indebtedness. Further, the Umbrella Vehicle and its Sub-Funds will incur additional, material costs and require additional resources to monitor, report and comply with wide ranging ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on the Umbrella Vehicle's or any of its Sub-Funds' business and overall returns.

*Environmental Matters.* Ordinary operation or the occurrence of an accident with respect to a Portfolio Investment could cause major environmental damage, personal injury or property damage which may result in significant financial distress to such Portfolio Investment, even if covered by insurance. In addition, persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by those persons. Certain environmental laws and regulations may require that an owner or operator of an asset address prior environmental contamination, which could involve substantial cost and other liabilities. Such laws and regulations often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of environmental contamination and may impose joint and several liability (including amongst the Umbrella Vehicle, its Sub-Funds, other Apollo Clients and the applicable Portfolio Investment) or liabilities or obligations that purport to extend to (and pierce any corporate veil that would otherwise protect) the ultimate beneficial owners of the owner or operator of the relevant property or operating company that stand to financially benefit from such property's or company's operations. The Umbrella Vehicle and its Sub-Funds (and their Investors) may therefore be exposed to substantial risk of loss from environmental claims arising in respect of its investments. Furthermore, changes in environmental laws or regulations or the environmental condition of an investment may create liabilities that did not exist at the time of its acquisition and that could not have been foreseen. Community and environmental groups may protest about the development or operation of portfolio company assets, which may induce government action to the detriment of the Sub-Funds. New and more stringent environmental or health and safety laws, regulations and permit requirements, or stricter interpretations of current laws, regulations or requirements, could impose substantial additional costs on a Portfolio Investment, or could otherwise place a Portfolio Investment at a competitive disadvantage compared to other companies, and failure to comply with any such requirements could have an adverse effect on a Portfolio Investment. Environmental liabilities are generally not limited under such laws and could exceed the value of the relevant property and/or the aggregate assets of the responsible party. Even in cases where the Umbrella Vehicle and its Sub-Funds are indemnified by the seller with respect to an investment against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or the ability of the Umbrella Vehicle and its Sub-Funds to achieve enforcement of such indemnities.

The presence of such substances, or the failure to properly remediate related contamination, may adversely affect the marketability of real estate assets, equity investments, debt investments and other investments, or the value of such property as collateral, which could have an adverse effect on investment returns. In addition, some environmental laws create a lien on contaminated property in favor of the relevant government for costs it incurs in connection with the contamination. In addition to clean-up actions brought by governmental agencies and private parties, the presence of hazardous substances on a property may lead to claims of personal injury, property damage or other claims by private plaintiffs. Moreover, the ability of the Umbrella Vehicle to assess, avoid and insulate itself against any such environmental liability through the performance of environmental due diligence may be limited in certain jurisdictions.

If these liabilities were to arise with respect to the Umbrella Vehicle, its Sub-Funds or their Portfolio Investments, the Umbrella Vehicle and its Sub-Funds might suffer significant losses and incur significant liabilities and obligations. The having or exercise of control or influence over a Portfolio Investment could expose the assets of the Umbrella Vehicle, its Sub-Funds, their Investors, the Board of Directors, the Investment Manager and their respective Affiliates to claims by such Portfolio Investment, its security holders and its creditors and regulatory authorities or other bodies. While the Board of Directors and the Investment Manager intends to manage the Umbrella Vehicle and its Sub-Funds to minimize exposure to these risks, the possibility of successful claims cannot be precluded, nor can there be any assurance as to whether such laws, rules, regulations and court decisions will be expanded or otherwise applied in a manner that is adverse to Portfolio Investments, the Umbrella Vehicle, the Sub-Funds and their Investors. Moreover, it is possible that, when evaluating a potential portfolio investment, the Board of Directors and the Investment Manager may choose not to pursue or consummate such Portfolio Investment, if any of the foregoing risks may create liabilities or other obligations for the Umbrella Vehicle, any of the Sub-Funds, the Board of Directors, the AIFM, the Investment Manager or any of their respective Affiliates, partners or employees.

*Climate Change.* Climate change and related regulation could result in significantly increased operating and capital costs and could reduce demand for the products and services of certain Portfolio Investments. The Umbrella Vehicle and its Sub-Funds may acquire Portfolio Investments that are located or have significant holdings in areas that are subject to climate change. For example, portfolio companies, borrowers, real estate and other assets located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Umbrella Vehicle's and its Sub-Funds' business and operations business and operations. These effects can impact the Umbrella Vehicle's and its Sub-Funds' business and operations physical assets, tenants and overall operations. Physical impacts of climate change may include: increased storm intensity and severity of weather (e.g., floods or hurricanes); wildfires; sea level rise; and extreme temperatures. For example, many climate models indicate that global warming is likely to result in rising sea levels and increased frequency and severity of weather events, which may lead to higher insurance costs, or a decrease in available coverage, for Portfolio Investments in areas subject to severe weather. These climate-related changes could damage Portfolio Investments' physical infrastructure (to the extent relevant), especially operations located in low-lying areas near coasts and river banks, and facilities situated in hurricane-prone and rain-susceptible regions.

Moreover, if the evidence supporting climate change continues to grow, various governmental regulatory agencies may enact more restrictive environmental regulations. Various laws and regulations exist or are under development that seek to regulate the emission of "greenhouse" gases ("**GHGs**") such as methane and CO<sub>2</sub>, including the United States Environmental Protection Agency programs to control GHG emissions and state actions to develop state-wide or regional programs. Proposed approaches to further regulate GHG emissions include establishing GHG "cap and trade" programs, increased efficiency standards and incentives or mandates for pollution reduction, use of renewable energy sources or use of alternative fuels with lower carbon content. Adoption of any such laws or regulations could increase Portfolio Investments' costs to operate and maintain facilities and could require the installation of new emission controls, acquire allowances for GHG emissions, Tax payments related to GHG emissions and administration and management of a GHG emissions program.

These more restrictive regulations could materially impact the revenues and expenses of the relevant Portfolio Investments.

As a result of these physical impacts from climate-related events, the Umbrella Vehicle and its Sub-Funds may be vulnerable to the following: risks of damage to the Umbrella Vehicle and its Sub-Funds' investments; indirect financial and operational impacts from disruptions to the operations of the Umbrella Vehicle's and its Sub-Funds' Portfolio Investments due to severe weather or other unforeseen climate-related events; increased insurance premiums and deductibles or a decrease in the availability of coverage for Portfolio Investments in areas subject to severe weather; increased insurance claims and liabilities; increase in energy cost impacting operational returns; changes in the availability or quality of water or other natural resources on which the Portfolio Investment's business depends; decreased consumer demand for Portfolio Investment products or services resulting from physical changes associated with climate change; incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic disturbances arising from the foregoing.

*Over-Commitment.* In order to facilitate the acquisition of a Portfolio Investment, a Sub-Fund may make (or commit to make) an investment in such Portfolio Investment with a view to selling a portion of such investment to Co-Investors, Apollo Clients or other persons prior to or within a reasonable time after the closing of the acquisition. In such event, such Sub-Fund will bear the risk that the transaction will not be consummated, or that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, the Sub-Fund may bear the entire portion of any break-up fee or other fees, costs and expenses related to such investment, hold a larger than expected investment in such Portfolio Investment or may realize lower than expected returns from such investment. The Board of Directors and the Investment Manager endeavor to address such risks by requiring such investments to be in the best interests of the Sub-Fund, regardless of whether any sell-down ultimately occurs. None of the Board of Directors, the AIFM, the Investment Manager or any of their respective Affiliates (as applicable) will be deemed to have violated any duty or other obligation to the Umbrella Vehicle, such Sub-Fund or any of their investors by engaging in such investment and sell-down activities.

*Non-Controlling Investments.* In some instances, a Sub-Fund will hold a non-controlling interest in Portfolio Investments, and, therefore, they may have a limited ability to protect their position in such Portfolio Investments. Further, a Sub-Fund may have no right to appoint a director and, as a result, may have a limited ability to influence the management of such Portfolio Investments. In such cases, such Sub-Fund will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other investors with whom the Sub-Fund is not affiliated and whose interests may conflict with the Sub-Fund's interests. Where practicable and appropriate, it is expected that Investor rights generally will be sought to a Sub-Fund's interests. There can be no assurance, however, that such minority investor rights will be available, or that such rights will provide sufficient protection of a Sub-Fund's interests. In addition, a Sub-Fund may hold investments that do not entitle it to voting rights and, therefore, the Umbrella Vehicle or such Sub-Fund may have a limited ability to protect such investments.

*Contingent Liabilities on Disposition of Investments.* In connection with the disposition of an investment in a Portfolio Investment, a Sub-Fund may be required to make representations about the business and financial affairs, or representations in respect to underlying assets typical of those made in connection with the sale of portfolio companies, real estate, debt investments or other assets, or be responsible for the contents of disclosure documents. A Sub-Fund may also be required to indemnify the purchasers of such investment to the extent that any such representations or disclosure documents are inaccurate or with respect to certain potential liabilities or other obligations. These arrangements may result in the incurrence of accrued expenses, liabilities or contingencies for which the Board of Directors or the Investment Manager may establish reserves or escrow accounts. Such liabilities or contingencies may exist for a long period after the disposal of such Portfolio Investment, and extend beyond the term of the Umbrella Vehicle or a particular Sub-Fund. In that regard, distributions, including final distributions, to Investors will be subject to any such reserves or holdbacks and Investors in such Sub-Fund may be required to return amounts distributed to them to fund a particular Sub-Fund's indemnity obligations or other obligations (including Operating Expenses) arising out of any legal proceeding



against a particular Sub-Fund, subject to certain limitations set forth in the relevant Sub-Fund Supplement. Furthermore, each Investor that receives a distribution in error or in violation of applicable law will, under certain circumstances, be obligated to recontribute such distribution to a particular Sub-Fund.

*Disposition of Investments Held by a Special Purpose Vehicle.* The Investment Manager or an Affiliate thereof may serve as the Controlling Person of a special purpose vehicle formed for the purpose of holding and subsequently liquidating assets of a particular Sub-Fund. There can be no assurance that the Investment Manager will be able to sell or otherwise dispose of all or any portion of the assets held by any such special purpose vehicle in a timely manner, if at all, or at prices that reflect the value of such assets.

*Portfolio Investment Designation.* A Sub-Fund may purchase or hold through a special purpose vehicle or other subsidiary a group of investments (regardless of whether such investments are related, purchased from a single seller or neither) in a single asset or a group of assets. If any Sub-Fund purchases or holds through a special purpose vehicle or other subsidiary a group of investments (regardless of whether such investments are related, purchased from a single seller or not) in a single asset or a group of assets, the Board of Directors or the Investment Manager may designate any such special purpose vehicle or subsidiary as a Portfolio Investment at any time, including before or after the creation or utilization thereof, and the Board of Directors or the Investment Manager will in its sole discretion define which entity or entities constitutes the Portfolio Investment. Any such special purpose vehicle or other subsidiary (and not, for the avoidance of doubt, any investment made or held through such entity) will, unless otherwise determined by the Board of Directors (or its delegate) in its sole discretion, be treated as a "Portfolio Investment" for all purposes under the Fund Documents, including that any such entity will be authorized to freely reinvest proceeds in, substitute collateral for, provide one or more guarantees, letters of credit, equity commitment letters or similar credit support (including on a joint and several or cross-collateralized basis or otherwise as described in the Fund Documents) for, and otherwise engage in financial transactions with, any of the entities comprising the enterprise conducted through such special purpose vehicle or other subsidiary and otherwise optimize its portfolio. In connection therewith, any such special purpose vehicle or other subsidiary may utilize or reserve proceeds generated at the level of any such special purpose vehicle or other subsidiary for purposes of making Additional Investments (as defined above) or paying or reserving for the payment of fees, costs, expenses and other liabilities of such special purpose vehicle or other subsidiary without having any obligation to necessarily cause such proceeds to be distributed by such special purpose vehicle or other subsidiary to the Sub-Fund (and, in turn, to the Investors), even if such special purpose vehicle or other subsidiary is an entity that is utilized to facilitate the making of investments by a particular Sub-Fund only, or together with other Apollo Clients. No restriction, limitation or obligation set forth herein or in the other Fund Documents that is applicable to the Umbrella Vehicle or any of its Sub-Funds will be deemed to apply at the level of a special purpose vehicle, subsidiary, Portfolio Investment or issuer, including that any excuse right otherwise afforded to an Investor will not apply on a "look-through" basis to any investment made or held through an entity that is itself treated as a Portfolio Investment and none of the limitations on recall, recycling or reinvestment or on Additional Investments will apply. As such, the Board of Directors is subject to conflicts of interest in determining whether an entity should be designated as a Portfolio Investment.

*Prepayments.* Subject to the terms of the applicable Sub-Fund Supplement(s), the Portfolio Investments may be subject to prepayment. Prepayments on Portfolio Investments are affected by a number of factors. If prevailing rates for similar loans fall below the interest rates on Portfolio Investments held by the Umbrella Vehicle and its Sub-Funds, then prepayment rates would generally be expected to increase. Conversely, if prevailing rates for similar loans rise above the interest rates on the Portfolio Investments held by the Umbrella Vehicle and its Sub-Funds, prepayment rates would generally be expected to decrease. In the case of investments related to real estate, prepayments on Portfolio Investments may also be affected by the value of the related mortgaged property, the borrower's equity in the mortgaged property, the financial circumstances of the borrower, fluctuations in the business operated by the borrower on the mortgaged property, competition, general economic conditions and other factors. However, there can be no assurance that Portfolio Investments will prepay at any particular rate.

*Insolvency Considerations.* Subject to the terms of the applicable Sub-Fund Supplement(s), Portfolio Investments held by the Umbrella Vehicle and its Sub-Funds may be subject to various laws enacted in the home country, jurisdiction or state of the borrower of such Portfolio Investments for the protection of creditors. Insolvency considerations may differ depending on the jurisdiction in which each borrower is formed and/or located and may differ depending on whether the borrower is a non-sovereign or a sovereign entity. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of a borrower of Portfolio Investments, such as a trustee in bankruptcy, were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting the Portfolio Investment and, after giving effect to such indebtedness, the borrower: (i) was insolvent; (ii) was engaged in a business for which the remaining assets of such borrower constituted unreasonably small capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, a borrower would be considered insolvent at a particular time if the sum of its debts were greater than all of its property at a fair valuation or if the present fair saleable value of its assets were less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the borrower was "insolvent" after giving effect to the incurrence of the indebtedness constituting the Portfolio Investment, or that, regardless of the method of valuation, a court would not determine that the borrower was "insolvent" upon giving effect to such incurrence.

In addition, in the event of the insolvency of a borrower of a Portfolio Investment, payments made on such Portfolio Investment could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year and one day) before insolvency. In addition, if a borrower of a Portfolio Investment is the subject of a bankruptcy proceeding, payments to the Umbrella Vehicle or the relevant Sub-Fund with respect to such Portfolio Investment may be delayed or diminished as a result of the exercise of various powers of the bankruptcy court including the following: (i) an "automatic stay," under which the Umbrella Vehicle or the relevant Sub-Fund will not be able to institute proceedings or otherwise enforce its rights against the borrower or obligor with respect to such Portfolio Investment without permission from the court; (ii) conversion by the bankruptcy court of such Portfolio Investment into more junior debt or into an equity obligation of the borrower thereof or obligor thereon; (iii) modification of the terms of the Portfolio Investment by the bankruptcy court, including reduction or delay of the interest or principal payments thereon; and (iv) grant of a priority lien to a new money lender to the borrower of, or obligor on, the Portfolio Investment.

*Limitations on Remedies.* Although the Umbrella Vehicle and/or its Sub-Funds will have certain contractual remedies upon the default by any borrowers under the Portfolio Investments (subject to the terms of the applicable Sub-Fund Supplement(s) permitting such Portfolio Investments), such as enforcing upon any underlying real estate or collecting rents generated therefrom, certain legal requirements may limit the ability of the Umbrella Vehicle or its Sub-Funds to effectively exercise such remedies. Furthermore, the laws with respect to the rights of creditors and other investors in certain jurisdictions in which the Umbrella Vehicle and its Sub-Funds may invest may not be comprehensive or well-developed, and the procedures for the judicial or other enforcement of such rights may be of limited effectiveness.

*Creditor Risks.* In the event such Portfolio Investments are permitted in accordance with the terms of the applicable Sub-Fund Supplement(s), certain Portfolio Investments may be characterized as debt and such Portfolio Investments will generally be subject to various creditor risks, including: (i) the possible invalidation of a Portfolio Investment as a "fraudulent conveyance" under relevant creditors' rights laws; (ii) so-called lender liability (as described below) claims by the issuer of the obligations; and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any borrower to which the Umbrella Vehicle and its Sub-Funds lend, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of the Portfolio Investments with respect to any such borrower.

*Risk of Default or Insolvency of Counterparty.* The leveraged capital structure of any borrowers which the Umbrella Vehicle and its Sub-Funds finance (to the extent permitted by the terms of the applicable Sub-Fund Supplement(s)), may increase these borrowers' exposure to adverse economic factors (such as rising interest rates, competitive pressures, downturns in the economy or deterioration in the condition of the borrower or its industry) and to the risk of unforeseen events. This leverage may result in more serious adverse consequences to any such borrower (including to its overall profitability or solvency) if these factors arise or events occur when compared to the consequences that may be suffered by less leveraged borrowers. For example, rising interest rates may significantly increase a borrower's interest expense, or a significant industry downturn may affect a borrower's ability to generate positive cash flow, in either case causing an inability to service outstanding debt. If a borrower cannot generate adequate cash flow to meet its debt obligations, then the borrower may default on its loan agreements or be forced into bankruptcy or insolvency (which may lead to restructuring or liquidation). As a result, the Umbrella Vehicle and the relevant Sub-Fund may suffer a partial or total loss of capital invested in that borrower, particularly in light of the subordinated position of any such Portfolio Investments.

*Involvement of Co-Lenders.* Subject to the terms of the applicable Sub-Fund Supplement(s), some of the Umbrella Vehicle's and its Sub-Funds' Portfolio Investments may be made as a co-lender with other co-lenders that are not affiliated with the Umbrella Vehicle, its Sub-Funds the Board of Directors, the AIFM, the Investment Manager, Apollo and its Affiliates. These Portfolio Investments may involve risks not inherent in other types of investment vehicles, including, for example, the possibility that such third-party entities may become insolvent and bankrupt, have economic or business interests or goals inconsistent with those of the Umbrella Vehicle or any of its Sub-Funds or otherwise be in a position to take action inconsistent with the objectives, desires or policies of the Umbrella Vehicle or any of its Sub-Funds, including, for example, in the context of discussions following a borrower default. Actions taken by bankrupt entities could subject the Umbrella Vehicle and its Sub-Funds to liabilities larger than, or other than, those anticipated.

*Loans to Less Established Borrowers.* Subject to the terms of the applicable Sub-Fund Supplement(s), the Umbrella Vehicle and its Sub-Funds may make loans to smaller, less established or unquoted borrowers. Lending to such borrowers may involve greater risks than those associated with loans to more established borrowers. Less established borrowers tend to have lower capitalizations and fewer resources (including cash) and, therefore, often are more vulnerable to funding shortfalls and financial failure. Such borrowers may also be smaller, more vulnerable to changes in markets and technology and dependent on the skills and commitment of a small management team. In the event of failure of a borrower to which the Umbrella Vehicle and such Sub-Funds lend, part or all of the relevant Portfolio Investment may be lost. Furthermore, less mature borrowers could be deemed to be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any borrower to which the Umbrella Vehicle and any of its Sub-Funds lend, the Umbrella Vehicle and/or such Sub-Funds may suffer a partial or total loss of capital invested in that borrower. Such borrowers also may have shorter operating histories on which to judge future performance.

*Fraud.* In the event that, in accordance with the terms of any applicable Sub-Fund Supplement, the Umbrella Vehicle and any of its Sub-Funds makes or originates any loans, of paramount concern in originating loans is the possibility of fraudulent and negligent acts or a material misrepresentation or omission on the part of a third party including borrowers, brokers, sellers, vendors, tenants, co-lenders, loan participants, servicers and the boards and management teams of operating companies. Such act, omission, inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the transactions or may adversely affect the ability of the Umbrella Vehicle or a Sub-Fund to perfect or effectuate a lien on the collateral securing the transaction. The Umbrella Vehicle and/or the relevant Sub-Funds will rely upon the accuracy and completeness of representations made by counterparties to the extent reasonable, but cannot guarantee such accuracy or completeness. In addition, under certain circumstances, payments to the Umbrella Vehicle or its Sub-Funds may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

*Execution Risks and Error.* In order to seek positive returns in global markets, the Umbrella Vehicle's or its Sub-Funds' trading and investments could involve multiple Portfolio Investments, multiple brokers and counterparties and multiple strategies. As a result, the execution of the trading and investment strategies employed by the Umbrella Vehicle or any of its Sub-Funds may require rapid execution of trades, high volume of trades, complex trades, difficult to execute trades, use of negotiated terms with counterparties such as in the use of derivatives and the execution of trades involving less common or novel Portfolio Investments. In each case, the Umbrella Vehicle or such Sub-Fund seeks best execution and has trained execution and operational staff who execute, settle and clear such trades. However, in light of the high volumes, complexity and global diversity involved, some slippage, errors and miscommunications with brokers and counterparties may occur, and could result in losses to the Umbrella Vehicle or a Sub-Fund. In such circumstances, the Umbrella Vehicle or a Sub-Fund will evaluate the merits of potential claims for damage against brokers and counterparties who are at fault and, to the extent practicable, will seek to recover losses from those parties. In its sole discretion, the Board of Directors may choose to forego pursuing claims against brokers and counterparties on behalf of the Umbrella Vehicle or a Sub-Fund for any reason, including the cost of pursuing claims relative to the likely amount of any recovery and the maintenance of its business relationships with brokers and counterparties. In addition, the Board of Directors and the Investment Manager's own execution and operational staff may be solely or partly responsible for errors in placing, processing, and settling trades that result in losses to the Umbrella Vehicle or a Sub-Fund. The Board of Directors, the Investment Manager, any Affiliated Service Providers and the AIFM and each of their Affiliates are not liable to the Umbrella Vehicle or any of its Sub-Funds for losses caused by brokers or counterparties or its own negligence or contributory negligence. The Board of Directors, the AIFM and the Investment Manager may be liable to the Umbrella Vehicle or any of its Sub-Funds for acts that constitute bad faith, gross negligence, wilful misconduct, fraud, wilful or reckless disregard for such their duties to the Umbrella Vehicle, its Sub-Funds or the Investors or for damages resulting from intentional violations of securities laws. Interests in the Umbrella Vehicle and its Sub-Funds are only available for subscription by investors who understand that they and the Umbrella Vehicle and its Sub-Funds are waiving potential claims for damages arising from the operation of the Umbrella Vehicle and its Sub-Funds, including damages resulting from the Board of Directors, the AIFM or the Investment Manager's own negligence or contributory negligence, and expect some execution losses to the Umbrella Vehicle and its Sub-Funds.

*Operating and Financial Risks of Portfolio Investments.* Portfolio Investments in which the Umbrella Vehicle and its Sub-Funds invests could deteriorate as a result of, among other factors, an adverse development in the market, a change in their competitive environment, or an economic downturn. As a result, Portfolio Investments that the Umbrella Vehicle and its Sub-Funds may have expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive positions, or may otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of the Umbrella Vehicle's and its Sub-Funds' investment strategies and approach may depend, in part, on the ability of the Umbrella Vehicle and each Sub-Fund to effect improvements in the development and/or operations of a Portfolio Investment. To the extent relevant to a Portfolio Investment, the activity of identifying and implementing operating improvements at Portfolio Investments entails a high degree of uncertainty. There can be no assurance that the Umbrella Vehicle and its Sub-Funds will be able to successfully identify and implement such operating improvements. In addition, the Umbrella Vehicle and its Sub-Funds may cause their Portfolio Investments to bear certain fees, costs and expenses that the Umbrella Vehicle and its Sub-Funds would otherwise bear, including the fees, costs and expenses incurred in developing, investigating, negotiating, structuring or consummating the Umbrella Vehicle's, its Sub-Funds' or any other investment in such Portfolio Investments. For example, the Board of Directors may cause such Portfolio Investments to bear the fees, costs and expenses that are incurred in connection and concurrently with the acquisition of such Portfolio Investments and such other fees, costs and expenses that may otherwise be treated as Operating Expenses. The payment of such fees, costs and expenses by such Portfolio Investments may reduce the amount of cash that the Portfolio Investments have on hand.

*Uncertainty of Financial Projections.* The Investment Manager will generally establish the capital structure of Portfolio Investments on the basis of financial projections for such Portfolio

Investments. Projections are forward-looking statements and are based upon certain assumptions. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions that the Investment Manager believes are reasonable at the time that the projections are developed. Projections are subject to a wide range of risks and uncertainties, however, and there can be no assurance that the actual results may not differ materially from those expressed or implied by such projections. Moreover, the inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a Portfolio Investment to realize projected values. General economic conditions, which are not predictable, can also have a material adverse impact on the reliability of such projections. Actual events may differ from those assumed. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates, life expectancy of remaining insureds, creditworthiness of carriers, and business, market, financial or legal conditions. Accordingly, there can be no assurance that projections will not be materially different than those estimated therein.

*Regulation and Enforcement; Litigation.* The increasing attention to private investment funds has prompted additional governmental and public attention to the investment funds industry and its practices. Regulation generally, as well as regulation more specifically addressed to the investment funds industry, including tax laws and regulation, could adversely impact the profitability and the cost of operating the Umbrella Vehicle. Additional regulation could also increase the risk of third-party litigation. The nature of the business of the Umbrella Vehicle and its Sub-Funds exposes the Umbrella Vehicle, its Sub-Funds, the Board of Directors, the AIFM and the Investment Manager generally to the risks of third-party litigation. Apollo has, historically, been subject to such litigation. Under the Articles, the Umbrella Vehicle and its Sub-Funds will generally be responsible for indemnifying the Board of Directors, the AIFM, the Investment Manager and related parties for costs they may incur with respect to such litigation not covered by insurance.

The Investment Manager anticipates that the Umbrella Vehicle, its Sub-Funds or any of its SPVs may be named a defendant in civil proceedings. The expense of defending against such claims and paying settlements or judgments will be borne by the Umbrella Vehicle or a specific Sub-Fund, as applicable and this would reduce the Umbrella Vehicle's or such Sub-Fund's net assets. The Indemnified Parties will be indemnified by the Umbrella Vehicle and its Sub-Funds in connection with such litigation, subject to certain conditions.

*Investments That Cannot Be Disposed of Prior to Dissolution of the Umbrella Vehicle or its Sub-Funds prior to Dissolution.* The Umbrella Vehicle and its Sub-Funds may make Portfolio Investments that may not be advantageously disposed of prior to the date the Umbrella Vehicle is dissolved. Although the Board of Directors expects that investments will mature or be disposed of prior to dissolution or be suitable for in-kind distribution at such time, the Umbrella Vehicle and its Sub-Funds may have to sell, distribute, or otherwise dispose of Portfolio Investments at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of the Umbrella Vehicle, the Board of Directors (or the relevant liquidator appointed in accordance with the Fund Documents) will use commercially reasonable efforts to reduce to cash and cash equivalents such assets of the Umbrella Vehicle and its Sub-Funds as the Board of Directors or such liquidator deem advisable to sell, subject to obtaining fair value for such assets and any tax, legal or other considerations, there can be no assurances with respect to the time frame in which the winding-up and the final distribution of proceeds to the Investors will occur. In addition, certain obligations or liabilities of the Umbrella Vehicle or its Sub Funds (including the incurrence of indebtedness), irrespective of when such obligations are incurred, may mature at a point in time (including following the date that the Umbrella Vehicle is dissolved). In any such circumstance, the Umbrella Vehicle will be obligated to satisfy any such obligations and the Investors will, if required by the Board of Directors, be obligated to make payments the Umbrella Vehicle to fund such obligations in accordance with, and subject to the limitations (if any) set forth in, the Articles and/or the relevant Sub-Fund Supplement(s). In the event that the Board of Directors cannot advantageously dispose of one or more Portfolio Investments, the Board of Directors may seek to restructure the Umbrella Vehicle, its Sub-Funds or such investments, including by way of a secondary transaction, strip sale or similar transaction to one or more third parties or other Apollo Clients. The terms of such secondary transactions may include economic aspects beneficial to Apollo, including by way of carried interest distributions generated from such transactions. To the

extent such secondary transaction involves other Apollo Clients or Affiliate transactions, approval of the advisory board of any such Apollo Client will not necessarily be required, and the Sub-Funds will bear the expenses associated with any such transaction.

*Illiquidity and Long-Term Nature of Investments.* The market for many of the Umbrella Vehicle's and its Sub-Funds' Portfolio Investments is substantially less liquid than the market for publicly traded securities. In addition, certain Portfolio Investments may be subject to legal or contractual restrictions or requirements that limit the Umbrella Vehicle's and its Sub-Funds' ability to transfer them or sell them for cash. The resulting illiquidity of these investments may make it difficult for the Umbrella Vehicle and its Sub-Funds to sell such investments if the need arises. If the Umbrella Vehicle and its Sub-Funds need to sell all or a portion of their portfolios over a short period of time, it may realize value significantly less than the value at which it had previously recorded those investments. This may in particular also affect the ability of a Sub-Fund to redeem Shares in case of an open-ended Sub-Fund and may lead to Investors not being able to receive their redemption proceeds as foreseen.

*Index-related Risks.* The Umbrella Vehicle and its Sub-Funds may utilize a variety of indices, index-related products or other broad market indicators to make investments or pursue hedging strategies. Several economic and market factors, many of which are beyond the control of the Umbrella Vehicle and its Sub-Funds, will influence the value of the underlying credit products comprising the various indices, including: (i) the value of any indices at any time; (ii) the volatility (frequency and magnitude of changes in value) of any indices; (iii) interest and yield rates in the particular credit markets; (iv) geopolitical conditions and economic, financial, political and regulatory or judicial events that affect the credit products underlying the indices, or credit markets generally, and that may affect the final value of the indices; (v) the time remaining to the maturity of the underlying credit products comprising the various indices; (vi) a variety of economic, financial, political, regulatory or judicial events; and (vii) the creditworthiness of the underlying credit products comprising the various indices.

Some or all of these factors will influence the price fluctuations of the underlying credit products in such indices. For example, the Umbrella Vehicle and its Sub-Funds may have to sell their interests coupled to any such indices at a substantial discount from the original purchase price if at the time of sale, the value of any such index is at or below its initial value or if market conditions result in a divergence of such interests and indices. The publishers of the indices can add, delete or substitute the credit products underlying each of the indices, and can make other methodological changes required by certain events relating to the underlying credit products that could change the value of the indices. Any such changes could adversely affect the value of the underlying credit products.

The publishers of the indices may discontinue or suspend calculation or publication of any index at any time. In these circumstances, the Umbrella Vehicle and its Sub-Funds will have the sole discretion to substitute a successor index that is comparable to the discontinued index. In addition, the publishers of the indices have limited operating histories upon which an evaluation of likely performance may be based, and past performance may not be indicative of the future performance of the publishers of the indices.

As investors, the Umbrella Vehicle and its Sub-Funds will not have voting or similar rights to receive any distributions or any other rights with respect to the credit products that underlie the indices.

The Umbrella Vehicle and its Sub-Funds may carry out hedging activities related to the credit products linked to the indices or their components, including trading in indices and their tranches and trading in the credit products underlying the indices and options contracts on the indices. The Umbrella Vehicle and its Sub-Funds may also trade in the credit products underlying the indices and other financial instruments related to the indices on a regular basis as part of their general businesses.

*Duration of Investment Positions.* The Investment Manager may not know, except in the case of certain options or derivatives positions which have pre-established expiration dates, the maximum—or even the expected (as opposed to optimal)—duration of any particular position at the time of initiation. The length of time for which a position is maintained may vary significantly,

based on the Investment Manager's subjective judgment of the appropriate point at which to liquidate a position so as to augment gains or reduce losses. Many of the Umbrella Vehicle's and its Sub-Funds' transactions may involve acquiring related positions in a variety of different instruments or markets at or about the same time. Frequently, optimizing the probability of being able to exploit the pricing anomalies among these positions requires holding periods of significant length—sometimes many months to a year or more. Actual holding periods depend on numerous market factors which can both expedite and disrupt price convergences. There can be no assurance that the Umbrella Vehicle and its Sub-Funds or any issuer of financial instruments that they hold will be able to maintain any particular position, or group of related positions, for the duration required to realize the expected gains, or avoid losses, from such positions.

*Nature of Bankruptcy Proceedings.* A Portfolio Investment may become involved in a reorganization, bankruptcy or other proceeding. In any such event, the Umbrella Vehicle or any of its Sub-Funds may lose their entire investment, may be required to accept cash or securities or assets with a value less than the Umbrella Vehicle and its Sub-Funds' original investment and/or may be required to accept payment over an extended period of time.

In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of an obligor, holders of debt instruments ranking senior to the Umbrella Vehicle's or any of its Sub-Funds' investments would typically be entitled to receive payment in full before the Sub-Fund receives any distributions in respect of its investments. After repaying the senior creditors, such obligor may not have any remaining assets to repay its obligations to the Umbrella Vehicle and its Sub-Funds. In the case of debt ranking equally with the loans or debt securities in which the Umbrella Vehicle and its Sub-Funds invests, the Umbrella Vehicle and its Sub-Funds would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant investee company. Each jurisdiction in which the Umbrella Vehicle and its Sub-Funds invest has its own insolvency laws. As a result, investments in similarly situated investee companies in different jurisdictions may well confer different rights in the event of insolvency.

A Portfolio Investment that becomes distressed or any distressed asset received by the Umbrella Vehicle in a restructuring would require active monitoring. Additionally, active monitoring could include the involvement of one or more ASP Teams (as defined herein) to provide a variety of services (see Section 20 "*Conflicts of Interest*") below. Involvement by the Investment Manager in a company's reorganization proceedings could result in the imposition of restrictions limiting the Umbrella Vehicle's and its Sub-Fund's ability to liquidate its position therein. Bankruptcy proceedings involve a number of significant risks. Many of the events within a bankruptcy litigation are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of the Umbrella Vehicle and/or its Sub-Funds, particularly in those jurisdictions which give a comparatively high priority to preserving the debtor company as a going concern, or to protecting the interests of either creditors with higher ranking claims in bankruptcy or of other stakeholders, such as employees.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Umbrella Vehicle and/or its Sub-Funds; it is subject to unpredictable and lengthy delays, particularly in jurisdictions that do not have specialized insolvency courts or judges and/or may have a higher risk of political interference in insolvency proceedings, all of which may have adverse consequences for the Umbrella Vehicle and/or its Sub-Funds. During such process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets.

*Insurance Coverage.* The Umbrella Vehicle and its Sub-Funds will either be covered under Apollo's professional liability insurance policy or will maintain professional liability insurance. To the extent a claim arises relating to any of the insureds during a policy period that erodes some or all of the limits under Apollo's policy, there will be less coverage, or potentially no

coverage, available for all of the insureds under the policy for the remainder of the policy period. The Investment Manager may, however, have the Umbrella Vehicle or its Sub-Funds purchase, at the Umbrella Vehicle's or such Sub-Fund's expense, insurance to insure the Umbrella Vehicle or such Sub-Fund and any Indemnified Party against liability in connection with the activities of the Umbrella Vehicle or such Sub-Fund.

*Broker, Dealer or Custodian Insolvency.* The Umbrella Vehicle's and its Sub-Fund's assets may be held in one or more accounts maintained for the Umbrella Vehicle and its Sub-Funds by its prime brokers or at other brokers or with one or more custodians, which may be located in various jurisdictions. Such prime brokers, local brokers and custodians, as brokerage firms, custodians or commercial banks, may be 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 Umbrella Vehicle's and its Sub-Fund'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 custodian or any of their respective sub-custodians, agents or Affiliates, or a local broker, it is impossible to generalize about the effect of their insolvency on the Umbrella Vehicle 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 Umbrella Vehicle and its Sub-Funds, which could be material.

*Back Leverage.* The Umbrella Vehicle or any master fund through which it or any Sub-Fund invests could (i) create an investment vehicle, contribute Sub-Fund assets (for the avoidance of doubt, including assets from multiple Portfolio Investments) to such investment vehicle (or make one or more investments directly through such investment vehicle), and cause such investment vehicle to make borrowings (including borrowings from Apollo Clients and/or Apollo, see "*Structured Finance Arrangements*", "*Capital Structure Conflicts*" and "*Portfolio Investment Relationships*" below) or (ii) cause multiple such investment vehicles to engage in joint borrowings and/or cross-collateralize with one another. Any arrangements entered into by any such vehicle or entity (and not the Umbrella Vehicle itself), will, subject to the terms of the relevant Fund Documents, generally not be considered borrowings by the Umbrella Vehicle or any Sub-Fund for purposes of the limitations on borrowings (or any limits on issuing additional interests) by the Umbrella Vehicle or its Sub-Funds that are set forth in the Articles. In either case of (i) or (ii), but subject always to the terms of the Articles and the relevant Sub-Fund Supplement, such investment vehicle(s) will generally not be treated as a single investment even if multiple Portfolio Investments are pledged to and at risk in relation to a borrowing with respect to one single Portfolio Investment. In connection with the foregoing, distributions from one investment may be used to pay interest and/or principal on borrowing secured by other Portfolio Investments, which amounts will also not be treated as investments by the Umbrella Vehicle or its Sub-Funds for purposes of any investment limitations. The use of back leverage potentially enhances the return profile of these investments and the Umbrella Vehicle and its Sub-Funds overall, but also increases the risk of the applicable investment, including the risks associated with collateralized investments held through the same leverage facilities. See "*Use and Availability of Leverage*"; "*Recent Changes in Credit Markets*"; "*Financing Arrangements*" and "*Credit Facilities*" above.

If the Umbrella Vehicle, its Sub-Funds or any master fund through which it or any Sub-Fund invests were to create one or more of such investment vehicles, the Umbrella Vehicle or its Sub-Funds would depend on distributions (direct or indirect, as applicable) from an investment vehicle's assets out of its earnings and cash flows to enable the Umbrella Vehicle or its Sub-Funds to make distributions to its Investors. The ability of such an investment vehicle to make distributions will be subject to various limitations, including the terms and covenants of the debt it issues. For example, tests (based on interest coverage or other financial ratios or other criteria) may restrict the Umbrella Vehicle's or its Sub-Funds' ability, as the holder of an investment vehicle's common equity interests, to receive cash flow from these investments. There is no assurance any such performance tests will be satisfied. Also, an investment vehicle may take actions that delay distributions in order to preserve ratings and to keep the cost of present and future financings lower. As a result, there may be a lag, which could be significant, between the repayment or other realization on a loan in, and the distribution of cash out of, such an investment vehicle, or cash flows may be partially or completely restricted for the life of the relevant investment vehicle.



*Inflation Risk.* Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on the economies and financial markets, particularly in emerging economies, but also in more developed economies, which could be experiencing inflation in certain markets. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on any Sub-Fund's returns.

### C. ***Certain Risks Related to Investments in the Target Jurisdictions***

*Eurozone Risks.* The Sub-Funds' investments and its investment performance will be affected by economic and fiscal conditions in Eurozone countries and developments relating to the Euro. Any deterioration in sovereign debt (which includes, but is not limited to, instruments issued by a government, its agencies, instrumentalities or its central bank) of one or more Eurozone countries together with the risk of contagion to other more stable economies could raise a number of uncertainties for European Monetary Union including the risk that other Eurozone countries could be subject to higher borrowing costs and face further deterioration in their economies, together with the risk that some countries could withdraw from the Eurozone, all of which could have a negative impact on the Umbrella Vehicle or any Sub-Fund's investment activities. A reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the European Monetary Union cannot be ruled out. The departure or risk of departure from the European Monetary Union by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Sub-Funds. If the European Monetary Union is dissolved entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of investors' interests in the Umbrella Vehicle or any of its Sub-Funds.

*Potential Collapse of the Euro.* The Umbrella Vehicle and its Sub-Funds undertake some of their Portfolio Investments in countries within the EU, a significant number of which use the Euro as their national currency. There is a risk that in the future certain members of the Eurozone default, or expectations of such a default increase, which may lead to the collapse of the Eurozone as it is constituted today or that certain members of the Eurozone may cease to use the Euro as their national currency. Given the interdependence of the global economy, this could have an adverse effect on the performance of Portfolio Investments both in countries that experience the default and in other countries within the EU. A potential primary effect would be an immediate reduction of liquidity for particular Portfolio Investments in the affected countries, thereby impairing the value of such investments. Further, a deteriorating economic environment caused directly or indirectly by such a default or related expectations could have a direct effect on the general economic environment and the real estate market in particular.

*United Kingdom Withdrawal from the European Union.* Following a referendum vote on 23 June 2016, the United Kingdom (the "**U.K.**"), the U.K left the European Union on 31 January 2020 ("**Brexit**"). Following a transition period lasting until 31 December 2020 during which EU law continued to apply in the U.K., the U.K. and the EU agreed to a framework for trading arrangements. Under the agreed arrangements, U.K. goods will continue to have tariff free access to the EU but other barriers will apply. In particular, explicit agreement on future access in the financial services sector was not included in the arrangements.

These new arrangements may, at any stage, adversely affect the AIFM and the Investment Manager and the assets of the Umbrella Vehicle or any Sub-Fund. Future regulatory divergence and further legal uncertainty are possible. Although it is not possible to predict fully the effects of the U.K.'s exit from the EU, there may be detrimental implications for the value of the assets of the Umbrella Vehicle, any Sub-Fund and/or the ability of the AIFM and the Investment Manager to carry out risk or portfolio management of the Umbrella Vehicle or any Sub-Fund. This may be due to, among other things:

- increased uncertainty and volatility in U.K., EU and other financial markets;
- fluctuations in asset values;
- heightened counterparty risk;
- fluctuations in exchange rates;
- increased illiquidity of investments located, listed or traded within the U.K., the EU or elsewhere; and
- changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact.

The U.K.'s vote to leave the EU has created a degree of political uncertainty, as well as uncertainty in monetary and fiscal policy, which is expected to continue for some time. It may have a destabilizing effect on some of the remaining members of the EU, the effects of which may be felt particularly acutely by Member States within the Eurozone. During the life of the Umbrella Vehicle or any Sub-Fund, the Board of Directors may incur additional costs in determining the impact of the U.K.'s future relationship with the EU, and any changes in law and regulation on, amongst other things, its management structure, the structure of the Umbrella Vehicle or any Sub-Fund and its underlying investments.

*Russian Invasion of Ukraine.* On 24 February 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date hereof, the countries remain in active armed conflict. Around the same time, the United States, the UK, the EU, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response are expected to have a negative impact on the economy and business activity globally (including in the countries in which the Umbrella Vehicle and its Sub-Funds directly and/or indirectly invest), and therefore could adversely affect the performance of the Umbrella Vehicle's and its Sub-Funds' investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to the Umbrella Vehicle and its Sub-Funds and the performance of their investments and operations, and the ability of the Umbrella Vehicle and the Sub-Funds to achieve their investment objectives. Similar risks will exist to the extent that any of its portfolio companies, Service Providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

*Terrorist Activities.* U.S. activities in various countries and related terrorist attacks of unprecedented scope have caused instability in the world financial markets and may generate global economic instability. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for natural resources such as oil and gas and could affect the Umbrella Vehicle, its Sub-Funds or their Portfolio Investments' financial results. Further, the U.S. government has issued public warnings indicating that energy assets might be specific targets of terrorist organizations. As a result of such a terrorist attack or of terrorist activities in general, the Umbrella Vehicle, its Sub-Funds or their Portfolio Investments may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all.

*Laws of Other Jurisdictions Where the Umbrella Vehicle and its Sub-Funds are Marketed.* Shares in the Umbrella Vehicle and its Sub-Funds may be marketed in various jurisdictions in addition to those more specifically disclosed elsewhere in this Prospectus. In order to market interests in the Umbrella Vehicle and its Sub-Funds in certain jurisdictions (or to investors who are citizens of or resident in such jurisdictions), the Umbrella Vehicle, its Sub-Funds the Board of Directors, the AIFM, the Investment Manager, Apollo and its Affiliates will be subject to applicable laws and regulations relating to such activities. Compliance with such laws and regulations may involve, among other things, making notifications to or filings with local regulatory authorities, registering the Board of Directors, the AIFM, the Investment Manager, Apollo and its Affiliates with local regulatory authorities or complying with operating or investment restrictions and requirements, including with respect to prudential regulation. Compliance with such laws and regulations may limit the ability of the Umbrella Vehicle or any Sub-Fund to participate in investment opportunities and may impose onerous or conflicting operating requirements on the

Umbrella Vehicle, its Sub-Funds, the Board of Directors, the AIFM, the Investment Manager, Apollo and its Affiliates. The costs, fees and expenses incurred in order to comply with such laws and regulations, including related legal fees and filing or registration fees and expenses, will be borne by the Umbrella Vehicle (or the applicable Sub-Fund(s)) and may be substantial. In addition, if the Board of Directors, Apollo and its Affiliates were to fail to comply with such laws and regulations, any or all of them could be subject to fines or other penalties, the cost of which typically would be borne by the Umbrella Vehicle (or the applicable Sub-Fund(s)).

*Economic and Political Risks.* There is often a high degree of government regulation in European and other global economies, including in the securities markets. Action by such governments may directly affect foreign investment in securities in those countries and may also have a significant indirect effect on the market prices of securities and of the payment of dividends and interest.

Changes in policy with regard to taxation, fiscal and monetary policies, repatriation of profits, and other economic regulations are possible, any of which could have an adverse effect on private investments.

European governments and other (non-European) governments participate to a significant degree, through ownership interests or regulation, in their respective economies. Action by these governments could have a significant adverse effect on market prices of securities and payment of dividends.

Many countries in Europe and other countries have undergone a substantial political and social transformation and there can be no assurance that the economic, educational and political reforms necessary to complete political and economic transformation will continue. The state of development of certain political systems in certain jurisdictions makes them susceptible to changes and potential weakening from economic hardship and social instability. In certain countries, the extent of the success of economic reform is difficult to evaluate. Information on these economies is often contradictory or absent. In certain countries, much of the workforce remains under-employed or unemployed. Continued unemployment could hinder the ability of various governments to keep deficit spending in check.

Changing political environments, regulatory restrictions, and changes in government institutions and policies in the Umbrella Vehicle's and its Sub-Funds' target jurisdictions could adversely affect private investments. Civil unrest, ethnic conflict or regional hostilities may contribute to instability in some countries. Such instability may impede business activity and adversely affect the environment for foreign investments. The Umbrella Vehicle and/or its Sub-Funds do not intend to obtain political risk insurance. Actions in the future of one or more governments could have a significant effect on the various economies, which could affect market conditions, prices and yields of securities in the Umbrella Vehicle's or any of its Sub-Fund's portfolio. Political and economic instability in any of the countries in which the Umbrella Vehicle or its Sub-Funds invest could adversely affect the Umbrella Vehicle's investments.

*Foreign Investment Controls.* Foreign investment in real estate and in securities of companies in certain countries where the Umbrella Vehicle or its Sub-Funds invest is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment above certain ownership levels or in certain assets, asset classes or sectors of the country's economy. The Umbrella Vehicle or its Sub-Funds may utilize investment structures to comply with such restrictions, but there can be no assurance that a foreign government will not challenge the validity of these structures or change laws in a way that reduces their effectiveness, imposes additional governmental approvals, restricts or prohibits the Umbrella Vehicle's or its Sub-Funds' Investments or Taxes, or restricts or otherwise prohibits repatriation of proceeds. These restrictions or controls may limit the potential universe of buyers of an asset, thereby reducing the demand for assets the Umbrella Vehicle or any Sub-Fund seeks to sell. For example, the Committee on Foreign Investment in the U.S. may determine a foreign entity cannot buy an asset being sold by the Umbrella Vehicle or any Sub-Fund in the U.S.

*Foreign Capital Controls.* Countries may require government approval for contributions of foreign capital to the country and distributions of investment income or capital out of the country. Countries may also place limitations on holding their currency abroad. Countries can change

capital controls to increase or decrease overall levels of foreign direct investment or currency pricing, to manage the country's balance of payments and for a number of other reasons outside the control of the Investment Manager. The Umbrella Vehicle or its Sub-Funds could be adversely affected by delays in, or a refusal to grant, any required governmental approval for payment of dividends and repatriation of capital interests.

*Regional Risk; Interdependence of Markets.* Economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could result in problems in one country adversely affecting regional and even global economic conditions and markets. The market and the economy of a particular country in which the Umbrella Vehicle or its Sub-Funds invest is influenced by economic and market conditions in other countries in the same region or elsewhere in the world. Similarly, concerns about the fiscal stability and growth prospects of certain European countries in the last economic downturn had a negative impact on most economies of the Eurozone and global markets. A repeat of either of these crises or the occurrence of similar crises in the future could cause increased volatility in the economies and financial markets of countries throughout a region, or even globally. See also "*United Kingdom Withdrawal from the European Union*" herein.

*Legal Infrastructure.* Laws affecting international investment and business continue to evolve, although at times in an uncertain manner that may not coincide with local or accepted international practices. Laws and regulations, particularly those concerning foreign investment and taxation, can change quickly and unpredictably. The Board of Directors, the AIFM, the Investment Manager and each of their Affiliates have no control over changes in applicable laws and regulations, changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations, all of which may eventuate and negatively affect the prospects of the Umbrella Vehicle and/or the Sub-Funds. The application of tax laws (e.g., the imposition of withholding Taxes on dividend or interest payments) may also affect investments in securities in different jurisdictions. Inconsistencies and discrepancies among the vast number of local, regional and national laws, the lack of judicial or legislative guidance on unclear or conflicting laws and broad discretion on the part of government authorities implementing the laws produce additional legal uncertainties. The burden of complying with conflicting laws may have an adverse impact on the operations of the Umbrella Vehicle and/or the Sub-Funds. Certain assets markets also may be less liquid and more volatile.

*Trade Policy.* Political leaders in the U.S. and certain European nations have been elected on protectionist platforms, fuelling doubts about the future of global free trade. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global or regional economies resulting therefrom, could adversely affect the financial performance of the Umbrella Vehicle, its Sub-Funds and their Portfolio Investments. Continuation of this trend is expected to be an ongoing source of instability, potentially resulting in significant currency fluctuations and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). Please also see "*United Kingdom Withdrawal from the European Union*" herein.

*Accounting Standards.* Portfolio Investments may be made in countries where generally accepted accounting standards and practices differ significantly from those practiced in Luxembourg. The evaluation of potential investments and the ability to perform due diligence may be affected. The financial information appearing on the financial statements of a company operating in one or more countries may not reflect its financial position or results of operations in the way they would be reflected if the financial statements had been prepared in accordance with accounting principles generally accepted in Luxembourg.

*Asset Manager in Certain Jurisdictions.* Certain local regulatory controls and tax considerations may cause the Umbrella Vehicle and/or its Sub-Funds to appoint one or more third parties to manage some or all of the Umbrella Vehicle's and its Sub-Funds' Portfolio Investments in certain jurisdictions. Although typically the Investment Manager oversees the operations of the Umbrella Vehicle's and its Sub-Funds' direct and indirect investments, such third parties will be delegated responsibilities and may have influence over the affairs and operations of the applicable investments. The costs and expenses of any such third-party will be borne by the Umbrella

Vehicle (or the applicable Sub-Fund(s)) and will not offset fees or expenses payable by investors in the Umbrella Vehicle and its Sub-Funds.

*Global Investments Generally.* The Umbrella Vehicle and its Sub-Funds may (depending on the strategy of and the terms applicable to particular Sub-Fund(s)) be permitted to make investments in countries that may prove to be unstable. Certain investments in emerging markets and countries with less developed market and economic infrastructure than in the EEA, the United Kingdom or the United States involve certain risks not typically associated with investing in the EEA, the United Kingdom or the United States, including risks relating to: (i) currency exchange matters, such as fluctuations in the rate of exchange between the Euro and the various non-Euro currencies in which the Umbrella Vehicle's and its Sub-Funds' investments may be denominated, and costs associated with the conversion of investment principal and income from one currency into another (see also "*Non-Euro Currency Risks*" below); (ii) the imposition or modification of foreign exchange controls; (iii) the unpredictability of international trade patterns; (iv) potential price volatility in, and relative illiquidity of certain markets; (v) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation across some countries; (vi) certain economic, social and political risks, including restrictions on investment and repatriation of capital, the risks of economic, social and political instability (including the risk of war, terrorism, social unrest or conflicts) and the possibility of nationalization, confiscatory taxation or expropriation of assets; (vii) the possible imposition of Taxes (including wealth Taxes) on income and gains recognized with respect to such investments; (viii) different bankruptcy laws and customs; (ix) high transaction costs and difficulty in enforcing contractual obligations; and (x) less developed corporate laws regarding, among other things, fiduciary duties and the protection of investors, as well as a less developed regulatory framework in relation, inter alia, to the functioning of local financial markets or financial systems. In addition, laws and regulations of certain countries may impose restrictions and may require financing and structuring alternatives that differ significantly from those customarily used in Europe. The Umbrella Vehicle's and its Sub-Funds' investments may (depending on the strategy of and the terms applicable to particular Sub-Fund(s)) also include investments in assets based in, or companies conducting business in, countries outside Europe and North America. These countries may have a short history as market economies, and investments in assets or companies in such countries may entail a higher risk than with companies in Europe. The Board of Directors, the AIFM and the Investment Manager will analyze risks in the applicable countries before making such investments, but no assurance can be given that a change in political or economic climate, a lack of reliable and less detailed information than information typically available from European investments or particular legal or regulatory risks might not adversely affect an investment by the Umbrella Vehicle and any of its Sub-Funds.

*Investments in Emerging Markets.* The Umbrella Vehicle and its Sub-Funds may (depending on the strategy of and the terms applicable to particular Sub-Fund(s)) be permitted to make investments in emerging markets such as China, India, Brazil and countries located in emerging Europe. In addition to the risks described above under "*Global Investments Generally*," investing in emerging markets involves risks and special considerations not typically associated with investing in more established economies or markets including among other things: (i) higher dependence on exports and the corresponding importance of international trade; (ii) greater risk of inflation; (iii) increased likelihood of governmental involvement in and control over the economy; (iv) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (v) less developed compliance culture; (vi) risks associated with differing cultural expectations and norms regarding business practices; (vii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (viii) less developed, reliable or independent judiciary systems for the enforcement of contracts or claims; (ix) greater regulatory uncertainty; and (x) threats or incidents of corruption or fraud, all of which may adversely affect the returns of the Umbrella Vehicle, such Sub-Funds and their Portfolio Investments.

Repatriation of investment income, assets and the proceeds of sales by investors foreign to such markets, such as the Umbrella Vehicle and any applicable Sub-Funds, may require governmental registration and/or approval in some emerging markets. The Umbrella Vehicle and/or any such Sub-Funds could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding Taxes imposed by emerging market countries on interest or dividends. In emerging markets, there is often less government supervision and regulation of business and industry practices, stock

exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision that is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements or authorities. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries.

*Non-Euro Currency Risks.* The Umbrella Vehicle and its Sub-Funds may (subject to the applicable Sub-Fund Supplement(s)) make investments that are denominated in non-Euro currency and therefore are subject to the risk that the value of a particular currency will change in relation to one or more other currencies, including the Euro, the currency in which contributions and distributions generally will be made. In such investments, the Board of Directors, the AIFM or the Investment Manager (as applicable) may convert such currencies at the spot rate and then hedge such amounts to the functional currency.

Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Umbrella Vehicle and/or its Sub-Funds will incur costs in converting investment proceeds from one currency to another. The Investment Manager may, but is under no obligation to, employ hedging techniques to minimize these risks, although there can be no assurance that such strategies will be effective. There may be foreign exchange regulations applicable to investments in non-Euro currencies in certain jurisdictions.

*Risks Associated with Investments in Securities Indexed to the Value of Equity Securities.* Portfolio Investments in securities indexed to the value of equity securities listed in certain jurisdictions involve risks associated with the securities markets in those countries, including the risk of volatility in those markets, governmental intervention in those markets and cross-shareholdings in companies in certain countries. Such companies may be subject to accounting, auditing and financial reporting standards and requirements different from those applicable to companies domiciled in the Umbrella Vehicle's and its Sub-Funds' target jurisdictions.

*Fraudulent Conveyance Considerations.* Various laws enacted for the protection of creditors may apply to certain investments that are debt obligations, although the existence and applicability of such laws will vary from jurisdiction to jurisdiction. For example, if a court were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest or other lien securing such investment, and, after giving effect to such indebtedness, the borrower (i) was insolvent; (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital; or (iii) intended to incur or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate such indebtedness and such security interest or other lien as fraudulent conveyances, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower (including to the Umbrella Vehicle and/or its Sub-Funds) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously applied in satisfaction of such indebtedness. In addition, if an issuer in which the Umbrella Vehicle and any Sub-Fund has an investment becomes insolvent, any payment made on such investment may be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year) before insolvency.

In general, if payments on an investment are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient or from subsequent Transferees of such payments. To the extent that any such payments are recaptured from the Umbrella Vehicle and its Sub-Funds, the resulting loss will be borne by the Umbrella Vehicle and/or its Sub-Funds.

Emerging markets jurisdictions may or may not have remedies such as fraudulent conveyance or preference. The lack of such remedies, however, may also have a material adverse effect on the Umbrella Vehicle and/or any of its Sub-Funds invested in such markets if issuers in which they are invested are not able to recapture payments that otherwise would have been paid out to creditors such as the Umbrella Vehicle and/or any of its Sub-Funds if such remedies were available.

*Lack of Access to Legal Remedies in Emerging Markets.* A portion of the Umbrella Vehicle's and its Sub-Funds' capital may (depending on the strategy of and the terms applicable to particular Sub-Fund(s)) be deployed in emerging market countries. Laws in certain emerging markets countries regulating ownership and corporate governance of domestic companies (for example, requiring the disclosure of a significant stock purchase or a majority investor to make a general offer to investors) may not exist or may confer little protection on minority investors. Disclosure and reporting requirements in general, from annual and quarterly reports to prospectus contents and delivery reporting requirements in general, range from minimal to non-existent in such jurisdictions. Anti-fraud and anti-insider trading legislation is generally rudimentary and enforcement is often lax. There may be no prohibitions or restrictions under local laws on the ability of management to terminate existing business operations, sell or otherwise dispose of a company's assets, or otherwise to materially affect the value of such company without the consent of its shareholders. Anti-dilution protection may also be very limited.

There may be a limited or no concept of any fiduciary duty on the part of management or the directors to the company, investors or creditors. Redress for violations of investor rights may be difficult in the absence of a system of derivative or class action litigation. In addition, courts and other arbiters may be especially prone to financial or other undue influence such that, even if certain of the Umbrella Vehicle's and its Sub-Funds' rights are protected as a matter of law, enforcing such rights may not be possible or practical.

*Currency Value Fluctuations.* The Umbrella Vehicle and its Sub-Funds expect that Portfolio Investments will often be denominated in Euro, as will their own borrowings. The Umbrella Vehicle and its Sub-Funds may also invest, however, in securities denominated in, among others, pound sterling, Norwegian kroner, Swiss franc, a variety of Eastern European currencies, U.S. dollar and other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

#### **D. *Certain Risks Related to Capital Requirements and Distributions***

*Capital Intensive.* Some types of investment strategies can be capital intensive. For example, the Umbrella Vehicle and its Sub-Funds could acquire assets that have defects, and in the case of real estate assets normal wear and tear which necessitate repairs. The Umbrella Vehicle and its Sub-Funds may acquire an asset with a capital expenditure plan, but the condition of the asset may cause the capital requirements to exceed expectations. Furthermore, the Umbrella Vehicle or the relevant Sub-Fund may be required to expend funds to correct defects or to make improvements before an investment in an asset can be sold. In all these cases, the Umbrella Vehicle or such Sub-Fund could be required to expend excessive capital on the asset. No assurance can be given that the Umbrella Vehicle and/or such Sub-Fund will have the necessary funds available to meet the capital requirements of any particular asset or that any such efforts or expenditures will be successful.

*Adequacy of Reserves.* The Umbrella Vehicle and/or its Sub-Funds may establish holdbacks or reserves, including for estimated accrued expenses, Management Fees, pending or anticipated liabilities, investments, claims and contingencies relating to the Umbrella Vehicle and/or its Sub-Funds. Estimating the appropriate amount of such reserves is difficult and inadequate or excessive reserves could impair the investment returns to Investors. If the Umbrella Vehicle's and/or its Sub-Funds' reserves are inadequate and other cash is unavailable, the Umbrella Vehicle and/or its Sub-Funds may be unable to take advantage of attractive investment opportunities or protect its existing investments. Further, the allocation of investment opportunities among the Umbrella Vehicle, its Sub-Funds and other Apollo Clients may depend, in part, on their

respective reserves at the time of allocating the opportunity, possibly resulting in different investment allocations if any such reserves are inadequate or excessive.

*Sourcing and Payment of Distributions.* The Umbrella Vehicle or any of its Sub-Funds have not established a minimum distribution payment level, and the Umbrella Vehicle's or any of its Sub-Funds' ability to make distributions to its Investors may be adversely affected by a number of factors, including the risk factors described in this Prospectus and in any Sub-Fund Supplement. The Umbrella Vehicle and/or its Sub-Funds have no track record and may not generate sufficient income to make distributions to the Umbrella Vehicle's Investors. The Umbrella Vehicle's Board of Directors or its delegate will make determinations regarding distributions based upon, among other factors, the Umbrella Vehicle's and its Sub-Funds' financial performance, debt service obligations, debt covenants, tax requirements and capital expenditure requirements. Among the factors that could impair the Umbrella Vehicle's or its Sub-Funds' ability to make distributions to its Investors are:

- the Umbrella Vehicle's or its Sub-Funds' inability to realize attractive risk-adjusted returns on the Umbrella Vehicle's and its Sub-Funds' investments;
- high levels of expenses or reduced revenues that reduce the Umbrella Vehicle's and its Sub-Funds' cash flow or non-cash earnings; and
- defaults in the Umbrella Vehicle's and its Sub-Funds' investment portfolio or decreases in the value of the Umbrella Vehicle's and its Sub-Funds' investments.

As a result, the Umbrella Vehicle or its Sub-Funds may not be able to make distributions to its Investors at any time in the future, and the level of any distributions the Umbrella Vehicle or its Sub-Funds do make to Investors may not increase or even be maintained over time, any of which could materially and adversely affect the value of Investors' investments.

The Umbrella Vehicle or any of its Sub-Funds may not generate sufficient cash flow from operations to fully fund distributions to Investors, particularly during the early stages of the Umbrella Vehicle's or any of its Sub-Funds' operations. Therefore, the Umbrella Vehicle or any of its Sub-Funds may fund distributions to the Umbrella Vehicle's Investors from sources other than cash flow from operations, including, without limitation, the sale of liquid assets, borrowings, return of capital or offering proceeds. Funding distributions from the sales of liquid assets, borrowings, return of capital or proceeds of the offering will result in the Umbrella Vehicle or any of its Sub-Funds having less funds available to acquire portfolio companies, real estate and other investments. As a result, the return Investors realize on their investments may be reduced. Doing so may also negatively impact the Umbrella Vehicle's or any of its Sub-Funds' ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute Investors' interest in the Umbrella Vehicle or any of its Sub-Funds on a percentage basis and may impact the value of Investors' investment especially if the Umbrella Vehicle or such Sub-Funds sell these securities at prices less than the price Investors paid for their units. The Umbrella Vehicle or its Sub-Funds may be required to continue to fund the Umbrella Vehicle's or any of its Sub-Funds' regular distributions from a combination of some of these sources if the Umbrella Vehicle's and the relevant Sub-Funds' investments fail to perform, if expenses are greater than the Umbrella Vehicle's and such Sub-Funds' revenues or due to numerous other factors. The Umbrella Vehicle or any of its Sub-Funds have not established a limit on the amount of its distributions that may be paid from any of these sources.

To the extent the Umbrella Vehicle or any of its Sub-Funds borrows funds to pay distributions, it would incur borrowing costs and these borrowings would require a future repayment. The use of these sources for distributions and the ultimate repayment of any liabilities incurred could adversely impact the Umbrella Vehicle's or any of its Sub-Funds' ability to pay distributions in future periods, decrease the Umbrella Vehicle's and its Sub-Funds' Net Asset Value, decrease the amount of cash the Umbrella Vehicle and its Sub-Funds have available for operations and new investments and adversely impact the value of Investors' investments.

*Effect of Redemption Requests.* Economic events affecting the economy, could cause Investors to seek to sell their units to the Umbrella Vehicle at a time when such events are adversely affecting the performance of the Umbrella Vehicle's and its Sub-Funds' assets. Even if the Umbrella Vehicle decides to satisfy all resulting Redemption Requests, the Umbrella Vehicle's and its Sub-Funds' cash flow could be materially adversely affected. In addition, if the Umbrella Vehicle and/or its Sub-Funds determine to sell assets to satisfy Redemption Requests, they may not be able to realize the return on such assets that it may have been able to achieve had it sold



at a more favorable time, and the Umbrella Vehicle's and its Sub-Funds' results of operations and financial condition, including, without limitation, breadth of its portfolio by property type and location, could be materially adversely affected.

**E. Certain Risks Related to Regulatory Matters**

*Enhanced Scrutiny and the Regulation of the Private Funds Industry.* As private equity firms and other alternative asset managers have become more influential participants in the U.S. and global financial markets and the economy generally, and as the private funds industry and the reach of transactions consummated by its participants has continued to grow, the private funds industry has become subject to enhanced political, governmental and regulatory scrutiny around the globe. This increased scrutiny was particularly acute during the 2008 global financial crisis, over the course of which the business practices and economic incentives of private industry participants were viewed by certain political, governmental and regulatory commentators as contributing to the market and economic volatility that ultimately resulted in the crisis. This enhanced scrutiny has prompted governmental and public action with respect to the private funds industry and its practices.

In the first quarter of 2022, the SEC has proposed several new rules that would have a substantial impact on the operation of private funds and their investment advisors. While it is not possible to predict the final impact of any rule proposal at this time, such impact may have a material impact on the Umbrella Vehicle, its Sub-Funds, the AIFM, the Investment Manager and/or investors in the Umbrella Vehicle (and its Sub-Funds).

In addition, numerous non-U.S. governments, including many based in Europe, have modernized financial regulations that have called for, among other things, increased regulation of and disclosure with respect to, and the registration of, private equity and hedge funds. See "*The Alternative Investment Fund Managers Directive*" below.

In addition, as a result of highly publicized financial scandals, investors have exhibited concerns over the integrity of the U.S. financial markets. There has been an active debate both nationally and internationally over the appropriate extent of regulation and oversight of private investment funds and their managers. Any changes in the regulatory framework applicable to the Umbrella Vehicle and its Sub-Funds may impose additional expenses, require the attention of senior management or result in limitations in the manner in which the Umbrella Vehicle's and its Sub-Funds' business is conducted.

This enhanced oversight and regulation, and the need for significant additional rule-making by various governmental bodies, has created uncertainty in the financial markets and, in particular, the private funds industry. Many of the regulators to which the Umbrella Vehicle, its Sub-Funds, the Board of Directors, the AIFM, the Investment Manager or their respective Affiliates are expected to be subject globally, including governmental agencies and self-regulatory organizations, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses or members, as the case may be. Even if an investigation or proceeding were not to result in a sanction or the sanction imposed against the Umbrella Vehicle, its Sub-Funds, the Board of Directors, the AIFM, the Investment Manager or their respective Affiliates were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the Umbrella Vehicle, its Sub-Funds, the Board of Directors, the AIFM, the Investment Manager or their respective Affiliates' reputations which may adversely affect the Umbrella Vehicle's and/or its Sub-Funds' investment performance by hindering its ability to obtain favorable financing or consummate a potentially profitable investment. There is also a material risk that regulatory agencies in the United States and beyond will continue to adopt burdensome new laws or regulations (including tax laws or regulations), or change existing laws or regulations, or enhance the interpretation or enforcement of existing laws and regulations, as the U.S. and global economies continue to struggle to improve. Any such events or changes could occur during the life of the Umbrella Vehicle and its Sub-Funds and may adversely affect the Umbrella Vehicle and/or any of its Sub-Funds' and their ability to operate and/or pursue its investment strategies. Such risks are often difficult or impossible to predict, avoid or mitigate in advance.

In addition, as alternative asset managers are, or are perceived to be, influential participants in the U.S. and global financial markets and economy generally, the private funds industry has been subject to criticism by some politicians, regulators and market commentators. Various U.S. federal, state and local agencies have been examining the role of placement agents, finders and other similar private funds service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information. Furthermore, elements of organized labor and other representatives of labor unions have embarked on a campaign targeting private fund sponsors on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with businesses. There can be no assurance that the foregoing will not have an adverse impact on the Umbrella Vehicle, its Sub-Funds the Board of Directors, the AIFM, the Investment Manager, Apollo or any of their respective Affiliates or otherwise impede the Umbrella Vehicle's and its Sub-Funds' activities.

In summary, regulation generally as well as regulation more specifically addressed to the private funds industry, including tax laws and regulation, could increase the cost of acquiring, holding or divesting of investments in Portfolio Investments, the profitability of enterprises and the cost of operating the Umbrella Vehicle and its Sub-Funds. There can be no assurance that any such enhanced scrutiny will not have an adverse impact on the Umbrella Vehicle and its Sub-Funds or not otherwise impede the Umbrella Vehicle's and its Sub-Funds' activities.

*SEC Investigations.* There can be no assurance that the Umbrella Vehicle, its Sub-Funds, the Board of Directors, the AIFM, the Investment Manager or any of their Affiliates will avoid regulatory examination and possibly enforcement actions in the future. Recent SEC enforcement actions and settlements involving U.S.-based private fund advisors have involved a number of issues, including the undisclosed (or insufficient disclosure of) allocation of the fees, costs and expenses related to unconsummated co-investment transactions (i.e., the allocation of broken deal expenses), undisclosed (or insufficient disclosure of) legal fee arrangements affording the applicable advisor with greater discounts than those afforded to funds advised by such advisor. Although Apollo believes the foregoing practices to have been common historically among private fund advisors within the U.S. private funds industry, if the SEC or any other governmental authority, regulatory agency or similar body may take issue with, or in the case of insufficient disclosure regarding acceleration of certain special fees as described below, may continue to take issue with, past or future practices of Apollo or any of its Affiliates as they pertain to any of the foregoing. In such instances, Apollo and/or such Affiliates may be at risk for regulatory sanction. Even if an investigation or proceeding were not to result in a sanction or if the sanction imposed against Apollo were small in monetary amount, the Umbrella Vehicle, its Sub-Funds, the Board of Directors, the AIFM, the Investment Manager or their respective Affiliates could be subject to adverse publicity relating to the investigation, proceeding or imposition of any such sanction.

On August 23, 2016, without admitting or denying any wrongdoing, certain Affiliates of Apollo consented to the entry of an order to cease and desist from committing or causing any violations and future violations of Sections 206(2) and 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8 thereunder. According to the SEC order, (1) such Affiliates did not, among other things, provide sufficient pre-commitment disclosure regarding the possibility of accelerating otherwise authorized fees upon termination of monitoring agreements with their portfolio companies, (2) certain Affiliates of Apollo did not adequately disclose that interest from a loan from a private equity fund to its general partner would be allocated to the general partner, (3) such Affiliates of Apollo did not adequately supervise a former senior partner's expense reimbursement practices and (4) such Affiliates of Apollo failed to adopt and implement policies and procedures reasonably designed to prevent violations of the Advisers Act and its rules. As part of the settlement, such Affiliates of Apollo agreed to pay \$37,527,000 of disgorgement and \$2,727,552 of prejudgment interest to Investors of its funds and a civil monetary penalty of \$12,500,000 to the SEC.

There is also a risk that regulatory agencies in the United States and beyond will continue to adopt new laws or regulations (including tax laws or regulations), change existing laws or regulations or enhance the interpretation or enforcement of existing laws and regulations.

*Governmental Intervention.* Pervasive and fundamental disruptions undergone by global financial markets may lead to extensive and unprecedented governmental intervention, including

conservatorship, in one or more of the markets in which the Umbrella Vehicle and/or certain of its Sub-Funds invest. Such intervention may be implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, some of these interventions may be unclear in scope and application, resulting in market uncertainty that may negatively affect the efficient functioning of the markets, as well as previously successful investment strategies. It is impossible to predict whether and when such governmental intervention may occur and any such governmental intervention may affect the success of the investment program of one or more Sub-Funds and may cause such Sub-Funds to sustain significant losses. The governing bodies in certain jurisdictions, periodically consider certain legislation proposing greater regulation of the private funds industry. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on one or more Sub-Fund's strategies. Any such regulation could also require increased transparency as to the identity of the Investors.

*Fund, Board of Directors and AIFM Registration.* Neither the Umbrella Vehicle nor any of its Sub-Funds will be registered under the Investment Company Act. The Investment Company Act provides certain protection to investors in registered investment companies and imposes certain restrictions on registered investment companies (including, for example, limitations on the ability of registered investment companies to incur leverage), none of which will be applicable to the Umbrella Vehicle or any of its Sub-Funds. Consequently, Investors will not be afforded these protections. Furthermore, while Apollo Global Securities, LLC ("**AGS**") (an Affiliate of Apollo) is registered with the SEC as a broker-dealer (as further discussed in "*Conflicts of Interest—Affiliated Service Providers*" below) neither the Board of Directors, the Investment Manager nor the AIFM is registered as a broker-dealer under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or with the Financial Industry Regulatory Authority, Inc. ("**FINRA**") and, consequently, are not subject to the record-keeping and specific business practice provisions of the Exchange Act or the rules of FINRA.

A Sub-Fund may appoint an Investment Manager which, if appointed, is expected to be part of the Apollo Group. In some cases, the Investment Manager may be deemed to be registered under the Advisers Act and may be included as a "relying adviser" in the Form ADV filed by Apollo Global Real Estate Management, L.P., an Affiliate of the Investment Manager, as "filing adviser" in accordance with SEC staff guidance set forth in American Bar Association, Business Law Section, SEC Staff Letter (January 18, 2012). Registered advisors are subject to substantial regulatory reporting and record-keeping requirements regarding their investment advisory business. Compliance with these reporting and record-keeping requirements will require the expenditure of Investment Manager resources and the attention of certain of Apollo personnel who also have responsibilities on behalf of the Umbrella Vehicle and any applicable Sub-Funds and to Apollo generally.

*Advisers Act.* A Sub-Fund may appoint an Investment Manager which, if appointed, is expected to be part of the Apollo Group. In some cases, the Investment Manager may be deemed to be registered under the Advisers Act and may be included as a "relying adviser" in the Form ADV filed by Apollo Global Real Estate Management, L.P., an Affiliate of the Investment Manager, as "filing adviser" in accordance with SEC staff guidance. Registered advisors are subject to substantial regulatory reporting and recordkeeping requirements regarding their investment advisory business. Compliance with these reporting and recordkeeping requirements will require the expenditure of the Investment Manager resources and the attention of certain of Apollo personnel who also have responsibilities on behalf of the Umbrella Vehicle and to Apollo generally.

*Complaints and Compensation.* An Investor who has any complaint in respect of the Umbrella Vehicle or any of its Sub-Funds, the Board of Directors, the Manager, or the Investment Manager should write in the first place to the conducting officer legal and compliance at the Investment Manager. A copy of the Investment Manager's complaint handling procedures is available on request from the Investment Manager.

*Compliance Failures.* Apollo and certain of its Affiliates and the AIFM are regulated entities, and any compliance failures or other inappropriate behavior by them may have a material and/or adverse effect on the Umbrella Vehicle and/or any of its Sub-Funds. The provision of investment management services is regulated in most relevant jurisdictions, and the AIFM and

the Investment Manager (and Apollo generally) must maintain their regulatory authorizations to continue to be involved both in the management of the Umbrella Vehicle's and its Sub-Funds' investments and to continue Apollo's businesses generally. The Investment Manager's ability to source and execute investment transactions for the Umbrella Vehicle and any of its Sub-Funds, and investor sentiment with respect to the Umbrella Vehicle and its Sub-Funds, may be adversely affected by negative publicity arising from any regulatory compliance failures or other inappropriate behavior by the AIFM, the Investment Manager or any Apollo Affiliate or their investment professionals.

*Legal, Tax and Regulatory Risks.* Legal, tax and regulatory changes could occur during the Umbrella Vehicle's term that may adversely affect the Umbrella Vehicle, its Sub-Funds or their Portfolio Investments. There has been, and it is possible that there will be, further involvement of governmental and regulatory authorities in financial markets around the world (see also "*Enhanced Scrutiny and the Regulation of the Private Funds Industry*" above). For example, the Umbrella Vehicle and certain Sub-Funds expect to make investments in a number of different industries and sectors, some of which are or may become subject to regulation by one or more governmental agencies or authorities. New and existing regulations, changing regulatory requirements and the burdens of regulatory compliance all may have an adverse effect on the performance of Portfolio Investments that operate in these industries and sectors. Neither the Board of Directors, the Investment Manager nor the AIFM can predict whether new legislation or regulation (including new tax measures) will be enacted by legislative bodies or governmental agencies, nor can either of them predict what effect such legislation or regulation might have. There can be no assurance that new legislation or regulation, including changes to existing laws and regulations, will not have an adverse effect on the Umbrella Vehicle's and its Sub-Funds' investment performance.

*Regulatory Risks Connected with the Regulations Applying to the Provision of Investment Services and Activities.* The rules applying to the provision of investment services and activities within the EEA (and where relevant within the UK) may be subject to amendment or change in the future. A number of material changes to the applicable regulatory regime came into effect on January 3, 2018, when the recast Markets in Financial Instruments Directive (Directive 2014/65/EU ("**MiFID II**")) (as it applies in the UK, "**UK MiFID II**") became effective in the UK and in other EU member states. The regulatory regime applicable to the provision of investment services and activities within the EEA may evolve and develop further over time, and may be subject to future substantial changes (including changes to the regulatory regime arising from or following the exit of the UK from the EU). Such amendments or changes may require the adoption of specific procedural or organizational arrangements that may affect the activities performed by the AIFM or the Investment Manager in relation to the Umbrella Vehicle and/or its Sub-Funds, or entail additional costs to be borne in the performance of the activities regulated under the Articles. In this respect, each Investor acknowledges that the entry into force of the regime provided under MiFID II or UK MiFID II and further developments in regulatory expectations and best practice under that regime, as well as any subsequent changes to the regulatory framework applying to the provision of investment services and activities, may adversely affect the ability of the AIFM or the Investment Manager to perform the service regulated under the Articles. Such further developments include but are not limited to, the European Commission's published early stage proposal to amend MiFID II ("**MiFID III**") and the UK's consultation on its commitment to improving the competitiveness of the UK as a hub for capital markets which proposes a number of amends to UK MiFID II (the "**Wholesale Markets Review**"). The MiFID III and Wholesale Markets Review proposals are evolving and such proposals may have an adverse effect on the Umbrella Vehicle and/or its Sub-Funds.

*European Market Infrastructure Regulation.* The European Market Infrastructure Regulation EU 648/2012 ("**EMIR**") entered into force on 16 August 2012. EMIR and the regulations made under it impose certain obligations on parties to over the counter ("**OTC**") derivative contracts according to whether they are "financial counterparties" such as European investment firms, alternative investment funds, credit institutions and insurance companies, or other entities which are "non-financial counterparties". Regulation (EU) 2019/834 (known as the "**EMIR Refit Regulation**" and together with EMIR, "**EU EMIR**") entered into force on 17 June 2019 and made various changes to EMIR. The Umbrella Vehicle qualifies as a "financial counterparty" under EMIR.

Under EMIR, alternative investment funds managed by an authorized alternative investment fund manager fall within the definition of "financial counterparty", and so, the Umbrella Vehicle will be a "financial counterparty" for the purposes of EMIR. Financial counterparties will, depending on the identity of their counterparty and whether they exceed the prescribed clearing threshold for at least one class of OTC derivative (often referred to as "FC+ entities"), be subject to a general obligation to clear all "eligible" OTC derivative contracts through a duly authorized or recognized central counterparty (the "**Clearing Obligation**"). The effective dates for the Clearing Obligation vary, depending on the asset class in question, and are largely all phased in, with the exception of limited extensions available under the EMIR Refit Regulation in certain circumstances. Financial counterparties are also required by EMIR to collect initial and variation margin from their counterparties in respect of their non-cleared OTC derivative contracts (the "**Margining Requirement**") unless they can rely on certain exemptions. They must also report the details of all OTC and exchange traded derivative contracts which are subject to mandatory clearing and which have been entered into with other in-scope counterparties to a trade repository (the "**Reporting Obligation**") and in general undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty, including complying with requirements related to timely confirmation of trade terms, portfolio reconciliation, dispute resolution, daily valuation and margin posting (together, the "risk mitigation obligations"). The Umbrella Vehicle, being a financial counterparty under EMIR, will be subject to the Margining Requirement. If the Umbrella Vehicle is an FC+ entity under EMIR, it will also be subject to the Clearing Obligation.

The Umbrella Vehicle (including its Sub-Funds) may enter into OTC derivative contracts using an asset-holding or a hedging vehicle. To the extent that it does so, the Clearing Obligation and the Margining Requirement will likely also apply to that vehicle where: (i) the vehicle is a financial counterparty under EMIR and its group's derivatives activity exceeds one or more of the clearing thresholds referred to above; (ii) the vehicle is a non-financial counterparty under EMIR and the non-hedging derivatives activity of the non-financial parties in its group exceeds one or more of the clearing thresholds referred to above; or (iii) the vehicle is a third-country equivalent of an entity described in (i) or (ii) above and contracts with an in-scope entity. Where the vehicle is a non-financial counterparty or a third-country equivalent of a non-financial counterparty, the Clearing Obligation will be limited to derivative contracts in those asset classes in respect of which the clearing threshold is exceeded. Prospective Investors should be aware that regulatory changes arising from EMIR may significantly increase the cost of entering into derivative contracts and may adversely affect the Umbrella Vehicle's and any subsidiary asset-holding or hedging vehicle's ability to enter into in-scope transactions and therefore the Manager's ability to implement hedging arrangements with respect to Portfolio Investments.

With respect to entering into hedging arrangements with counterparties located in the UK, the European Union (Withdrawal) Act 2018 ("**EUWA**"), as amended by the European Union (Withdrawal Agreement) Act 2020 ("**WAA**"), provided for the domestication of most EU law at the end of the transition period (11.00 p.m. on 31 December 2020). The EUWA also grants powers to the UK government to correct deficiencies in this "retained EU law" arising from the UK's withdrawal from the EU, including the end of the transition period or other effects of the Withdrawal Agreement. This is to ensure that the UK has a functioning statute book at the end of the transition period. This process is commonly referred to as the "onshoring" of EU law into UK law.

As a result of this onshoring process, UK entities must comply with Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories as it forms part of UK domestic law by virtue of the EUWA ("**UK EMIR**"). It is not currently expected that there will be any material differences between the provisions of EU EMIR and UK EMIR that are relevant to the types of derivative transactions that the Umbrella Vehicle or its Sub-Funds may enter into with either EU or UK established counterparties. Where the Umbrella Vehicle or relevant Sub-Fund enters into derivative transactions with a UK established counterparty that constitutes a "Financial Counterparty" for the purposes of UK EMIR, it will become subject to such requirements under UK EMIR.

The EU regulatory framework and legal regime relating to derivatives has been further amended and supplemented by the Markets in Financial Instruments Directive (Directive

2014/65/EC) ("**EU MiFID II**") and the Markets in Financial Instruments Regulation (Regulation – 600/2014/EU) ("**MiFIR**"), which both came into force on 3 January 2018.

EU MiFID II requires, among other things, transactions between financial counterparties ("**FCs**") and large non-financial counterparties ("**NFCs**") in sufficiently liquid OTC derivatives to be executed on a trading venue which meets the requirements of the EU MiFID II regime. This trading obligation will also extend to FCs and large NFCs which trade with third country counterparties that would be classed as FCs or large NFCs if they were established in the EU, such as the Umbrella Vehicle or the relevant Sub-Fund. Rules equivalent to EU MiFID II will also apply to UK established counterparties of the relevant Fund, in a similar manner as described above in relation to UK EMIR (such UK rules being "**UK MiFID II**").

Compliance with the Clearing Obligation, the risk mitigation obligations and Reporting Obligation is likely to increase the costs and expenses associated with operating the Umbrella Vehicle and its Sub-Funds. Furthermore, as the OTC derivative contracts entered into by the Umbrella Vehicle or any relevant Sub-Funds are subject to either the margin posting requirement or the Clearing Obligation, the Umbrella Vehicle or any relevant Sub-Funds will be required to post assets belonging to the Umbrella Vehicle or such Sub-Fund to its trading counterparty or, via a clearing member, to a central counterparty. Any such requirement would reduce the assets available to the Umbrella Vehicle and its Sub-Funds for investment, may affect the number and size of investments that the Umbrella Vehicle and its Sub-Funds are able to make, and could have an adverse effect on the returns to Investors.

Prospective investors should be aware that the regulatory changes arising from EU EMIR, UK EMIR, EU MiFID II and UK MiFID II may adversely affect the Umbrella Vehicle's and its Sub-Funds' ability to engage in derivative transactions and the costs to the Umbrella Vehicle or relevant Sub-Fund in doing so. Over time, divergences between (i) the EU EMIR and the UK EMIR rules and (ii) the EU MiFID II and the UK MiFID II rules respectively may arise and this may ultimately lead to additional costs being incurred by the Umbrella Vehicle or relevant Sub-Fund to the extent that it continues to enter into derivative transactions with counterparties established in both the UK and the EU.

To the extent that any Sub-Fund is an EEA or UK AIF or is managed by an AIFM (as defined below), that Sub-Fund will also be an FC for the purposes of EU EMIR (and where relevant UK EMIR) and therefore will be subject to more onerous regulation (for example, such as being subject to the clearing or Margining Requirements) than entities within the Umbrella Vehicle that are NFC-s. Similar obligations may apply to non-EEA entities that would be FCs (or NFC+s) were they established within the EEA where such entities trade with FCs or NFC+s established in the EEA. The cost of complying (or facilitating compliance) with these more onerous obligations under EU EMIR will be borne by the whole of the Umbrella Vehicle or the relevant Sub-Funds and will be charged for the life of the Umbrella Vehicle or such Sub-Funds.

*EU Regulation of Securitization Transactions and EU Risk Retention Requirements.* A regulation (Regulation (EU) 2017/2401) to amend the CRR (the "**CRR Amendment Regulation**") and a regulation (Regulation (EU) 2017/2402) aiming to create a general European framework for securitization and a specific framework for "simple, transparent and standardized" securitization (the "**Securitization Regulation**") were published in the Official Journal of the European Union on December 28, 2017 and entered into force on the twentieth day thereafter. The Securitization Regulation (and as it forms part of UK domestic law by virtue of EUWA, the "**UK Securitization Regulation**") applies to securitizations the securities of which are issued on or after January 1, 2019. The CRR Amendment Regulation applied from and after January 1, 2019 (subject to certain transitional provisions regarding securitizations the securities of which were issued before January 1, 2019). There are uncertainties regarding the scope of the obligations in the Securitization Regulation (and where relevant the UK Securitization Regulation) and the obligations in the technical standards that will be adopted pursuant thereto which will provide details of the requirements under the Securitization Regulation (and where relevant the UK Securitization Regulation), as further described below. The Securitization Regulation (and where relevant the UK Securitization Regulation) could have a significant impact on the Investors or the operations of the Umbrella Vehicle and its Sub-Funds, including restricting the types of investments the Umbrella Vehicle and/or its Sub-Funds may make or otherwise.

Investors should be aware, and in some cases are required to be aware, of the retention, due diligence and transparency requirements in the EU set out in the Securitization Regulation (and where relevant the UK Securitization Regulation) (and of any corresponding implementing rules of their regulator), in addition to any other regulatory requirements that are (or may become) applicable to them and/or with respect to the Umbrella Vehicle's and/or its Sub-Funds' investments in any asset-backed securitization transactions and their investment in the Umbrella Vehicle (and its Sub-Funds). Each investor should consult with its own legal, accounting, regulatory and other advisors and/or its regulator before committing to invest in the Umbrella Vehicle (and its Sub-Funds) to determine whether, and to what extent, the information set out in this Prospectus and in any investor report provided in relation to this investment is sufficient for the purpose of satisfying such requirements. The cost of complying (or facilitating compliance) with the Securitization Regulation (and where relevant the UK Securitization Regulation) and related risk-retention and other requirements could cause lower than expected returns from affected Portfolio Investments and will be borne by the Umbrella Vehicle or the relevant Sub-Funds as a whole. In addition, the Umbrella Vehicle or the relevant Sub-Funds may have to be excused from participating in non-EU risk retention compliant securitization positions.

*EU and UK Securities Financing Transaction Regulation.* The EU Securities Financing Transaction Regulation (Regulation (EU) No. 2015/2365 (the "**EU SFTR**")) and the retained EU law version of the EU SFTR in the UK (the "**UK SFTR**", and altogether, the "**SFTR**") requires, among other things, that the AIFM makes certain disclosures in relation to its use of securities financing transactions and total return swaps ("**SFTs**" and "**TRSs**"). The SFTR will also require reporting of SFTs by the AIFM to a trade repository.

1. General description of the SFTs and total return swaps used by the collective investment undertaking and the rationale for their use.

The Umbrella Vehicle and each relevant Sub-Fund may use SFTs, which are defined in the SFTR as a repurchase or reverse repurchase transaction, securities or commodities lending and securities or commodities borrowing, a buy-sell back transaction or sell-buy back transaction or a margin lending transaction for efficient portfolio management purposes. SFTs do not include derivatives contracts under EMIR; however, the definition includes liquidity swaps and collateral swaps. The Umbrella Vehicle and each relevant Sub-Fund may also use TRSs. The Umbrella Vehicle and each relevant Sub-Fund's use of SFTs and TRSs is consistent with its investment objective and strategy, and accordingly, may use SFTs and TRSs to reduce risk, reduce cost and/or generate additional capital or income with a risk level that is consistent with that of the Umbrella Vehicle and/or each relevant Sub-Fund.

2. Overall data to be reported for each type of SFTs and total return swaps
  - a. Types of assets that can be subject to them
  - b. Maximum proportion of assets under management that can be subject to them
  - c. Expected proportion of assets under management that will be subject to each of them.

The following type of assets can be subject to securities financing transactions, which include but are not limited to: cash, equities and bonds. The maximum and expected proportion of Umbrella Vehicle and each relevant Sub-Fund's assets under management that may be subject to SFTs and/or TRSs shall be disclosed in each relevant Sub-Fund Supplement.

3. Criteria used to select counterparties (including legal status, country of origin, minimum credit rating).

Counterparties to such transactions must be subject to prudential supervision rules considered by the CSSF or the FCA as equivalent to those prescribed by EU or UK law (as applicable) and specialized in these types of transactions. The counterparties to such transactions will generally be financial institutions based in an OECD member state and

having an investment grade credit rating. These counterparties will generally be financial institutions based in an OECD member state and having an investment grade credit rating. The selected counterparties comply with Article 4 of the SFTR.

4. Acceptable collateral: description of acceptable collateral with regard to asset types, issuer, maturity, liquidity as well as the collateral diversification and correlation policies.

The details of acceptable collateral with regard to asset types, issuer, maturity, liquidity as well as the collateral diversification and correlation policies shall be provided in the SFTR disclosure prepared in respect of any relevant Sub-Fund to which the SFTR is applicable.

5. Collateral valuation: description of the collateral valuation methodology used and its rationale, and whether daily mark-to-market and daily variation margins are used.

The details of the collateral valuation methodology used and its rationale, and whether daily mark-to-market and daily variation margins are used shall be provided in the SFTR disclosure prepared in respect of any relevant Sub-Fund to which the SFTR is applicable.

6. Risk management: description of the risks linked to SFTs and total return swaps as well as risks linked to collateral management, such as operational, liquidity, counterparty, custody and legal risks and, where applicable, the risks arising from its reuse.

*Repurchase and Reverse Repurchase Agreements Risk.* If the seller of a repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement, the Umbrella Vehicle and/or the relevant Sub-Fund may incur a loss to the extent that the proceeds realized on the sale of the securities are less than the repurchase price. If the seller becomes insolvent, the transaction may be subject to regulatory stays and moratoriums, which may result in a delay in the Umbrella Vehicle and/or the relevant Sub-Fund's ability to liquidate the collateral notwithstanding the title transfer provided under the terms of the agreement. The Umbrella Vehicle and/or the relevant Sub-Fund may experience both delays in liquidating the underlying securities and losses during the period while it seeks to enforce its right thereto, including possible sub-normal levels of income and lack of access to income during the period and expenses in enforcing its rights. Likewise with repurchase agreements, there are risks of counterparty insolvency and decline in the market value of the securities at which the Umbrella Vehicle and/or the relevant Sub-Fund is obliged to repurchase such securities under the agreement.

#### *Securities Lending Arrangements Risk*

*Counterparty risk:* Counterparty risk exists when the Umbrella Vehicle and/or the relevant Sub-Fund may be exposed to credit risk on the counterparties with which it makes securities lending arrangements. The risk is that the borrower of securities will default on its obligation to return the securities, which could result in losses to the Umbrella Vehicle and/or the relevant Sub-Fund. Borrowers are therefore required to provide collateral in the form of cash or securities to protect the Umbrella Vehicle and/or the relevant Sub-Fund against the risk of default.

- To the extent any Sub-Fund engages in the collateralization activities, the Umbrella Vehicle and/or the relevant Sub-Fund will maintain collateralization policies to mitigate counterparty risk, including the following:
- ensuring that the value of the collateral required exceeds the market value of securities on loan for each security loan entered into by the Umbrella Vehicle and/or the relevant Sub-Fund;



- collateral is posted, or received, on a daily basis, based on changes in the market value of each security loan, to ensure that the value of the collateral held exceeds the market value of the securities on loan; and
- in the event of counterparty default, the collateral held is immediately available to the Umbrella Vehicle and/or the relevant Sub-Fund (without recourse) and it will be used to buy the securities lent but not returned.

If the Umbrella Vehicle and/or any relevant Sub-Fund engages in conservative collateralization policies intended to ensure that all securities lending is fully collateralized, to the extent that any securities lending is not fully collateralized (for example, due to timing lags associated with the posting of cash collateral), the Umbrella Vehicle and/or the relevant Sub-Fund will have a credit risk exposure to the counterparty of a securities lending contract. Additional risk mitigation against counterparty default is provided through: (i) contractual protections in the event of default of a counterparty; and (ii) ongoing monitoring of the creditworthiness of counterparties.

*Collateral reinvestment risk:* if the Umbrella Vehicle and/or any relevant Sub-Fund engages in collateral cash reinvestment, there is risk that collateral cash reinvestment could result in a reduction of the value of the collateral capital (because the investment declines in value). This, in turn, may cause losses to the Umbrella Vehicle and/or the relevant Sub-Fund because it is obliged to return collateral equivalent to the value of the returned security.

It is important to understand that, when a securities lending contract is entered into, the lender has the ability to recall the loan at any time, and the borrower has the ability to return the security to the lender at any time. To the extent that collateral may need to be returned at any time, it is important that the collateral be available to return to the securities borrower. To the extent the Umbrella Vehicle and/or the relevant Sub-Fund may engage in any such relevant activities, the Umbrella Vehicle and/or the relevant Sub-Fund will maintain collateral reinvestment policies to mitigate this risk. These policies aim to preserve collateral capital and provide sufficient liquidity for the Umbrella Vehicle and the relevant Sub-Fund to: (i) fund redemption orders; and (ii) return collateral to borrowers who return the loaned securities.

7. Specification of how assets subject to SFTs and total return swaps and collateral received are safe-kept (e.g. with fund custodian).

The assets of the Umbrella Vehicle and each relevant Sub-Fund that are subject to SFTs and TRSs, and any collateral received, are held by the Depositary.

8. Specification of any restrictions (regulatory or self-imposed) on reuse of collateral.

Subject to the individual restrictions of the respective Sub-Fund Supplement, the Umbrella Vehicle and/or each relevant Sub-Fund may use any SFT as defined in point (11) of Article 3 of the SFDR on transparency of SFTs and of reuse in relation to any of the Sub-Funds, unless otherwise specified in the relevant Sub-Fund Supplement.

9. Policy on sharing of return generated by SFTs and total return swaps: description of the proportions of the revenue generated by SFTs and total return swaps that is returned to the collective investment undertaking, and of the costs and fees assigned to the manager or third parties (e.g. the agent lender). The relevant prospectus or disclosure to investors shall also indicate if these are related parties to the manager.

Subject to the terms and conditions as well as the maximum amount of any fees and costs payable by the Umbrella Vehicle and/or the relevant Sub-Fund, which shall be set forth in this Offering Memorandum and, in respect of each Sub-Fund in the relevant Sub-Fund Supplement, all of the gross revenue arising from SFTs and TRSs transactions is returned to the Umbrella Vehicle and/or the relevant Sub-Fund as applicable. The AIFM does not

charge any additional costs or fees or receive any additional revenues in connection with these transactions. While additional costs may be inherent in certain products, these are imposed by the counterparty based on market pricing, form part of the revenues or losses generated by the relevant product, and are allocated to the Umbrella Vehicle and/or the relevant Sub-Fund as applicable. Details on the actual return and cost for each type of SFT and TRS (in absolute terms and as a percentage of overall returns generated by that type of STF or TRS) will be published in the Umbrella Vehicle's annual reports and accounts.

*Monetary Policy and Governmental Intervention.* As part of the response to the 2008 global financial crisis, and again recently as part of the response to the COVID-19 outbreak, the Federal Reserve and global central banks, including the European Central Bank, have in addition to other governmental actions to stabilize markets and seek to encourage economic growth, acted to hold interest rates to historic lows. It cannot be predicted with certainty when, or how, these policies will change, but actions by the Federal Reserve and other central bankers may have a significant effect on interest rates and on the United States and world economies generally, which in turn may affect the performance of the Umbrella Vehicle's and its Sub-Funds' investments. Further financial crises may result in additional governmental intervention in the markets. In addition, the consequences of the extensive changes to the regulation of various markets and market participants contemplated by the legislation and increased regulation arising out of the financial crisis are difficult to predict or measure with certainty.

*Valuations and Changing Accounting Standards.* The valuation of the assets of the Umbrella Vehicle and its Sub-Funds will affect the Umbrella Vehicle's and its Sub-Funds' reported performance. Although the valuation of the Umbrella Vehicle's and its Sub-Funds' investments will be performed in accordance with the terms of the AIFM's valuation policies (as amended from time to time to reflect market practice, regulatory requirements, or other factors it deems appropriate), certain of the Umbrella Vehicle's and the relevant Sub-Funds' investments will generally be investments for which there is no, or a limited, liquid market and the fair value of such investments may not be readily determinable. There is no assurance that the value assigned to an investment at a certain time will accurately reflect the value that will be realized by the Umbrella Vehicle and the relevant Sub-Fund upon the eventual disposition of the investment and the performance of the Umbrella Vehicle and such Sub-Fund could be adversely affected if such valuation determinations are materially higher than the value ultimately realized upon the disposition of the investment.

Specifically, for purposes of financial reporting that is compliant with Luxembourg GAAP, the Umbrella Vehicle and its Sub-Funds is required to record its activities in accordance with the set of rules resulting from, amongst others, the 1915 Law, the Luxembourg law of 19 December 2002 regarding the register of commerce and companies and on bookkeeping and annual accounts of companies, as amended, applicable case law and doctrine (collectively, the "**Lux GAAP Framework**").

The Lux GAAP Framework and other accounting rules applicable to investment funds and various assets in which they invest are subject to change. Such changes may adversely affect the Umbrella Vehicle and its Sub-Funds. For example, changes in the Lux GAAP Framework to the extent such guidance become more stringent would tend to increase the cost and/or reduce the availability of third-party determinations of an asset's value. This may in turn increase the costs associated with selling assets or affect their liquidity due to inability to obtain a third-party valuation.

Notwithstanding the foregoing, the Board of Directors may determine in certain instances to assign to a particular asset or liability a different value under the terms of the Articles than the value assigned to such asset or liability for financial reporting purposes (in particular, the value assigned to such asset or liability as required by Luxembourg GAAP).

Accordingly, investors should only expect such assets or liabilities to be valued in accordance with Luxembourg GAAP for purposes of preparing the Umbrella Vehicle's and its Sub-Fund(s) Luxembourg GAAP-compliant audited financial statements. Otherwise, except as expressly required by the terms of the Articles, the Board of Directors may assign such assets or

liabilities a different value for all other purposes (including, without limitation, for purposes of allocating gains and losses), without regard to any Luxembourg GAAP requirements.

*Corruption; FCPA Considerations.* Corruption can result in economic losses due to fraud, theft and waste. Moreover, corruption can corrode critical public institutions, such as the courts, law enforcement and public pension administration, thereby undermining property rights, public confidence and social stability. As a result, corruption dramatically increases the systemic risks that exist in some of the jurisdictions in which the Umbrella Vehicle and its Sub-Funds invest. Corruption scandals are common and likely to remain so going forward. Investors in the Umbrella Vehicle and its Sub-Funds are thus exposed to the increased costs and risks of corruption where Umbrella Vehicle and its Sub-Funds invest, and there can be no assurance that any reform efforts will have a meaningful effect during the term of the relevant Sub-Fund(s).

Apollo's professionals, the Umbrella Vehicle and its Sub-Funds are subject to the U.S. Foreign Corrupt Practices Act of 1977 (as amended from time to time, the "**FCPA**"), the UK Bribery Act of 2010 (the "**UK Bribery Act**"), and other anti-corruption laws, anti-bribery laws and regulations, anti-boycott regulations as well as any other similar and/or relevant laws and regulations that apply to the Umbrella Vehicle and its Sub-Funds in connection with their investment opportunities throughout the UK and the EU, where the Umbrella Vehicle and certain Sub-Funds may invest from time to time. As a result, the Umbrella Vehicle and such Sub-Funds may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Umbrella Vehicle and the relevant Sub-Funds to act successfully on investment opportunities and for Portfolio Investments to obtain or retain business. In some instances, the challenges of complying with these laws are compounded by conflicts between U.S. law and local law, as when complying with U.S. sanctions law may conflict with a local blocking order.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA and penalty amounts in FCPA and sanctions cases have risen dramatically. In addition, the UK has significantly expanded the reach of its anti-bribery laws and other countries have become active in these areas of enforcement, especially in respect to anti-corruption. While Apollo has developed and implemented policies and procedures designed to ensure strict compliance by Apollo and its personnel with the FCPA, such policies and procedures may not be effective to prevent violations in all instances. In addition, in spite of Apollo's policies and procedures, Affiliates of Portfolio Investments, particularly in cases where the Umbrella Vehicle, its Sub-Funds or another Apollo Client does not control such Portfolio Investments, may engage in activities that could result in FCPA violations. Any determination that Apollo has violated the FCPA, or other applicable anticorruption laws or anti-bribery laws, could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation, problems with lenders and a general loss of investor confidence, any one of which could adversely affect Apollo's business prospects and/or financial position, as well as the Umbrella Vehicle's and its Sub-Funds' ability to achieve their investment objectives and/or conduct its operations.

*Pay-to-Play Laws, Regulations and Policies.* A number of U.S. states and municipal pension plans have adopted so-called "pay-to-play" laws, rules, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including those seeking investments by public retirement funds. The SEC has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives, employees or agents makes a contribution to certain elected officials or candidates. If the AIFM, the Investment Manager, the Board of Directors, any of their employees or Affiliates or any Service Provider acting on their behalf fails to comply with such laws, regulations or policies, such noncompliance could have an adverse effect on the Umbrella Vehicle, certain Sub-Funds and Apollo generally, and may require the applicable Investor to withdraw from the Umbrella Vehicle and the applicable Sub-Funds.

*The Alternative Investment Fund Managers Directive.* The AIFMD as transposed into national law and the UK AIFMD regulate and impose regulatory obligations in respect of, the marketing in the EEA or the UK or to EEA or UK investors by alternative investment fund managers ("**AIFMs**") (whether established in the EEA or elsewhere) of alternative investment

funds ("**AIFs**") (whether established in the EEA or elsewhere). However marketing in member states of the EEA (the "**EEA Member States**") and the UK is generally subject to registration of the AIF with the local financial services regulator. AIFs established or marketed under AIFMD or UK AIFMD must, at least, comply with onerous regulatory reporting obligations and other requirements including, in some circumstances, when they are marketed in certain EEA Member States or in the UK, additional obligations are imposed such as the requirement to appoint a depositary to perform a range of functions, including custody of certain assets, cash flow monitoring and certain fund administration activities. Fees for depositary services may be significant. To the extent that any Sub-Fund is marketed in the EEA or the UK, these fees as well as the cost of complying (or facilitating compliance) with registration, reporting, transparency and other obligations under the AIFMD or UK AIFMD will be borne by the Umbrella Vehicle (and/or any Sub-Funds) and will be charged for the life of the Umbrella Vehicle and any Sub-Funds. Shares may be made available to certain Retail Investors within the EEA or the UK in accordance with this Prospectus and the applicable Sub-Fund Supplement, unless otherwise specified for a Sub-Fund in its Sub-Fund Supplement.

In addition, in certain circumstances where an AIF established, managed or marketed in the EEA or the UK invests in a company with its registered office in an EEA Member State or the UK, the so-called "anti-asset stripping rules" under the AIFMD and UK AIFMD heavily restrict the extent to which that AIF can redeem its investment in such EEA or UK investee companies in the first two years after acquiring such an interest, by prohibiting the AIFM from facilitating, supporting or instructing any dividend distribution from this EEA or UK investee company, or a capital reduction, share redemption and/or the acquisition of the own shares of this EEA or UK investee company, and by obliging the AIFM to use its best efforts to prevent these activities from occurring. Transparency requirements also apply to the AIFM and/or Investment Manager on acquiring interests in such investee companies. These requirements could have cost and return implications for the Umbrella Vehicle and any other Sub-Fund established as an EEA or UK AIF and/or marketed in the EEA or the UK, and avoiding investments that might trigger such requirements could restrict the investment opportunities available to the Umbrella Vehicle and its Sub-Funds.

The AIFMD or the UK AIFMD could therefore have an adverse effect on the Umbrella Vehicle and/or its Sub-Funds by, among other things, increasing the regulatory burden and costs of marketing to and accepting EEA or UK investors into any Sub-Fund established as an EEA or UK AIF and/or marketed in the EEA or the UK and of doing business in EEA Member States or the UK; imposing extensive disclosure obligations on certain Portfolio Investments with their registered offices in EEA Member States or the UK; and restricting the ability to pay dividends, reduce capital, redeem shares and/or acquire the own shares of certain Portfolio Investments with their registered offices in EEA Member States or the UK, so potentially disadvantaging the Umbrella Vehicle and/or its Sub-Funds as investors in private companies located in EEA Member States or the UK, when compared to competitors which may not be subject to the requirements of the AIFMD or UK AIFMD.

This may restrict the Umbrella Vehicle's and its Sub-Funds' ability to make investments in such EEA or UK companies. The Umbrella Vehicle's and any Sub-Fund's co-investment in a Portfolio Investment could subject the entire Portfolio Investment to the requirements and restrictions of the AIFMD or UK AIFMD. This could limit the Umbrella Vehicle's and certain Sub-Funds' investment opportunities, including Co-Investment Opportunities with other Apollo Clients. Apollo may take such requirements and restrictions into account in allocating such opportunities among the Umbrella Vehicle, its Sub-Funds and any co-investment accounts. To the extent that the participation of the Umbrella Vehicle, its Sub-Funds or any investor in the Umbrella Vehicle and its Sub-Funds in an investment opportunity that is otherwise suitable for the Umbrella Vehicle and certain Sub-Funds and other Apollo Clients would cause the investment to become subject to requirements and restrictions of AIFMD, UK AIFMD or other law, rule or regulation that could have an adverse impact on any participating investor in such investment opportunity, Apollo may determine to modify some or all of the terms of such investment opportunity or to exclude the Umbrella Vehicle, the relevant Sub-Fund or any such investor in the Umbrella Vehicle and such Sub-Fund from participating in such investment opportunity.

Investors domiciled or with a registered office in the EEA or the UK should be aware that the AIFMD and UK AIFMD may restrict the extent to which such an investor would be able to

make a "secondary" sale of an interest to a third party that is also domiciled or with a registered office in the EEA or the UK. These requirements of the AIFMD and UK AIFMD may also impact the Umbrella Vehicle's and one or more Sub-Fund's investment and divestment program, including with respect to timing.

The AIFMD or UK AIFMD could also limit the Umbrella Vehicle's and its Sub-Funds investment opportunities, as well as result in the Umbrella Vehicle and its Sub-Funds being subject to conflicting regulatory requirements in the U.S., the UK and the EEA. Such restrictions and/or conditions may also result in the restructuring of the Umbrella Vehicle, its Sub-Funds and/or its respective relationships with Service Providers and are likely to increase the ongoing costs borne, directly or indirectly, by the Umbrella Vehicle or any of its Sub-Funds.

The AIFMD and UK AIFMD require that Alternative Investment Fund Managers ("**AIFMs**") make available certain information (i) to potential EEA and UK investors in an AIF that is marketed in the EEA or the UK before such investors make an investment in that AIF and (ii) to investors in that AIF on an ongoing basis. As the Umbrella Vehicle and its Sub-Funds are expected to be marketed in the EEA and the UK and to potential EEA and UK investors, these requirements will be met by use of separate documentation. Investors in the Umbrella Vehicle and any Sub-Fund will benefit from certain rights and protections under AIFMD and UK AIFMD. Investors in the Umbrella Vehicle and any Sub-Fund may have available to them information relating to the AIFM, as an AIFM, and investments, as a result of ongoing disclosure obligations under the AIFMD and UK AIFMD applicable to the AIFM of the Umbrella Vehicle. Certain custody assets and cash held by the Umbrella Vehicle and its Sub-Funds and certain related processes such as valuation will be subject to the oversight of the Depositary that is subject to certain obligations to the Umbrella Vehicle, its Sub-Funds and to their investors. The fees, costs and expenses incurred as a result of complying (or facilitating compliance) with AIFMD and where relevant UK AIFMD in respect of a Sub-Fund will be borne by the Umbrella Vehicle as a whole.

*AIFMD II.* On November 25, 2021, the European Commission published a proposed text to the AIFM Directive and Directive 2009/65/EC. While the text is not yet finalized, there are a number of proposals which if implemented could adversely affect the Umbrella Vehicle's and its Sub-Funds' ability to achieve their investment objectives, as well as the ability of the Umbrella Vehicle and its Sub-Funds to conduct their operations, including but not limited to: concentration limits, limits on lending to connected entities, risk retention requirements, and mandated liquidity management mechanisms. Most significantly a proposed Article 16(2a) would require AIFs which engage in significant loan origination to be closed-ended structures. "60%" is indicated to constitute "significant" loan origination activity in the draft text – but it is not specified: (i) if this 60% test is to be applied on net asset value or on another metric; or (ii) what "loan origination" means. The implementation of this proposed Article 16(2a) or similar measures, could curtail the Umbrella Vehicle or any of the Sub-Funds from making investments which constitute loan origination in the future.

*Data Protection Risks.* The Umbrella Vehicle, Board of Directors, the Investment Manager's and/or AIFM's processing of personal data associated with their employees and representatives, natural person investors, Service Provider representatives, and others, including the use of third-party processors and cloud-based services to, among other things, store and maintain personal data, imposes legal and regulatory risks. Legal requirements relating to the collection, storage, handling and transfer of personal data continue to develop. Certain activities of the Umbrella Vehicle, its Sub-Funds, Board of Directors, the Investment Manager, the AIFM and/or other members of the Apollo group may, for example, be subject to the GDPR, the UK GDPR, the California Consumer Privacy Act ("**CCPA**") or the Cayman Islands Data Protection Act ("**DPA**"). While the Umbrella Vehicle, its Sub-Funds, Board of Directors, the Investment Manager, the AIFM and other members of the Apollo group intend to comply with their privacy and data protection obligations under GDPR, UK GDPR, CCPA, DPA and other applicable laws, they may not be able to accurately anticipate the ways in which regulators and courts will apply or interpret the law. The failure of the Umbrella Vehicle, its Sub-Funds, Board of Directors, the Investment Manager, the AIFM, or another member of the Apollo group indirectly providing services to the Umbrella Vehicle and its Sub-Funds to comply with privacy and data protection laws could result in negative publicity and may subject the Umbrella Vehicle or its Sub-Funds to significant costs associated with litigation, settlements, regulatory action, judgments, liabilities, or penalties. If privacy or data protection laws are implemented, interpreted or applied in a manner

inconsistent with the Apollo group's expectations, that may result in business practices changing in a manner that adversely impacts the Umbrella Vehicle and its Sub-Funds. Moreover, if the Umbrella Vehicle, its Sub-Funds, Board of Directors, the Investment Manager, the AIFM, or other members of the Apollo group suffer a security breach impacting personal data, there may be obligations to notify government authorities or stakeholders, which may divert the Board of Directors' time and effort and entail substantial expense.

The GDPR was implemented into laws enforceable in the UK by the Data Protection Act 2018. As noted in "*United Kingdom Withdrawal from the European Union*" above, the UK formally left the EU on January 31, 2020. Following withdrawal from the EU, the UK entered a transition period lasting until December 31, 2020, during which EU law continued to apply in the UK (and any new EU legislation that took effect before the end of the transition period also applied to the UK). Following the end of such transition period, the GDPR (as it existed on December 31, 2020) has been retained in UK law as the "UK GDPR", which applies in the UK from 1 January 2021. Given the dual regimes, the UK's withdrawal from the EU may therefore lead to an increase in data protection compliance costs for any of the portfolio companies of the Umbrella Vehicle and/or its Sub-Funds that have operations in the UK and the EU, although as the UK GDPR is (for the time being) substantially similar to the GDPR (but with necessary national variations), and as the EU has published an adequacy decision for the UK permitting transfers of personal data from the EEA into the UK, and the UK has similarly stated that transfers of personal data from the UK to the EEA are permitted (with this position being kept under review), such compliance costs may not be significant. However, to the extent that the UK GDPR and GDPR begin to diverge, such portfolio companies could face substantial additional data protection compliance costs in the long term (e.g., in the form of a greater dual regulatory compliance burden and the costs of implementing data transfer safeguards).

*Other Regulatory Considerations.* The Umbrella Vehicle, its Sub-Funds, the Investment Manager and/or the AIFM also may be subject to regulation in jurisdictions in which the Umbrella Vehicle, its Sub-Funds, the Investment Manager and the AIFM engage in business. Because the Umbrella Vehicle's and its Sub-Funds' business is dynamic and is expected to change over time, the Umbrella Vehicle and its Sub-Funds may be subject to new or additional regulatory constraints in the future.

This Prospectus cannot address or anticipate every possible current or future regulation that may affect the AIFM, the Investment Manager and its Affiliates, the Umbrella Vehicle, its Sub-Funds or their businesses. Such regulations may have a significant impact on Investors or the operations of the Umbrella Vehicle and its Sub-Funds, including restricting the types of investments the Umbrella Vehicle and its Sub-Funds may make, preventing the Umbrella Vehicle or any of its Sub-Funds from exercising its voting rights with regard to certain investments requiring the Umbrella Vehicle or any of its Sub-Funds to disclose the identity of their investors or their beneficial owners, or otherwise. The AIFM and/or the Investment Manager may, in its sole discretion, cause the Umbrella Vehicle or any of its Sub-Funds to be subject to such regulations if it believes that an investment or business activity is in the Umbrella Vehicle's or any of its Sub-Funds interest, even if such regulations may have a detrimental effect on one or more Investors.

#### **F. *Certain Risks Related to Tax Matters***

*Tax Considerations.* An investment in the Umbrella Vehicle and its Sub-Funds involves complex tax considerations that will differ for each investor depending on the Investor's particular circumstances.

All prospective investors are urged to take advice from their professional advisors in respect of the potential tax consequence of their investment in the Shares. The investment decisions of the Board of Directors and the Investment Manager will be based primarily upon economic, not tax, considerations, and could result, from time to time, in adverse tax consequences to some or all Investors. There can be no assurance that the structure of the Umbrella Vehicle and its Sub-Funds or of any investment will be tax-efficient for any particular investor.

The Board of Directors and the Investment Manager take no responsibility for the tax compliance obligations of the investors.

*International Tax Developments.* On October 5, 2015, the OECD published 13 final reports and an explanatory statement outlining consensus actions under the Base Erosion and Profit Shifting ("**BEPS**") project. This project involves a coordinated multijurisdictional approach to increase transparency and exchange of information in tax matters, and to address weaknesses of the international tax system that create opportunities for BEPS by multinational companies. The reports cover measures such as new minimum standards, the revision of existing standards, common approaches which will facilitate the convergence of national practices, and guidance drawing on best practices. The outcome of the BEPS project, including limiting interest deductibility, changes in transfer pricing, new rules around hybrid instruments or entities, and loss of eligibility for benefits of double tax treaties could increase tax uncertainty and impact the tax treatment of the Umbrella Vehicle's and its Sub-Funds' earnings. This may adversely impact the investment returns of the Umbrella Vehicle and its Sub-Funds or limit future investment opportunities due to potential tax leakage.

The European Council has adopted two Anti-Tax Avoidance Directives, ATAD I and ATAD II that address many of the above-mentioned issues. The measures included in ATAD I and ATAD II were implemented into Luxembourg law on, respectively December 21, 2018 (the "**ATAD I Law**") and December 20, 2019 (the "**ATAD II Law**") and almost all of them are applicable since, respectively, 1 January 2019, 1 January 2020 or 1 January 2022 depending on the measure. ATAD I and ATAD II may place additional administrative burdens on Apollo's management team or portfolio investment management to assess the impact of such rules on the investments of the Apollo-managed funds and ultimately could lead to increased cost which could adversely affect profitability. ATAD I and ATAD II may also impact the investment returns of the Apollo-managed funds.

On November 24, 2016, the OECD published the text of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS, which is intended to expedite the interaction of the tax treaty changes of the BEPS project. Several of the proposed measures, including measures covering treaty abuse, the deductibility of interest expense, local nexus requirements, transfer pricing and hybrid mismatch arrangements are potentially relevant to the Umbrella Vehicle and its Sub-Funds and could have an adverse tax impact on the Umbrella Vehicle, its Sub-Funds, investors and/or portfolio companies. On June 7, 2017, the first wave of countries (68 in total) participated in the signing ceremony of the multilateral instrument ("**MLI**"). The MLI went into effect on July 1, 2018 with the intention to override and complement certain provisions in existing bilateral tax treaties. The MLI may not have immediate effect but, rather, when it applies will depend on a number of factors, including further steps required to ratify changes to treaties according to the local law of the signatory countries. As of 1 June 2022, 99 countries have signed the MLI and 76 have ratified it. Therefore, there is a lack of certainty as to how the signatories will apply the MLI and from when. The ratification process of Luxembourg has been achieved through the law of March 7, 2019 and the deposit of the instrument of ratification with the OECD on April 9, 2019. As a consequence, the MLI entered into force on August 1, 2019. Its application per double tax treaty concluded with Luxembourg will depend on the ratification by the other contracting state and on the type of Tax concerned. There are some important countries that have not yet signed including the U.S. and Brazil. As a result, significant uncertainty remains around the access to tax treaties for the investments' holding patterns, which could create situations of double Taxation and adversely impact the investment returns of the Umbrella Vehicle.

It should be noted that Luxembourg opted for the application of a principal purpose test ("**PPT**") being included in all of its treaties in force as part of the anti-treaty abuse provisions of BEPS ("**BEPS Action 6**"). The purpose of the PPT is essentially to deny treaty relief where it is broadly reasonable to conclude that obtaining the benefit of the treaty was one of the principal purposes of an arrangement or transaction leading to such benefit. Limitation on benefits ("**LOB**") provisions have historically been used as anti-avoidance measures in tax treaties, and certain countries, including the United States and China, continue to rely on LOB provisions. The PPT will be a consideration for the relevant underlying countries, however, there is no current consistent interpretative view of the PPT, thus posing a risk that the Umbrella Vehicle's and its Sub-Funds' investment structures may be challenged and additional Taxes and penalties imposed.

The OECD is continuing with the BEPS project with additional proposals. These approaches go beyond the original measures from the 2015 reports and may have the effect of changing the way that the tax base for the Umbrella Vehicle, its Sub-Funds and their Portfolio Investments is established.

The EU has taken further steps towards tax transparency with DAC 6. These rules (also known as the EU Mandatory Disclosure Rules) came into force on 25 June 2018. In addition, on December 31, 2020, the UK significantly narrowed the scope of arrangements that need to be reported in the UK pursuant to DAC 6 and, in due course, intends to repeal DAC 6 and implement reporting under the OECD Mandatory Disclosure Rules. The DAC 6 rules could require taxpayers and their advisors to report on cross-border arrangements with an EU component that bear one of the proscribed hallmarks. The hallmarks are significantly broad such that a large volume of transactions within the financial services context could need to be disclosed. Failure to comply with disclosure obligations can result in fines and penalties. DAC 6 could expose Apollo's investment activities to increased scrutiny from European tax authorities. Furthermore, many tax authorities are unfamiliar with asset management businesses and dealing with challenges from tax authorities reviewing such information could also place additional administrative burden on Apollo's management team or portfolio investment management and ultimately could lead to increased cost which could adversely affect profitability.

On 22 December 2021, the EU published a directive proposal which aims to fight against the misuse of shell companies (the so-called "**Unshell Directive**", also known as "**ATAD III**"). ATAD III would apply to EU entities (i) deriving passive income, (ii) engaged in cross-border transactions and (iii) which outsourced the administration of day-to-day operations and the decision-making on significant functions. If the proposals are implemented in the current form, EU entities within the scope of the provisions will need to declare in their annual tax returns whether they meet indicators of minimum substance and provide related documentary evidence. If they fail at least one of the substance indicators, they will be presumed not to have sufficient substance for tax purposes. Should such presumption not be rebutted, such entities would not be allowed to benefit from the provisions of double tax treaties or certain EU directives (such as the Parent-Subsidiary EU directive), potentially impacting returns to the Umbrella Vehicle. In addition, they would not be entitled to a certificate of tax residence to the extent that such certificate serves to obtain the benefit of the aforementioned provisions. This may also place additional administrative burdens on Apollo's management team or portfolio investment management to assess the impact of such rules on the investments of the Apollo-managed funds and ultimately could lead to increased cost which could adversely affect profitability.

*Allocation of Tax Liabilities.* Specific Investors may bear the cost of any Taxes arising as a result of such Investor's interest in the Umbrella Vehicle and its Sub-Funds rather than such Taxes being an expense of the Umbrella Vehicle or its Sub-Funds. This may include withholding Taxes on payments made by or to certain Sub-Funds as well as corporate Taxes paid by certain Sub-Funds or the entities in which they invest directly or indirectly.

*Tax Filings.* Prospective Investors should be aware that jurisdictions in which the Umbrella Vehicle and/or its Sub-Funds invests may impose tax filing obligations on Investors as a result of the Umbrella Vehicle or the Sub-Fund acquiring, holding or disposing of investments in such jurisdictions or otherwise as a result of the Umbrella Vehicle or the Sub-Fund's activities in such jurisdictions. Any non-compliance with local tax filing obligations might result in detrimental effects for the Umbrella Vehicle, Sub-Fund and/or the Investor in the specific jurisdiction. In addition, it is possible that Tax payment obligations or withholding Taxes might arise in respect of returns to Investors.

*Provision And Disclosure of Tax Information.* Investors should note that the Umbrella Vehicle and/or its Sub-Funds may be required to disclose information regarding any Investor to any tax authority or other governmental agency to enable the Umbrella Vehicle or the Sub-Fund to comply with any applicable law or regulation or agreement with a governmental authority. Investors will be required to provide such information as may be reasonably requested by the Umbrella Vehicle or Sub-Fund to enable the Umbrella Vehicle or Sub-Fund to properly and promptly make such filings or elections as the Umbrella Vehicle or Sub-Fund may consider necessary, or when the Umbrella Vehicle or Sub-Fund considers that the provision of such information is appropriate in connection with an investment or potential investment. Investors



should note that in certain circumstances the Umbrella Vehicle and/or the Sub-Fund shall be entitled to take steps against an Investor who has failed to provide information, including, but not limited to, withholding any Taxes required to be withheld or ensuring that the Investor bears the cost of any Tax which arises as a result of the failure to provide information.

*Changes in Tax Laws and Unanticipated Income Taxes and/or Withholding Taxes.* The Umbrella Vehicle and its Sub-Funds expect to make and hold certain of their Portfolio Investments through wholly or partially owned intermediate entities. When appropriate, the Umbrella Vehicle and its Sub-Funds will seek to structure investments through the SPVs in a tax efficient manner, but no undertaking or assurance is given that the Portfolio Investment structure(s) adopted by the Umbrella Vehicle and/or its Sub-Funds will be optimal for each investor, that investors will be able to benefit from specific (or efficient) tax treatment in any jurisdiction, or that returns to investors will be unaffected by Tax arising in relation to a Portfolio Investment structure.

In some cases, certain procedural formalities may need to be completed before payments in respect of Portfolio Investments can be made free of withholding Tax. The completion of such formalities may depend on the agreement of taxation authorities, the timing of which cannot be guaranteed.

Tax laws, including tax treaties, may change, possibly with retroactive effect. Any such change may affect the anticipated tax position of the Umbrella Vehicle, the relevant Sub-Funds and the intermediate entities in the jurisdiction of their respective establishment or formation, in each jurisdiction of their respective operations and in each jurisdiction of the Portfolio Investments.

The Umbrella Vehicle and its Sub-Funds intend to structure its operations so as not to be subject to net income Taxation in any jurisdictions outside of its places of formation. If the Umbrella Vehicle, its Sub-Funds or any Affiliate of the Umbrella Vehicle and its Sub-Funds were treated as resident, or as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country in which it invests or in which its investments are managed, all of the Umbrella Vehicle's and its Sub-Funds' income or gains, or that part thereof, attributable to or effectively connected with such permanent establishment or trade or business, may be subject to Tax.

*Dry Tax Charges* Investors should also be aware that, the amounts to which they are regarded as entitled for tax purposes may exceed the income and gains from which they benefit economically. There can be no assurance that investors who are subject to tax on amounts in relation to the Umbrella Vehicle and/or its Sub-Funds will receive distributions sufficient to fully satisfy their tax liabilities and investors may need to rely on funds from other sources to satisfy tax liabilities arising from an investment in the Umbrella Vehicle and/or its Sub-Funds.

*Uncertain Application of Tax Rules* Investors should be aware that in some jurisdictions there is uncertainty as to how tax rules should be applied to the Umbrella Vehicle and, in particular, whether tax rules should be applied on a Sub-Fund by Sub-Fund basis or to the Umbrella Vehicle as a whole. This may lead to unanticipated and/or unintended tax consequences for the Sub-Funds, the Umbrella Vehicle or Investors.

## 20. **CONFLICTS OF INTEREST**

*The following discussion of potential conflicts of interest does not purport to be a complete description of all the potential conflicts of interest attendant to an investment in the Umbrella Vehicle. Additional conflicts may exist that are not presently known to the Umbrella Vehicle, any Sub-Fund, the Board of Directors, the AIFM, the Investment Manager or their respective Affiliates or are deemed by them to be immaterial. Prospective investors should read the Articles, this Prospectus and the relevant Sub-Fund Supplement(s) and consult with their own independent advisors before deciding whether to invest in the Umbrella Vehicle and/or any Sub-Fund. In addition, over time an investment in the Umbrella Vehicle may be subject to additional and different actual and potential conflicts of interest. Unless the context otherwise requires, any reference to the "Umbrella Vehicle" herein shall include a reference to the Sub-Funds or any one of them.*

Apollo sponsors, manages or advises and will continue to sponsor, manage or advise other Apollo Clients. Apollo will continue to sponsor, manage or advise new Apollo Clients, whether alone or partnering with others, and will continue to maintain, develop, expand or monetize its investment and advisory and related businesses. Certain current Apollo Clients have, and certain future Apollo Clients are expected to have, investment mandates that overlap, either substantially or in part, with that of the Umbrella Vehicle, and Apollo expects that the universe of potential investments and other activities of Apollo's business could overlap with the investments and activities of the Umbrella Vehicle, each of which, as a result, is expected to create conflicts of interest.

For clarification, Apollo Clients will not include (a) any alternative investment vehicle, special purpose vehicle, subsidiary of the Umbrella Vehicle, co-investment entity, master, joint or commingled account or investment vehicle, joint venture or other person through which the Umbrella Vehicle can make an investment or group of investments or (b) any Portfolio Investment (unless a particular Sub-Fund Supplement contemplates investment by such Sub-Fund in another Apollo Client) and any portfolio company or investment of any Apollo Client (including the Umbrella Vehicle) or Apollo and its subsidiaries, unless the Board of Directors determines in its sole discretion that such person should be treated as an Apollo Client under the circumstances.

The following discussion sets forth certain potential conflicts of interest that should be carefully evaluated before making an investment in the Umbrella Vehicle. Attention is also drawn to certain risk factors (see generally "*Certain Risk Factors*" above) that refer to potential conflicts of interest.

This summary is not intended to be an exhaustive list of all conflicts or their potential consequences. Identifying potential conflicts of interest is complex and fact-intensive, and it is not possible to foresee every conflict of interest that could arise during the life of the Umbrella Vehicle. In particular, Apollo could in the future identify additional conflicts of interest that currently are not apparent to Apollo or the broader alternative investments industry, as well as conflicts of interest that arise or increase in materiality as Apollo develops new investment platforms or business lines and otherwise adapts to dynamic markets and an evolving regulatory environment. To the extent Apollo identifies conflicts of interest in the future, Apollo could, but assumes no obligation to, disclose these conflicts and their implications to Investors through a variety of channels, including by way of a Form ADV, which Apollo files on an annual basis with the SEC, or in other written or oral communications to the Umbrella Vehicle's Investors.

The Investment Manager's Form ADV, copies of which are publicly available and available from the Investment Manager upon request and will be furnished to each investor prior to its admission to the Umbrella Vehicle, also contains further information regarding conflicts of interest relating to the Apollo Group that are relevant to the Umbrella Vehicle. Investors are encouraged to read such Form ADV prior to investing.

Apollo has established policies and procedures to address some types of conflicts. In most cases, however, the resolution of the conflict will depend entirely on the exercise of Apollo's discretion in light of the relevant facts and circumstances at the time, including the immediate and long-term interests of the relevant Apollo Clients, including the Umbrella Vehicle, Apollo and their respective portfolio companies, as applicable. The specific weight ascribed to each of the relevant factors is a subjective judgment about which reasonable people may differ, and such judgments will remain in Apollo's complete discretion. For the avoidance of doubt, Apollo is not required to and generally does not expect to seek investor approval to manage the conflicts of interest described herein or other potential conflicts of interest that may arise from time to time unless required by applicable law or the Fund Documents. Furthermore, any prohibition or restriction contained in the Fund Documents will apply only at the Umbrella Vehicle level and will not apply to any transaction by a portfolio company or among portfolio companies.

By acquiring an interest, each Investor (i) confirms that such Investor has carefully reviewed and understood the Articles, this Prospectus (including, but not limited to Section 19 "*Risk Factors*" above and this Section 20 "*Conflicts of Interest*"), the relevant Sub-Fund Supplement, the Form ADV of the relevant Investment Manager and has retained or consulted his/her/its own attorneys, business advisors and/or tax advisors, as required, to assist in such Investor's evaluation and understanding thereof and in connection with the offering and sale of

Shares, (ii) acknowledges that, subject to the express terms of the Fund Documents, the Apollo Group, the Board of Directors, the Investment Manager or any of their respective Affiliates may engage in any or all of the activities of the type or character described or contemplated in the Fund Documents and the Form ADV of the relevant Investment Manager, including causing the Umbrella Vehicle and/or any Sub-Fund and/or their subsidiaries and/or any Portfolio Investment to enter into agreements or other arrangements relating to the activities, and to pay fees of the type referred to in the Fund Documents, whether or not such activities have or could have an effect on the Umbrella Vehicle and/or any Sub-Fund's affairs or on any Portfolio Investment, and no such activity shall in and of itself (A) constitute a breach of the Fund Documents or any duty owed by any person to the Umbrella Vehicle, any Sub-Fund or the Investors, or (B) require the consent of the Investors, and (iii) acknowledges and agrees that the distribution of the Fund Documents and the Form ADV of the relevant Investment Manager prior to the Subscription Date or Closing Date (as applicable) as of which such Investor subscribes, respectively commits to subscribe, for Shares in the Umbrella Vehicle shall be deemed to constitute disclosure of all such activities provided prior to such Investor making its subscription. To the extent that prospective investors would benefit from an independent review, such benefit is not available through Counsel (as defined below) or through the Board of Directors, the Investment Manager or any of their respective Affiliates. Prospective investors are encouraged to seek the advice of independent legal counsel in evaluating the conflicts involved in the offering and operation of the Umbrella Vehicle.

*Investments with Respect to Which Other Apollo Clients and/or Apollo Affiliates May Benefit.* The Umbrella Vehicle can invest in joint ventures and can invest in Platform Investments or one or more Portfolio Investments. Such investment activities could give rise to future investment opportunities (e.g., a forward commitment or other option acquired by the Umbrella Vehicle, another Apollo Client and/or Affiliates of Apollo or any of their respective portfolio companies, or a relationship developed in connection with the making of an investment by the Umbrella Vehicle) from which one or more other Apollo Clients and/or Affiliates of Apollo or their respective portfolio companies could benefit. In addition, as further described below, subject to the terms of any relevant Sub-Fund Supplement, a Sub-Fund may invest in another Apollo Client and such Apollo Client could benefit from such investment. The Board of Directors and/or the Investment Manager have an incentive to take such future opportunities and/or benefits into consideration when making investment decisions for the Umbrella Vehicle.

*Transactions with Affiliates.* To the extent permitted by the Fund Documents, the Umbrella Vehicle, any Sub-Fund, any Additional Vehicle and any Portfolio Investment may engage in cross trades and cross investments with, provide financing to or receive financing from, or make investments in any other Apollo Client, any Affiliate of the Umbrella Vehicle or of any Apollo Client or member of the Apollo Group, or any of their respective portfolio companies or investments and may acquire securities or other financial instruments and other assets from or in, sell or otherwise dispose of securities or other financial instruments and assets to or in, or engage in financing transactions with (or cause any Portfolio Investment to engage in financing transactions with) any such person. Subject to the terms of the Fund Documents, with respect to any investment by a Sub-Fund into any other Apollo Client, the Board of Directors, the AIFM and any member of the Apollo Group will endeavor to resolve conflicts of interest with respect to such transactions in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and in accordance with its conflicts of interest policies, as such policies may be amended and/or restated from time to time.

In relation to ELTIF Sub-Funds, if any matter or transaction arises that the AIFM determines in its good faith judgment constitutes a potential/ actual conflict of interest in accordance with the applicable laws and regulations, including also any events as further described in article 12 of the ELTIF Regulation, to the extent applicable, the AIFM will take such actions as it determines in good faith may be necessary or appropriate to mitigate such conflict.

In addition, a Sub-Fund (the "**Investing Sub-Fund**") may invest in one or more other Sub-Funds. Any acquisition of shares of another Sub-Fund (the "**Target Sub-Fund**") by the Investing Sub-Fund is subject to the following conditions:

- the Target Sub-Fund may not invest contemporaneously in the Investing Sub-Fund;

- no more than 10% of the assets of the Target Sub-Fund whose acquisition is contemplated may be invested in shares of other Target Sub-Funds of the Umbrella Vehicle; and
- the voting rights attached to the shares of the Target Sub-Fund held by the Investing Sub-Fund are suspended during the investment by the Investing Sub-Fund; and
- the value of the share of the Target Sub-Fund held by the Investing Sub-Fund are not taken into account for the purpose of assessing the compliance with the legal minimum capital requirements.

*Cross-Trading.* Notwithstanding any prohibition or restriction contained in the Fund Documents, no Apollo Client, Affiliate of the Umbrella Vehicle or of any Apollo Client or Apollo, or any of their respective portfolio companies will be prohibited from acquiring, or otherwise engaging in transactions with respect to securities or other assets of any person (including an intermediate entity or special purpose vehicle that has been or will be formed for the purpose of holding one or more portfolio investments ("**SPVs**")) in which the Umbrella Vehicle has a financial interest (whether in the same or a different class of securities or other assets) or selling, divesting, making further acquisitions or otherwise engaging in transactions with respect to securities or other assets of such person, including following a co-investment. The Umbrella Vehicle will not be prohibited from acquiring, or otherwise engaging in transactions with respect to, securities or other assets of any person (including an SPV) in which an Apollo Client, any Affiliate of the Umbrella Vehicle or of any Apollo Client or Apollo, or any of their respective portfolio companies has a financial interest (whether in the same or a different class of securities or other assets) or selling, divesting, making further acquisitions or otherwise engaging in transactions with respect to securities or other assets of such person, including following a co-investment. For the avoidance of doubt, any prohibition or restriction contained in the Fund Documents will apply only at the Umbrella Vehicle level and will not apply to any transactions by a portfolio company.

*The Co-Investment Order.* Certain Sub-Funds could have overlapping investment strategies with Apollo Clients that are registered under the Investment Company Act (such registered clients, the "**Apollo Registered Funds**"). To the extent specific investment opportunities are appropriate for the Umbrella Vehicle and one or more Apollo Registered Funds, in addition to being subject to the allocation policies and procedures summarized herein, the opportunity will also be subject to the exemptive order Apollo has received from the SEC (the "**Co-Investment Order**"). The Investment Company Act generally prohibits Apollo Registered Funds from co-investing with other Apollo Clients, such as the Umbrella Vehicle, where non-price terms are negotiated (such as financial and negative covenants, guarantees and collateral packages and indemnification provisions). The Co-Investment Order permits Apollo to negotiate, among other things, these types of provisions for Co-Investment Opportunities that involve the participation of both non-registered Apollo Clients such as the Umbrella Vehicle and Apollo Registered Funds, thus giving Apollo a larger and more diversified asset base from which to seek certain types of negotiated investment opportunities. Reliance on the Co-Investment Order is subject to certain terms and conditions, including enhanced internal notification of investment opportunities, senior members of each applicable Apollo Registered Fund making an independent determination as to appropriateness of each applicable investment, enhanced record keeping and, where applicable, involvement of independent directors of the applicable Apollo Registered Funds.

There can be no assurance that the Co-Investment Order will facilitate the successful consummation of investment opportunities that Apollo believes are now available to Apollo Clients (including the Umbrella Vehicle) as a result of the Co-Investment Order. As a result of the Co-Investment Order, there is also no assurance the Umbrella Vehicle will be able to participate in all investment opportunities that are within its investment objective. Additionally, the allocations available to the Umbrella Vehicle for investment opportunities that are subject to the Co-Investment Order may be adversely affected because of the participation of Apollo Registered Funds. There will be a need to allocate investment opportunities across a larger amount of available capital. Investment opportunities that are subject to the Co-Investment Order are also subject to additional policies and procedures as a result of the participation of the Apollo

Registered Funds, which may delay deal execution and adversely impact the ability of Apollo Clients, including the Umbrella Vehicle, to deploy capital.

*Allocation of Investment Opportunities.* Apollo will provide investment management services to other Apollo Clients, and Apollo and/or such Apollo Clients will have one or more investment strategies that overlap or conflict with those of the Umbrella Vehicle. The employment by Apollo of conflicting and/or overlapping strategies for other Apollo Clients could adversely affect the pricing and availability of the financial instruments and other assets in which the Umbrella Vehicle expects to invest. If participation in specific investment opportunities is appropriate for both the Umbrella Vehicle and one or more other Apollo Clients (or Apollo itself, such as an Apollo SPAC (as defined below) or other investment vehicle), participation in such opportunities will be allocated pursuant to Apollo's allocation policies and procedures and the Fund Documents. There can be no assurance, however, that the application of such policies will result in the allocation of a specific investment opportunity to the Umbrella Vehicle or that the Umbrella Vehicle will participate in all investment opportunities falling within its investment objective. Such considerations may result in allocations of certain investments among the Umbrella Vehicle and other Apollo Clients on other than a *pari passu* basis and, in some cases, to a newly-formed Apollo Client or an Apollo-sponsored SPAC established for a particular investment or otherwise. In the past, the application of such policies has resulted in the allocation by Apollo of certain investment opportunities to (i) Apollo rather than to Apollo Clients and (ii) a newly-formed Apollo Client or an Apollo-sponsored SPAC created for a particular investment opportunity or otherwise, and Apollo expects to allocate certain opportunities in a similar manner in the future. It is possible that the allocation of such opportunities to Apollo rather than to Apollo Clients, such as the Umbrella Vehicle, may occur as a result of, in connection with, or ancillary to, the allocation of investment opportunities to such Apollo Clients (e.g., where Apollo has been afforded an opportunity to invest in an alternative investment management business as a result of an investment made or proposed to be made by the Umbrella Vehicle). Apollo is permitted to pursue opportunities for itself, other Apollo Clients and the portfolio companies of the foregoing that are not shared with the Umbrella Vehicle.

Apollo is committed to allocating investment opportunities in a manner that, over time, it deems to be fair and equitable and has established policies and procedures to guide the determination of such allocations. Apollo's allocation policies and procedures have established: (i) the allocations committee of Apollo Global Management, Inc. ("**AGM**" and such committee, the "**AGM Allocations Committee**") to, among other things: (a) determine the suitability of a potential investment opportunity for a particular Apollo Client and/or Apollo, taking into consideration the factors discussed below; (b) review any opportunities involving potential third-party Co-Investors or single-investment Apollo Clients and any opportunities involving a multi-strategy managed account; (c) review the actions taken by sub-committees to the AGM Allocations Committee (the "**Allocations Sub-Committees**") and conflicts of interest that cannot be resolved by the Allocations Sub-Committees; and (d) if such conflicts cannot be resolved by investment managers, resolve potential conflicts of interest that arise where multiple Apollo Clients hold interests (including outright positions in issuers and exposure to such issuers derived through any synthetic and/or derivative instrument) in multiple tranches of securities of an issuer (or other interests of an issuer) or multiple Apollo Clients having interests in the same tranche of an issuer, or, in either case, holding different proportions in such tranches; and (ii) allocation guidelines on which such committees generally base their allocation decisions.

Generally, an investment opportunity will be allocated to an Apollo Client if the opportunity reasonably falls within such Apollo Client's mandate or is otherwise deemed suitable as determined by the relevant portfolio manager, investment committee, the AGM Allocations Committee or an Allocations Sub-Committee. If an investment opportunity falls within the mandate of, or is otherwise deemed suitable for, two or more Apollo Clients and it is not possible to fully satisfy the investment interest of all such Apollo Clients, the investment opportunity generally will be allocated pro rata based on the size of each Apollo Client's original investment interest. The size of each Apollo Client's investment interest will be determined generally based on each Apollo Client's available capital or net asset value (or, in certain circumstances, the available capital or net asset value ascribed to the applicable strategy). However, a number of additional other factors can influence allocation decisions, including: (a) the relative actual or potential exposure of any particular Apollo Client to the type of investment opportunity in terms of its existing investment portfolio; (b) the investment objective of such Apollo Client; (c) cash availability, suitability,

instructions from an Apollo Client or an underlying Investor, permitted leverage and available financing for the investment opportunity (including taking into account the levels/rates that would be required to obtain an appropriate return); (d) the likelihood of current income; (e) the size, liquidity and duration of the investment opportunity; (f) the seniority of loan and other capital structure criteria; (g) with respect to an investment opportunity originated by a third party, the relationships of a particular Apollo Client (or the Investment Manager) to such third party; (h) tax or accounting considerations; (i) legal or regulatory considerations; (j) supply or demand for an investment opportunity at a given price level; (k) an Apollo Client's risk or investment concentration parameters (including parameters such as geography, industry, issuer, volatility, leverage, liability duration or weighted average life, asset class type or other risk metrics); (l) whether the investment opportunity is a follow-on investment; (m) whether the vehicle is in the process of fundraising, is open to redemptions (in which case notions of net asset value and available capital can be subjectively adjusted to account for anticipated inflows or redemptions) or is close to the end of its investment period or term (for finite duration funds); (n) whether an Apollo Client's economic exposure has been swapped to, or otherwise assumed by, one or more other parties; (o) the governing documents of an Apollo Client (which could include provisions pursuant to which an Apollo Client is entitled to receive an allocation of a certain type of an investment opportunity, which could result in the Umbrella Vehicle participating to a lesser extent in any such investment); (p) avoiding allocations that could result in *de minimis* or odd lot investments; and (q) such other criteria as are reasonably related to a reasonable allocation of a particular investment opportunity to one or more Apollo Clients (e.g., in the case of an Apollo Client ramp-up period or when incubating a particular investment strategy or product or the investment period or term of an Apollo Client).

In determining whether an investment opportunity falls within an Apollo Client's mandate, the relevant portfolio manager investment committee, the AGM Allocation Committee or an Allocations Sub-Committee, as appropriate under the circumstances, will take into consideration that (i) multiple Apollo Clients have investment objectives that overlap to greater or lesser degrees; (ii) the applicable legal documents of each Apollo Client contemplate, to greater or lesser degrees, the obligation to offer such Apollo Client investment opportunities that fall within its investment objective or mandate; (iii) Apollo endeavors to not systematically disadvantage any Apollo Client; (iv) the investment objective of a particular Apollo Client could change over time; (v) the ultimate character of an investment opportunity (i.e., its risk/reward profile) will generally not become clear before a great deal of diligence and analysis has been completed by the investment professionals pursuing such investment opportunity; (vi) investment opportunities that are outcomes of heavily negotiated transactions are capable of being structured in a variety of ways, each of which presents its own particular risk/reward profile legal, tax, regulatory and other considerations; (vii) an Apollo Client could have more than one mandate; and (viii) the applicability of the Co-Investment Order (as defined above) to the extent applicable.

As stated above, the Umbrella Vehicle's entitlement to investment opportunities will be governed primarily by Apollo's investment allocation policies and procedures, and, notwithstanding the Umbrella Vehicle's or any Sub-Fund's targeted investment objectives, the Umbrella Vehicle will not (unless specifically set out in the Sub-Fund Supplement relating to a particular Sub-Fund) have any contractual entitlement representing a priority or "deal flow" allocation with respect to any specific investment opportunity, in whole or in part. Further, there are Apollo Clients that have in their respective governing documents such priority or "deal flow" allocations or covenants requiring Apollo to offer such Apollo Clients the right to participate (in whole or in part) in investment opportunities that meet their investment objectives. As such, the Umbrella Vehicle's entitlement to a potential investment opportunity may be subject to and burdened by such obligations, which could result in the Umbrella Vehicle not participating in an investment opportunity at all, or to the extent that it could have participated.

Apollo's investment allocation policies and procedures may be revised by Apollo at any time without notice to, or consent from, the Investors.

To the extent that the Umbrella Vehicle's participation in an investment opportunity that is otherwise suitable for the Umbrella Vehicle and other Apollo Clients would cause the investment to become subject to requirements and restrictions of AIFMD that could have an adverse impact on all participating investors, Apollo may determine to exclude one or more Investors from participating in the investment opportunity.

SPACs. Apollo, as well as portfolio companies or subsidiaries of the Umbrella Vehicle and other Apollo Clients, have sponsored SPACs and in the future could sponsor additional SPACs. Apollo-sponsored SPACs, which are controlled by Apollo and in which Apollo holds direct investments (as opposed to SPACs that are portfolio investments or subsidiaries of the Umbrella Vehicle) are referred to herein as "Apollo SPACs". The Umbrella Vehicle could invest in, or facilitate the acquisition of companies by, Apollo SPACs or SPACs in which other Apollo Clients hold interests. For example, the Umbrella Vehicle could acquire equity investments (including through a private investment in public equity, or PIPE, transaction), preferred instruments or similar instruments in, and/or provide debt financing to, an Apollo SPAC or its acquisition target or a SPAC or acquisition target in which one or more other Apollo Clients hold common equity. However, in no event will a SPAC or its operating company be treated as an Apollo Client for this or any other purpose.

The establishment of SPACs and the existence of Apollo SPACs, as opposed to SPACs that are portfolio companies or subsidiaries of the Umbrella Vehicle and other Apollo Clients, gives rise to various conflicts of interest. In connection with the establishment of a SPAC, Apollo is incentivized to use its own capital (rather than the Umbrella Vehicle's capital) to invest in a SPAC, due to, among other things, the prospect of greater economic entitlements associated with Apollo itself investing in the SPAC, rather than causing the Umbrella Vehicle to invest in a SPAC. As such, conflicts of interests exist in connection with establishing SPACs and thereafter allocating investments as between Apollo SPACs, on the one hand, and the Umbrella Vehicle or SPACs owned by the Umbrella Vehicle, on the other hand, including in determining the investment mandate of a SPAC. It is possible that acquisition targets of Apollo SPACs arise from investment opportunities that should have been presented to the Umbrella Vehicle, or from investments in which the Umbrella Vehicle has pre-existing interests. While Apollo maintains policies and procedures with respect to allocation of investment opportunities, no assurance can be given that Apollo will allocate investment opportunities to the Umbrella Vehicle rather than Apollo SPACs. In addition, Apollo and its personnel could be incentivized to dedicate greater resources to Apollo SPACs in anticipation of receiving more attractive economic entitlements from Apollo SPACs relative to the Umbrella Vehicle, including compensation that Apollo personnel could receive, as well as fees payable to Affiliated Service Providers that would not offset Management Fees. The devotion of time and effort of certain Apollo personnel to sponsoring Apollo SPACs creates a conflict of interest as between the Umbrella Vehicle on the one hand and Apollo on the other. In addition, certain Apollo personnel currently serve, and in the future will serve, as members of the board of directors of Apollo SPACs (as they could in the case of SPACs in which the Umbrella Vehicle is invested) and/or any acquisition target of such SPACs that becomes publicly listed on an exchange, and, as such, such personnel could be subject to fiduciary duties with respect to such Apollo SPACs or other entities that conflict with the fiduciary duties that Apollo could otherwise owe with respect to the Umbrella Vehicle.

The investment by the Umbrella Vehicle in Apollo SPACs or SPACs in which the Umbrella Vehicle holds interests, gives rise to various conflicts of interest. For example, with respect to Apollo SPACs, Apollo is incentivized to maximize the value of its investment in connection with its sponsorship of the SPAC. Apollo and its personnel could also be entitled to asset- or performance-based compensation or other economic gain with respect to Apollo SPACs. Further, in connection with the Umbrella Vehicle's investment in an Apollo SPAC, an Affiliated Service Provider could be engaged by any of the transaction parties (including the SPAC or the acquisition target) to provide services and will earn and receive fees, which would be in addition to the fees and compensation otherwise payable to or that can be earned by Apollo in connection with its or the Umbrella Vehicle's investment in a SPAC. These economic interests and entitlements could create an incentive for Apollo to cause the Umbrella Vehicle to invest in Apollo SPACs, or impact the size and scope of the Umbrella Vehicle's investment in an Apollo SPAC, in order to increase the likelihood that an Apollo SPAC consummates an acquisition from which Apollo and its personnel can be assured receipt of such economics. Apollo could also be incentivized to make riskier decisions on behalf of the Apollo SPAC or underlying target company than it might make absent such economic terms or entitlements, which would give rise to conflicts of interest with respect to the Umbrella Vehicle to the extent they invest therein. In addition, to the extent the Umbrella Vehicle participates in a negotiated transaction with respect to an investment in, or provision of financing to, an Apollo SPAC, such as participating in a forward purchase agreement to purchase securities in a private placement that would close concurrently with an initial business

combination, the terms of such transaction would be negotiated by Apollo, on behalf of the Umbrella Vehicle, in its sole discretion, which could present certain conflicts of interest by virtue of Apollo being incentivized to negotiate terms that cause a transaction to be consummated, rather than terms that might be perceived to be customary for transactions of such type entered into between unrelated parties. Unless otherwise required by the relevant Sub-Fund Supplement, all of the foregoing transactions and arrangements will not require the consent of the Investors or the Board of Directors.

*Secondary Transfers of Shares.* To the extent that the Board of Directors has discretion over a secondary transfer of interests in the Umbrella Vehicle pursuant to the Articles and the relevant Sub-Fund Supplement, and subject to any restrictions therein, the Board of Directors may identify a limited number of persons to potentially acquire the interest being transferred, including investors in one or more Apollo Clients, individuals or entities that are not investors in any Apollo Clients (but may in the future become investors in Apollo Clients) or Apollo itself, and may take into consideration a variety of factors as it deems necessary in exercising its discretion with respect to a secondary transfer of interests in the Umbrella Vehicle, including its own interests.

*Investments in Which Multiple Apollo Clients Participate.* Increasingly, given changes in the regulatory environment for banks following the 2007-2008 Global Financial Crisis (the "GFC"), as well as structural developments in the capital markets, Apollo and Apollo Clients have opportunities to provide holistic financing solutions, which could in certain instances involve the participation of multiple Apollo Clients and Co-Investors in either a single investment or a related series of investments. For example, different subsets of Apollo Clients from time to time invest in different parts of the capital structure of the same issuer. These investment opportunities could be beneficial for Apollo Clients, to the extent that Apollo is able to provide "one-stop shopping" financing solutions and, consequently, drive terms and increase the economics that are captured by Apollo Clients, including the Umbrella Vehicle.

However, these investments could be complex, and will involve the potential for conflicts of interest, including but not limited to: (i) Apollo being incentivized to cause Apollo Clients to overcommit in order to ensure the execution of such transactions; (ii) Apollo being incentivized to cause Apollo Clients to make investments that, on a stand-alone basis, are less likely to satisfy the investment objectives of such Apollo Clients, or are otherwise less attractive than other available alternatives; (iii) it being more difficult to ensure that the terms of such investments are arms' length, to the extent that the borrower or issuer views Apollo as a single counterparty (as opposed to a collection of different Apollo Clients, whose interests are not necessarily aligned), and negotiates accordingly; (iv) during the term of the investment, capital structure conflicts involving Apollo Clients could arise (especially in a stressed or distressed situation); and (v) the potential for Affiliated Service Providers to earn fees in connection with certain of such investments. In order to be viewed as a credible counterparty that is capable of delivering comprehensive financing solutions without recourse to traditional third party financial intermediaries, it is possible that Apollo will need to "speak for" the full amount of a financing in situations where Apollo Clients could not have sufficient capacity (or demand) for the investment opportunity. In these situations, including when it is unclear at the outset of negotiating a transaction whether there is sufficient internal demand, Apollo Clients (including (subject to the terms of the Fund Documents) the Umbrella Vehicle) could have to incur the expense of engaging either a third party or an Affiliated Service Provider, such as AGS or AGF, in order to provide services such as identifying potential third-party investors (including potential Co-Investors), structuring the transaction so that it will be more marketable to third-party investors, preparing marketing materials, performing outreach, and executing on a syndication and sell-down strategy.

In connection with any investment opportunity where two or more Apollo Clients are expected to participate (including in connection with Co-Investments), to the extent a deposit, commitment (financial or otherwise) or other contingency is required or otherwise viewed at the time as appropriate for the investment opportunity or transaction process, Apollo has the discretion to cause one of the participating Apollo Clients, including (to the extent relevant) the Umbrella Vehicle, to make the deposit, provide the commitment or make such arrangements to support and be liable for the contingency on behalf of itself and other Apollo Clients, and will take such additional steps to ensure such arrangements are ultimately shared equitably among the participating Apollo Clients as Apollo determines to be reasonable. Unless otherwise stated in a



particular Sub-Fund Supplement, the Umbrella Vehicle is not restricted in its ability to engage in such actions as part of structuring, negotiating, consummating, hedging (and/or entering into other derivative transactions with respect to), financing (including post-closing financing and leverage transactions) and disposing of investment opportunities.

*Syndication Entities.* Syndication Entities are expected to co-invest or commit, including alongside various Apollo Clients (including the Umbrella Vehicle), in equity, debt or other financial instruments of certain portfolio companies (including in different levels of the capital structure) with the view to further syndicate or sell down a portion of the applicable investment, including to other Apollo Clients one or more third parties unaffiliated with Apollo or the Umbrella Vehicle. Participation by Syndication Entities will not be included in, or count towards, the Apollo commitment. Apollo will determine the amount (if any) of an investment that will be allocated to Syndication Entities in a manner consistent with "*—Allocation of Investment Opportunities*" above, including taking into account the interests of the Syndication Entities, the liquidity profile of the Syndication Entities at the time of the investment and/or potential syndication, other syndications in process or expected to be in process and the need for bridging in those other syndications, the likelihood of successfully syndicating the investment and the potential for Affiliates of Apollo, including Affiliated Service Providers, to earn syndication fees in connection with placing the investment with Co-Investors or third parties or, conversely, the risk of a failed syndication and retention of the investment (see "*—Affiliated Service Providers*" and "*—AGS and AGF*" below). As such, Apollo will have an incentive not to allocate a portion of an investment to Syndication Entities where the post-closing syndication is expected to be challenging or subject to significant risk of failure and, instead, Apollo will be incentivized to allocate such investments to other Co-Investors or to allocate all of the investment to the Umbrella Vehicle, which could result in the Umbrella Vehicle maintaining a larger position in the relevant investment than would otherwise be the case, and as such reduce the Umbrella Vehicle's diversification and magnify the impact on the Umbrella Vehicle of any losses on such investment. Conversely, Apollo will have an incentive to allocate a portion (or a larger portion) of an investment to Syndication Entities when the post-closing syndication is expected to be less challenging or more likely to be successful (which could, effectively, mean what the market at the time of such allocation believes to be the Umbrella Vehicle's most attractive investments), or where there is greater potential for Apollo, including Affiliated Service Providers, to earn fees (or greater fees) in connection with the syndication (which will be treated as Other Fees and therefore will not be subject to offset against management fees), which could result in the Umbrella Vehicle's participation in the relevant investment being less—and less co-investment being available outside of such syndication—than would otherwise be the case. In no event will any Syndication Entity be treated as a Co-Investor for purposes of the Articles, unless determined otherwise by the Board of Directors, in its discretion. Further, Apollo is incentivized to allocate a larger amount of an investment to Syndication Entities than to traditional Co-Investors in view of the potential to earn Other Fees or develop or strengthen industry relationships in connection with any such allocation. Apollo anticipates the establishment of certain policies and procedures relating to the participation by the Syndication Entities in any the Umbrella Vehicle portfolio investment, which could involve the establishment of certain committees that have persons involved in the business of the Syndication Entities and the Umbrella Vehicle.

*Procurement.* There could be situations in which the Investment Manager is in a position of facilitating or otherwise making available portfolio company goods, services, financing arrangements or other third party group purchase arrangements (each such service or arrangement, a "**Transaction Opportunity**") and, as a result, certain portfolio companies of Apollo or an Apollo Client could be counterparties or participants in agreements, transactions or other arrangements with third parties or the portfolio companies of Apollo or other Apollo Clients or Apollo. Such Transaction Opportunities could involve favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. The Investment Manager could be eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio investments or third parties in such Transaction Opportunities, and any discounted amounts will not be subject to offsets against the Management Fee or otherwise shared with the Umbrella Vehicle. As a result, the Investment Manager could be incentivized to facilitate or seek to influence the participation of portfolio companies of Apollo Clients in Transaction Opportunities with portfolio companies of other Apollo Clients or third parties (and even if subject to fees and

carried interest, will receive the applicable discount to which Apollo Clients are entitled), even though such Transaction Opportunities could not be the most appropriate or offer the best terms.

*Structured Finance & Syndication Arrangements.* From time to time, Apollo finances, securitizes, syndicates or employs structured finance arrangements in respect of certain balance sheet assets held by Apollo. For example, Apollo can establish entities in which it owns an equity interest and that are funded in part through financing provided by one or more third parties, or Apollo Clients the investors in which are Apollo Affiliates, other Apollo Clients and/or one or more third parties (collectively, "**Apollo Financing Partners**"), and such Apollo Financing Partners could hold Investor interests in Apollo Clients (including the Umbrella Vehicle). The interest of any Apollo Financing Partners in Apollo Clients generally count towards satisfaction of Apollo's commitment to such Apollo Clients, will not (unless Apollo otherwise determines) be subject to management fees and carried interest in any such Apollo Client (unless otherwise determined by Apollo) and may otherwise be entitled to and subject to the same rights and obligations as other Investors of the Apollo Clients, including voting rights. Apollo could also employ structured financing arrangements with respect to Co-Investment interests and investments in other Apollo Clients made by Apollo entities (including, potentially Co-Investments with Apollo Clients). Apollo could also cause members of the Athene Group or other Apollo Clients to participate in such arrangements, whereby Apollo transfers a portion of its interest in such arrangements (including the associated Apollo commitments to Apollo Clients) to such persons, in which case all of the applicable portion of the Apollo commitment that is so transferred could bear fees and incentive compensation pursuant to the investment advisory arrangements in place between Apollo and the applicable transferee(s). These arrangements could alter Apollo's returns and risk exposure with respect to the applicable balance sheet assets as compared to its returns and risk exposure if Apollo held such assets outside of such arrangements, and could create incentives for Apollo to take actions in respect of such assets that it otherwise would not in the absence of such arrangements or otherwise alter its alignment with investors in such investments (including the Apollo Clients). These arrangements could also result in Apollo realizing liquidity with respect to its equity investment in an Apollo Client at a different point in time (including earlier) than the investors of such Apollo Client.

In addition, an Apollo Client may, subject to applicable requirements in its governing documents, which could include obtaining advisory board consent, determine to sell a particular portfolio investment into a separate vehicle, which may be managed by Apollo, with different terms (i.e., longer duration) than the Apollo Client that originally acquired the portfolio investment, and provide investors with the option to monetize their investment with the Apollo Client at the time of such sale, or to roll all or a portion of their interest in the portfolio investment into a new vehicle. Under such circumstances, Apollo may invest in or alongside the new vehicle, or hold the entirety of the portfolio investment sold by the Apollo Client through or alongside the new vehicle (i.e., in the event that all investors elect to monetize their investment at the time of sale to the new vehicle).

*Platform Investments.* As Apollo continues to seek additional sourcing channels for investment opportunities for the Umbrella Vehicle and other Apollo Clients, it is also anticipated that there will be opportunities for investments in Platform Investments, and the investment opportunities sourced by such Platform Investments. Any fees, costs and expenses (x) in connection with forming, organizing, maintaining, administering, operating and negotiating Platform Investments and (y) arising from or in connection with the discovery, evaluation, investigation, development and consummation of potential Platform Investments, even in circumstances where the Umbrella Vehicle is not invested in the relevant Platform Investment (and in some cases where Apollo is invested in the relevant Platform Investment), will (subject to the terms of the Fund Documents) generally be considered Operating Expenses and will be borne by the Umbrella Vehicle in accordance with Apollo's expense allocation procedures as further discussed in Section 13 "Costs and Expenses", "*Investor Considerations—Potential Conflicts of Interest—Allocation of Investment Opportunities*" above and "*Allocation of Expenses*" below. Fees, costs and expenses described in item (x) of the previous sentence will generally be borne by the Umbrella Vehicle and any other Apollo Clients participating in a Platform Investment at the time such Platform Investment is launched, and it is possible that such fees, costs and expenses will not be borne by any other Apollo Clients (including successor funds of Apollo Clients participating at the formation stage) that later participate in such Platform Investments. The Umbrella Vehicle and any other Apollo Clients participating in the Platform Investment at the time

such Platform Investment is launched may bear more than their proportionate share of certain fees, costs and expenses of such Platform Investment, especially any start-up costs. In addition, for any such Platform Investments, to the extent the Umbrella Vehicle participates in one or more investment opportunities sourced by such platform (irrespective of whether any such investment is consummated), any fees earned for the benefit of Apollo or any of its Affiliates in respect of such Platform Investment, including management fees or other incentive compensation arrangements, will not be applied to reduce management fees; instead such payments will generally (unless otherwise specified in the relevant Sub-Fund Supplement) be treated as Other Fees.

From time to time, Apollo recruits an existing or newly formed management team to pursue a new "platform" opportunity that is expected to lead to investment opportunities for Apollo Clients, including the Umbrella Vehicle. In other cases, a new Platform Investment may be formed and used to recruit an existing or newly formed management team to build such Platform Investment through acquisitions and organic growth. Finally, in order to augment the Umbrella Vehicle team's capabilities and diligence techniques and, in some instances, to operate or service the Umbrella Vehicle's investments, Apollo may partner with, including through joint ventures, Platform Investments or by making investments in, what Apollo believes to be high-quality operators with significant expertise and the requisite skills to operate or service the Umbrella Vehicle's assets. The structure of each Platform Investment and the engagement of each operating partner or other individuals will vary, including in respect of whether a management or operating team's services are exclusive to the platform and whether members of the management team are employed directly by such platform or indirectly through a separate investment manager established to manage such platform, and such structures are subject to change throughout an investment's hold period, for example, in connection with potential restructurings, refinancings and/or dispositions. Members of the management or operating team for a Platform Investment could include former Apollo personnel (including investment professionals), industry advisors, senior advisors and Apollo advisors. The management or operating team of a Platform Investment (or one or more members thereof) may also provide the same or similar services with respect to other Platform Investments of the Umbrella Vehicle and/or one or more other Apollo Clients (including predecessor funds and successor funds thereto and Co-Investment vehicles) or provide the same or similar services for assets owned by third parties. The Umbrella Vehicle may realize a Platform Investment (in whole or in part) through sale of the platform or a disposition of assets held through the platform. The services provided by the platform's management and operating team could be similar to, and overlap with, services provided by Apollo to the Umbrella Vehicle or to other Apollo Clients, and the services may be provided exclusively to the Platform Investments.

As with the Umbrella Vehicle's other portfolio investments, in respect of all Platform Investments, the Umbrella Vehicle will bear the expenses of the management team and/or Portfolio Investment, as the case may be, including, for example, any overhead expenses, management fees or other fees, employee compensation, diligence expenses or other expenses in connection with backing the management team and/or the build out of the platform entity. Such expenses may be borne directly by the Umbrella Vehicle as an Operating Expense (or broken deal expenses, if applicable) or indirectly as the Umbrella Vehicle bears the start-up and ongoing expenses of the newly formed platform. The compensation of management of a platform Portfolio Investment may include Management Fees (or other fees, including, for example, origination fees) or interests in the profits of the Portfolio Investment (or other entity in the holdings structure of the Platform Investment), including profits realized in connection with the disposition of an asset and other performance-based compensation. Although a platform Portfolio Investment may be controlled by the Umbrella Vehicle (including through the right to approve each investment made by such platform Portfolio Investment), members of a management team will not be treated as Affiliates of the Board of Directors for purposes of the Fund Documents. Accordingly, none of the compensation or expenses described above will be offset against any Management Fees or Performance Fees payable to the Board of Directors, the AIFM, or the Investment Manager (or, in the case of Performance Fees, the Performance Fee recipient) in respect of the Umbrella Vehicle and will be borne by the applicable Platform Investment or (in respect of its proportionate share of such compensation and expenses) by the Umbrella Vehicle as Operating Expenses.

*Portfolio Company Relationships.* The Umbrella Vehicle's Portfolio Investments may be counterparties or participants in agreements, transactions, or other arrangements with other

Portfolio Investments and portfolio companies of other Apollo Clients and/or Apollo that, although Apollo determines to be consistent with the requirements of such funds' governing agreements, may not have otherwise been entered into but for the affiliation with Apollo, and which may involve fees and/or servicing payments to Apollo-affiliated entities that are not subject to the Management Fee offset provisions described herein. For example, Apollo may, like other private equity firms, in the future cause Portfolio Companies to enter into agreements regarding group procurement, benefits management, data management and/or mining, technology development, purchase of title and/or other insurance policies (which may be pooled across Portfolio Investments and discounted due to scale), and other similar operational initiatives that may result in fees, commissions or similar payments and/or discounts being paid to the Investment Manager and/or any of its Affiliates, or a Portfolio Investment, including related to a portion of the savings achieved by the Portfolio Investment. Moreover, Apollo, the Investment Manager and their respective Affiliates are often eligible to receive favorable terms for procurement due in part to the involvement of their portfolio companies in such arrangements, and any discounted amounts will not be subject to the Management Fee offsets or otherwise shared with the relevant Apollo Clients. In addition, portfolio companies of Apollo or other Apollo Clients may do business with, support, or have other relationships with competitors of Portfolio Investments, and in that regard prospective investors should not assume that a company related to or otherwise affiliated with Apollo will only take actions that are beneficial to or not opposed to the interests of the Umbrella Vehicle and its Portfolio Investments.

Moreover, in connection with seeking financing or refinancing of Portfolio Investments and their assets, it may be the case that better financing terms are available when more than one Portfolio Investment provides collateral, particularly in circumstances where the assets of each Portfolio Investment are similar in nature. As such, rather than seeking such financing or refinancing on its own, a Portfolio Investment of the Umbrella Vehicle may enter into cross collateralization arrangements with another Portfolio Investment of the Umbrella Vehicle. In addition, a provider of the foregoing financing could include one or more Apollo Clients and Apollo, its Affiliates and its employees.

Apollo could also enter into, or cause the Umbrella Vehicle or its Portfolio Investments to enter into, financing or similar transactions or arrangements in respect of balance sheet assets or accounts receivable held by the Umbrella Vehicle's Portfolio Investments. For example, Apollo, its Affiliates, Apollo Clients (including Apollo Clients created for this purpose as well as members of the Athene Group or the Athora Group, or Apollo Clients financed thereby), or any of their respective portfolio companies, subsidiaries or special purpose vehicles could acquire one or a group of the Umbrella Vehicle's Portfolio Investments' interests in certain assets, accounts receivable or similar future cash flows. While any such transaction could provide liquidity, operating cash or other benefits to the relevant Portfolio Investment, it could also result in such Portfolio Investment receiving a lesser return on the relevant assets than would have been the case had it retained them. Apollo will also be incentivized to cause Portfolio Investment to enter into such transactions both in its or its' Affiliates capacities as the counterparty or sponsor thereof, and in order to use the proceeds of such transactions to make distributions to the Umbrella Vehicle and the Investors, including performance fee distributions.

*Shared Resources.* In certain circumstances, in order to create efficiencies and optimize performance, one or more portfolio investments or Portfolio Investments of the Umbrella Vehicle could determine to share the operational, legal, financial, back-office or other resources of another portfolio investment or Portfolio Investment of the Umbrella Vehicle or a portfolio investment or portfolio company of Apollo or another Apollo Client. In connection therewith, the costs and expenses related to such services will be allocated among the relevant entities on a basis that Apollo determines in good faith is fair and equitable (but which will be inherently subjective). Determining an allocable share of internal and other costs, or otherwise allocating costs, inherently requires the judgment of Apollo and there can be no assurance that the Umbrella Vehicle will not bear a disproportionate amount of any costs, including Apollo's internal costs. In addition, it is possible that a Portfolio Investment could be in the business of providing goods or services that are, or could be, utilized by another portfolio investment, Portfolio Investment or property, including a portfolio investment owned by Apollo or a different Apollo Client or Affiliate of Apollo (and for this purpose, any such portfolio company that is providing such services could be considered an Affiliated Service Provider for purpose of the Articles). The provision of such services by certain existing and potential portfolio companies could incentivize the Investment

Manager or its Affiliates to facilitate arrangements with portfolio companies of Apollo or other Apollo Clients in order to create business opportunities for the portfolio company providing such services. As a result of this conflict, services provided to a Portfolio Investment could not be the same in terms of quality and terms as they would be if they resulted from a negotiation with a third party. These types of arrangements will (unless otherwise set out in a particular Sub-Fund Supplement) generally not require the approval of the Investors in the Umbrella Vehicle. See "*Affiliated Loan Origination and/or Servicing Businesses; MidCap*" below.

*Restrictions on Transactions Due to Other Apollo Businesses.* From time to time, various potential and actual conflicts of interest will arise from the overall advisory, investment and other activities of Apollo and its personnel. Apollo will endeavor to resolve conflicts of interest with respect to investment opportunities in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances. As discussed further in "*Allocation of Investment Opportunities*" above, and in "*Potential Duties to Other Stakeholders*" below, Apollo can invest, on its own behalf, in securities and other instruments that would be appropriate for, held by or fall within the investment guidelines of an Apollo Client. Apollo can give advice or take action for its own account that can differ from, conflict with or be adverse to advice given or action taken for Apollo Clients. These activities will, in certain circumstances, adversely affect the prices and availability of other business opportunities, transactions, securities or instruments held by, available to or potentially considered for one or more Apollo Clients. Potential conflicts of interest also arise due to the fact that Apollo has investments in some Apollo Clients but not in others, or has different levels of investment in the various Apollo Clients, and that the Apollo Clients bear different levels of fees and incentive compensation in favor of Apollo.

Apollo, together with Apollo Clients, engages in a broad range of business activities and invests in businesses and assets whose operations can be substantially similar to, and/or competitive with, the business and assets in which Apollo Clients have invested. The performance and operation of such competing businesses and assets could conflict with and adversely affect the performance and operation of Apollo's or an Apollo Client's portfolio companies or other operating entities, and could adversely affect the prices and availability of business opportunities, transactions, securities or instruments held by, available to or potentially considered for such portfolio investments. Apollo will seek to resolve conflicts in a manner that Apollo deems to be fair and equitable.

In addition, Apollo can give advice, or take action with respect to, the investments of one or more Apollo Clients that may not be given or taken with respect to other Apollo Clients with similar investment strategies, objectives or strategies. Accordingly, Apollo Clients with similar strategies may not hold the same securities or instruments or achieve the same performance. Apollo also advises Apollo Clients with conflicting investment objectives or strategies. These activities also could adversely affect the prices and availability of other securities or instruments held by, available to or potentially considered for one or more Apollo Clients. Apollo has and expects to maintain ongoing relationships with issuers whose securities have been acquired by, or are being considered for investment by, Apollo Clients.

Apollo Clients will, from time to time, subject to their governing documents, as applicable, acquire and dispose of assets, securities or other financial instruments in portfolio investments at different times and upon different terms. The interests of Apollo Clients (including the Umbrella Vehicle) in such investments will not be aligned in all or any circumstances, and there will be actual or potential conflicts of interests or the appearance thereof. In this regard, actions could, from time to time, be taken by Apollo that are adverse to the Umbrella Vehicle. Apollo will also have ongoing relationships with issuers whose securities have been acquired by or are being considered for investment by Apollo Clients.

The Articles expressly permit the Umbrella Vehicle to engage in cross trades and cross-investments with any other Apollo Client or member of Apollo, and acquire assets from or sell or otherwise dispose of assets to any other Apollo Client, on arm's length terms without the consent of the Investors. included in the Fund Documents, situations could arise where another Apollo Client acquires or otherwise engages in transactions with respect to securities of an entity in which the Umbrella Vehicle has a financial interest (whether in the same or a different class of securities) or otherwise engages in selling, divesting or making further acquisitions or otherwise engages in transactions with respect to securities of such entity, including in connection with and following a

Co-Investment. For example, the Umbrella Vehicle may engage members of the Apollo group to provide services with respect to the Umbrella Vehicle's Portfolio Investments, and the Umbrella Vehicle may engage assets or portfolio companies of other Apollo Clients or Apollo to provide additional services with respect to, or in connection with financial transactions with, the Umbrella Vehicle's Portfolio Investments or vice versa. The Articles expressly permit the Umbrella Vehicle to engage in cross trades and cross-investments with any other Apollo Client or member of Apollo, and acquire assets from or sell or otherwise dispose of assets to any other Apollo Client, on arm's length terms without the consent of the Investors.

*Capital Structure Conflicts.* Subject to the terms of the Fund Documents, the Umbrella Vehicle is permitted to invest in a Portfolio Investment (including through a SPAC) in which one or more other Apollo Clients or Apollo holds an investment in a different class of such Portfolio Investment's debt or equity, or vice versa. For example (unless restricted by the Fund Documents), (i) Apollo can acquire securities or other financial instruments of an issuer for one Apollo Client or itself that are senior or junior to securities or other financial instruments of the same issuer that are held by, or acquired for, another Apollo Client (e.g., one Apollo Client could acquire senior debt while another Apollo Client acquires subordinated debt), (ii) Apollo could propose a holistic capital solutions proposal to an issuer that involves multiple Apollo Clients (including the Umbrella Vehicle) providing financing, in the form of debt or equity, or a combination thereof investing across two or more tranches or series of such issuer's capital structure, (iii) Apollo can permit Apollo Affiliates or other Apollo Clients to provide debt or equity financing to a Portfolio Investment in which the Umbrella Vehicle holds an investment, including in connection with or to finance a disposition of such Portfolio Investment (iv) Apollo can permit the Umbrella Vehicle (including together with other Apollo Clients) to provide financing to a portfolio company/portfolio investment of other Apollo Clients, (v) Apollo may cause an Apollo Client (including the Umbrella Vehicle) to provide financing and/or leverage to another Apollo Client (including the Umbrella Vehicle) with respect to investments, or (vi) Apollo could cause the Umbrella Vehicle to provide financing and/or leverage (in the form of a PIPE or otherwise) to facilitate the acquisition of an acquisition target of a SPAC that is managed or owned by Apollo. Conflicts of interest are expected to arise under such circumstances. For example, in the event such issuer enters bankruptcy, Apollo or the Apollo Client holding securities that are senior in bankruptcy preference is expected to have the right to aggressively pursue the issuer's assets to fully satisfy the issuer's indebtedness to Apollo or such Apollo Client, and Apollo might have an obligation to pursue such remedy on behalf of itself or such Apollo Client. As a result, another Apollo Client holding assets of the same issuer that are more junior in the capital structure might not have access to sufficient assets of the issuer to completely satisfy its bankruptcy claim against the issuer and suffer a loss. In such circumstances, Apollo can, to the fullest extent permitted by applicable law and the Fund Documents, take steps to reduce the potential for conflicts between the interests of each of the applicable Apollo Clients and itself, including causing one or more of such Apollo Clients to take certain actions that, in the absence of such conflict, it would not take (e.g., an Apollo Client, including the Umbrella Vehicle, might remain passive in a situation in which it is entitled to vote, might divest itself of an asset it might otherwise have retained, might establish ethical screens or information barriers among its investment management businesses to separate Apollo investment professionals, might try to ensure that Apollo Clients own the same securities or financial instruments in the same proportion to preserve alignment of interest, might refer any such matter to the Investors (in the manner and in the circumstances required by the Fund Documents) or a third party unaffiliated with the Investment Manager, such as a Third-Party Review Agent, or might invest in a particular asset or class of securities that seeks to align its interests with those of other Apollo Clients). Any such step could have the effect of benefiting other Apollo Clients or Apollo at the expense of the Umbrella Vehicle.

In addition, in situations in which Apollo and/or another Apollo Client hold an interest in a portfolio investment that differs from that of the Umbrella Vehicle, conflicts of interest will arise in connection with, among other things, (i) the nature, timing and terms of each Apollo Client's investment, (ii) the allocation of control and other governance rights among the Apollo Clients, (iii) the strategic objectives or timing underlying each Apollo Client's investments, (iv) differing disposition rights, views and/or needs for all or part of an investment and/or (v) resolution of liabilities in connection with an investment among the Apollo Clients. These conflicts result from various factors, including, among other things, investments in different levels of the capital structure, different measurements of control, different risk profiles, different rights with respect to

disposition alternatives, different investment objectives, strategies and horizons and different target rates of return as well as rights in connection with co-investors.

Apollo seeks to maintain policies and procedures that are reasonably designed to identify and address such potential conflicts of interest and that seek to ensure that Apollo Clients are treated in a manner it deems to be fair and equitable. The application by Apollo, in its discretion of its policies and procedures, to manage such conflicts, will vary based on the particular facts and circumstances surrounding each investment made by Apollo and Apollo Clients (including the Umbrella Vehicle), or made by two or more Apollo Clients (including the Umbrella Vehicle), in different classes, series or tranches of an issuer's capital structure (as well as across multiple issues or borrowers within the same overall capital structure), and, as such, investors should expect some degree of variation, and potentially inconsistency, in the manner in which potential, or actual, conflicts of interest are addressed by Apollo. While Apollo will seek to address and resolve conflicts between Apollo and Apollo Clients and among multiple Apollo Clients in an impartial manner, there can be no assurance that Apollo's own interests will not influence its conduct or that such policies and procedures will not be implemented or amended in a way that benefits Apollo or other Apollo Clients or other Apollo Clients.

In addressing certain of the potential conflicts of interest described herein, and subject to the terms of the applicable Fund Documents, Apollo and/or the Board of Directors may, but will not be obligated to, take one or more actions on behalf of the Umbrella Vehicle or any other Apollo Client, including any one or more of the following: (i) causing an Apollo Client (including the Umbrella Vehicle) to remain passive in a situation in which it is otherwise entitled to vote, which may mean that the Umbrella Vehicle or any other Apollo Client defers to the decision or judgment of an independent, third-party investor in the same class of equity or debt securities or other financial instruments held by the Umbrella Vehicle or such other Apollo Client; (ii) referring the matter to one or more persons not affiliated with Apollo, such as a Third-Party Review Agent, to review or approve of an intended course of action with respect to such matter; (iii) consulting with the Investors on such matter or otherwise requesting that the Investors approve such matter; (iv) establishing ethical screens or information barriers among its investment management business to separate Apollo investment professionals or assigning different teams of Apollo investment professionals, in each case, who are supported by separate legal counsel and other advisors, to act independently of each other in representing different Apollo Clients or Apollo Clients that hold different classes, series or tranches of an issuer's capital structure; (v) as between two Apollo Clients (including the Umbrella Vehicle), ensuring (or seeking to ensure) that the underlying investors therein own interests in the same securities or financial instruments and in the same proportions so as to preserve an alignment of interest; (vi) causing the Umbrella Vehicle or another Apollo Client to divest itself of a security, financial instrument or particular class, series or tranche of an issuer's capital structure it might otherwise have held on to, including causing the Umbrella Vehicle or another Apollo Client to sell a security or financial instrument to one or more other Apollo Clients (or vice versa), Investors or investors in such other Apollo Client; or (vii) limiting the applicable portion of the tranche that the Umbrella Vehicle or another Apollo Client could have otherwise acquired. Any such step could have the effect of benefitting other Apollo Clients or Apollo at the expense of the Umbrella Vehicle, and there can be no assurance that any of these measures will be feasible or effective in any particular situation, and it is possible that the outcome for the Umbrella Vehicle will be less favorable than might otherwise have been the case if Apollo had not had duties to other Apollo Clients.

The Board of Directors, the AIFM, the Investment Manager, their respective Affiliates and management of a Portfolio Investment will be required at times to make decisions that are adverse to the interests of the equity investors in such Portfolio Investment while at the same time beneficial to the debt investors in such Portfolio Investment, or vice versa (for example, if such Portfolio Investment or a subsidiary thereof should file for bankruptcy). For example, should the Board of Directors, the AIFM, the Investment Manager, their respective Affiliates or management of a Portfolio Investment act in a way that is not in the best interests of the Investors of the type of interest the Umbrella Vehicle holds in such Portfolio Investment, then, to the extent that the Board of Directors, the AIFM, their respective Affiliates or management of such Portfolio Investment are directed by Apollo, such decision could subject the Board of Directors, the AIFM and the Umbrella Vehicle, among others, to the risk of claims to which they would not otherwise be subject, including claims of breach of the duty of loyalty or violations of securities law. In general, the Umbrella Vehicle will indemnify the Board of Directors, the AIFM, the Investment

Manager and other Indemnified Parties from such claims. To the extent that a greater number or proportion of debt investors in a Portfolio Investment are Apollo Clients (or Apollo) or are investors in Apollo Clients, Apollo will be incentivized to prioritize the interests of the debt investors in such Portfolio Investment (including Apollo itself) over the interests of the equity investors in such Portfolio Investment (including Apollo itself), and vice versa, and Apollo will be subject to certain conflicts of interest in connection therewith.

*Conflicting Fiduciary Duties to Apollo Credit Funds.* Other Apollo Clients include funds and accounts that make investments in senior secured loans, distressed debt, subordinated debt, high-yield securities, CMBS and other debt instruments, which are generally sponsored, managed or advised by Apollo Credit. Subject to the terms of the Fund Documents, these Apollo Clients could be offered the opportunity to provide financing to any Sub-Fund or with respect to investments made by a Sub-Fund and its Portfolio Investments. Apollo owes a duty to these other Apollo Clients as well as to any Sub-Fund and will encounter conflicts in the exercise of these duties. For example, as described in more detail in "*Capital Structure Conflicts*" above, if an Apollo Client purchases high-yield securities or other debt instruments of a Portfolio Investment, or otherwise occupies a senior (or other different) position in the capital structure of a portfolio investment relative to a Sub-Fund, Apollo will encounter conflicts in providing advice to the Sub-Fund and to these Apollo Clients with regard to appropriate terms of such high-yield securities or other instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies, among other matters. Less commonly, a Sub-Fund could hold a portfolio investment that is senior in the capital structure, such as a debt instrument, to another Apollo Client. Although measures taken by Apollo can help to mitigate these conflicts, no measures can be expected to completely eliminate them. By executing a Subscription Agreement with respect to a Sub-Fund, each Investor acknowledges these conflicts related to duties to such Apollo Clients, acknowledges that these conflicts will not necessarily be resolved in favor of any Sub-Fund, agrees that Investors may not be entitled to receive notice or disclosure of the occurrence of these conflicts, consents to all such transactions and arrangements to the fullest extent permitted by law, and waives any claim against Apollo or its Affiliates and releases each of them from any liability arising from the existence of any such conflict of interest.

Similarly, certain Apollo Clients have the ability to invest in securities of publicly traded companies that are actual or potential investments of a Sub-Fund or its Portfolio Investments. The trading activities of Apollo Clients may differ from or be inconsistent with activities that are undertaken for the account of any Sub-Fund or its Portfolio Investments in any such securities. In addition, a Sub-Fund may not pursue an investment in a Portfolio Investment otherwise within the investment mandate of such Sub-Fund as a result of such trading activities by other Apollo Clients.

*Certain Financing Transactions Involving Portfolio Companies.* The Umbrella Vehicle is authorized to engage in cross investments with, and provide financing to or receive financing from Apollo, Apollo Clients or any of their respective Affiliates or existing or potential portfolio companies and can engage in financing transactions with (or cause any existing or potential Portfolio Investments to engage in financing transactions with) any such person (including, in each case, in connection with a disposition of a Portfolio Investment). Apollo anticipates that transactions of this type would be entered into where they are expected to be beneficial to the relevant Sub-Fund or the applicable Portfolio Investment, such as where Apollo believes that participating in the underwriting of a Portfolio Investment's debt issuances—including in connection with a Sub-Fund's acquisition and financing of a Portfolio Investment—can provide benefits to the Umbrella Vehicle and the relevant Portfolio Investment (including, for example: (i) given its familiarity with such Portfolio Investment; (ii) when traditional sources of financing are otherwise not available due to, among other things, the then-prevailing market environment; (iii) where Apollo believes that its involvement can provide the Umbrella Vehicle or the relevant Portfolio Investment with more favorable pricing, leverage or other terms than it believes in good faith are available from one or more third-party financing sources at that time; or (iv) where Apollo believes that it can otherwise benefit and/or optimize the capital structure of such Portfolio Investment through its knowledge, creativity and experience in structuring debt and equity investment opportunities).

Given the actual or potential conflicts of interest to which Apollo could be subject in transactions of this type, Apollo anticipates in any corporate debt financing involving the



acquisition of a controlling interest in a Portfolio Investment by a Sub-Fund that, among other things (including the limitations set forth in the paragraphs set forth below), Apollo or its Affiliates will not serve as the administrative agent, collateral agent, lead arranger or in a similar capacity in connection with such debt financing (although an Affiliated Service Provider could be a co-lead arranger or act in a similar capacity) and that Apollo Affiliates and Apollo Clients that commit to or invest in such debt financings will do so on terms not materially less favorable to the Umbrella Vehicle or the applicable Portfolio Company than the terms of the debt financing that would apply to unaffiliated third parties participating in the same tranche of such debt financing. In circumstances where the financing is asset-based or otherwise non-recourse financing to the Portfolio Investment, while Apollo believes that the potential consequences of these actual or potential conflicts of interest are often less significant than in a corporate debt financing, Apollo could undertake similar measures that could also involve, among other things, seeking to obtain market terms or benchmarks for comparable transactions from unaffiliated third parties or other indicia of fairness to the applicable Portfolio Investment. However, where the Umbrella Vehicle does not (or Apollo or other Apollo Clients do not) control the relevant investment, the foregoing measures are not expected to be undertaken, in light of the involvement of other persons unaffiliated with Apollo in such investment.

Notwithstanding any prohibition or restriction described elsewhere in the Fund Documents, (x) no Apollo Client, Affiliate of the Umbrella Vehicle or Affiliate of any other Apollo Client or Apollo, or any of their respective issuers or portfolio companies or investments (collectively, "**Apollo Persons**"), will be prohibited from acquiring, or otherwise engaging in transactions, including financings, with respect to securities or other financial instruments of any person (including a special purpose vehicle) in which any Sub-Fund has a financial interest (whether in the same or a different class of securities or other financial instruments) or selling, divesting, making further acquisitions or otherwise engaging in transactions with respect to securities or other financial instruments of such person, including in connection with or following a co-investment and (y) the Sub-Funds will not be prohibited from acquiring, or otherwise engaging in transactions, including financings, with respect to securities or other financial instruments of any person (including any special purpose vehicle) in which an Apollo Person has a financial interest (whether in the same or a different class of securities or other financial instruments) or selling, divesting, making further acquisitions or otherwise engaging in transactions with respect to securities or other financial instruments of such person, including in connection with or following a co-investment.

Without limiting the generality of the foregoing, an Apollo Client, an Affiliate of the Umbrella Vehicle or an Affiliate of any Apollo Client or Apollo, or any of their respective portfolio companies, may originate or otherwise participate in a variety of direct lending opportunities (including bridge loans, secured first- and second-lien loans, convertible notes, mezzanine loans, debtor-in-possession financings and structured letters of credit) and may structure any such investments so that they may be sold in the secondary market, including to the Umbrella Vehicle or any of its Portfolio Investments, or vice versa. Each Sub-Fund or its Portfolio Investments may borrow money or receive financing from Apollo Affiliates or Apollo Clients and may invest in or finance Apollo Clients, including asset-backed securities investments issued by, related to or that otherwise constitute Apollo Clients.

Further, Portfolio Investments of any Sub-Fund may invest in the senior, subordinated and/or equity securities of collateralized leveraged loan or debt obligations and similar structured vehicles sponsored by the Investment Manager, Apollo, any Apollo Client or any of their respective Affiliates. Additionally, Apollo could in the future sponsor, manage or advise one or more funds or accounts with an investment strategy that includes acquiring interests in the debt of, or otherwise participating in financing transactions with, portfolio companies of Apollo or Apollo Clients (including Portfolio Investments of the Umbrella Vehicle) or their respective Affiliates or subsidiaries. Notwithstanding anything to the contrary herein or in the Fund Documents, no such investment or financing transaction between any such Apollo Client, on the one hand, and any Portfolio Investment of the Umbrella Vehicle or Affiliate or subsidiary thereof, on the other hand, will require the approval of the Investors. Any such investment or financing transaction involving any Portfolio Investment of the Umbrella Vehicle or Affiliate or subsidiary thereof could give rise to conflicts of interest between such Apollo Client and the Umbrella Vehicle, including those described in further detail in "*Capital Structure Conflicts*" above.

From time to time, a Sub-Fund could seek to sell all or a portion of a portfolio investment to one or more investors in another Apollo Client. In such cases, such investors necessarily would receive more information about the target portfolio investment than the Investors in the relevant Sub-Fund, even if such sale is not ultimately consummated. Apollo could also be conflicted in such a sale, especially where one or more of such investors is considering making additional investments in Apollo Clients or engaging in other business with Apollo or its Affiliates, or where Apollo otherwise might benefit from such sale.

*Brokerage Commissions.* Any securities transactions carried out by the Umbrella Vehicle are likely to generate brokerage commissions and other compensation, including clearing fees and charges, all of which the relevant Sub-Fund(s), and not the Board of Directors, the AIFM, the Investment Manager or any of their Affiliates, will be obligated to pay. The Board of Directors and the Investment Manager have discretion in deciding what brokers and dealers the Umbrella Vehicle uses and in negotiating the rates of brokerage commissions and other compensation the Umbrella Vehicle pays. Subject to the provisions of (i) the AIFMD Delegated Regulation and any other directly applicable European Commission regulation made under the AIFMD, (ii) any binding guidelines issued from time to time by the EU relevant authorities pursuant to the AIFMD or the AIFMD Delegated Regulation, (iii) any national laws and regulations (such as the 2013 Law) which are taken in relation to or transposing the AIFMD, the AIFMD Delegated Regulation or any laws and regulations referred to in the foregoing item (iii), (iv) UK AIFMD where relevant, and (v) the terms of the applicable Fund Documents, in selecting brokers and negotiating commission rates, the Board of Directors or the Investment Manager (i) will take into account such information it deems appropriate, (ii) need not solicit competitive bids and (iii) does not have any obligation to seek the lowest available commission cost or spread. The Umbrella Vehicle may buy and sell securities directly from or to dealers each acting as "principals" at prices that include markups or markdowns, and buys securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers. Any use of commissions or "soft dollars" generated by the Umbrella Vehicle to pay for brokerage and research products or services may fall within the safe harbor created by Section 28(e) of the Exchange Act.

*Information Barriers.* Apollo currently operates without ethical screens or information barriers among its investment management business that many other investment management firms or other similar institutions implement to separate persons who make investment decisions from others who might possess material non-public information that could influence such decisions. In an effort to manage possible risks arising from Apollo's decision not to implement such screens, Apollo maintains a code of ethics (the "**Code of Ethics**") and provides training to relevant personnel with respect to conflicts of interest and how such conflicts are identified and resolved under Apollo's policies and procedures. In addition, Apollo's compliance department maintains a list of restricted securities with respect to which Apollo could have access to material non-public information and in which Apollo Clients are not permitted to trade. In the event that any employee of Apollo obtains such material non-public information with respect to any one of Apollo's investment management businesses, Apollo will be restricted in acquiring or disposing of the relevant investments on behalf of Apollo Clients, which could impact the returns generated for such Apollo Clients. Notwithstanding that Apollo does not maintain information barriers among its investment management businesses, Apollo expects, in certain cases, to manage possible risks associated with access to material non-public information by maintaining information barriers that limit the dissemination of material non-public information concerning certain Apollo strategic and other transactions to a designated group of Apollo personnel.

Notwithstanding the maintenance of restricted securities lists and other internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in Apollo, or one of its investment professionals or other employees, buying or selling a security while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on Apollo's reputation, result in the imposition of regulatory or financial sanctions and, as a consequence, negatively impact Apollo's ability to provide its investment management services to Apollo Clients.

Apollo's investment professionals or other employees will acquire, in their capacities as investment professionals or otherwise of one or more Apollo Clients (including the Umbrella Vehicle), non-public information regarding investment opportunities, business methodologies,

strategies and other proprietary information that is shared with and ultimately used for the benefit of other Apollo Clients, including Apollo Clients (other than the Umbrella Vehicle) within Apollo's private equity business segment or in Apollo's credit or real assets business segments. Further, the significance of Apollo's assets under management with respect to its credit and insurance platforms could have a material adverse effect on the ability of the Umbrella Vehicle to take advantage of investment opportunities that might otherwise have been suitable. Although Apollo will endeavor to ensure that such information sharing and use does not prejudice the Umbrella Vehicle or one or more other Apollo Clients, there can be no assurance that such endeavors will be sufficient or successful.

While Apollo currently operates without information barriers among its investment management businesses, Apollo could be required by certain regulations, or decide that it is advisable, to establish information barriers among its investment management businesses. In such event, Apollo's ability to operate as an integrated investment management business would be impaired, which would limit the Investment Manager's access to certain Apollo personnel and information and could adversely impact its ability to manage the Umbrella Vehicle's investments. The establishment of such information barriers could also lead to operational disruptions and result in restructuring costs, including costs related to hiring additional personnel as existing investment professionals are allocated to either side of such barriers, which could adversely affect Apollo's business and the Umbrella Vehicle.

*Data.* Apollo receives or obtains various kinds of data and information from the Umbrella Vehicle, other Apollo Clients and their Portfolio Investments, including data and information relating to business operations, trends, budgets, customers and other metrics, some of which is sometimes referred to as "big data." Apollo can be expected to be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of its access to (and rights regarding) this data and information from the Umbrella Vehicle, other Apollo Clients and their Portfolio Investments. Apollo has entered and will continue to enter into information sharing and use arrangements which will give Apollo access to (and rights regarding) data that it would not otherwise obtain in the ordinary course, with the Umbrella Vehicle, other Apollo Clients and their Portfolio Investments, related parties and Service Providers. Although Apollo believes that these activities improve Apollo's investment management activities on behalf of the Umbrella Vehicle and other Apollo Clients, information obtained from the Umbrella Vehicle and its Portfolio Investments also provides material benefits to Apollo or other Apollo Clients without compensation or other benefit accruing to the Umbrella Vehicle or its Investors. For example, information from a Portfolio Investment owned by the Umbrella Vehicle can be expected to enable Apollo to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for Apollo and other Apollo Clients that do not own an interest in the Portfolio Investment, without compensation or benefit to the Umbrella Vehicle or its Portfolio Investments.

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material non-public information, Apollo is generally free to use data and information from the Umbrella Vehicle's activities to assist in the pursuit of Apollo's various other activities, including to trade for the benefit of Apollo or another Apollo Client. Any confidentiality obligations in this Prospectus do not limit Apollo's ability to do so. For example, Apollo's ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a Portfolio Investment in the same or related industry. Such trading is expected to provide a material benefit to Apollo without compensation or other benefit to the Umbrella Vehicle or its Investors.

The sharing and use of "big data" and other information presents potential conflicts of interest and the Investors acknowledge and agree that any benefits received by Apollo or its personnel (including fees (in cash or in-kind), costs and expenses) will not be subject to fund fee offset provisions or otherwise shared with the Umbrella Vehicle or its Investors. As a result, the Investment Manager has an incentive to pursue Portfolio Investments that have data and information that can be utilized in a manner that benefits Apollo or other Apollo Clients.

*Management Team.* Apollo and its personnel will have conflicts of interest in allocating their time and services among Apollo Clients, other business activities of Apollo and personal investment activities. The Investment Manager's personnel will work on other projects, including

other Apollo Clients and Apollo's other existing and potential business activities. Apollo's personnel also will participate in the management of the investment activities of other Apollo Clients concurrently with their obligations to the Umbrella Vehicle. In general, certain key persons are also senior leaders of Apollo and its other business units and have material responsibilities other than devotion of time to the Umbrella Vehicle. In certain circumstances, it is possible that the investments held by such Apollo Clients will be in competition with those of the Umbrella Vehicle. None of the Investors will have an interest in investments made by such other Apollo Clients solely by reason of their investment in the Umbrella Vehicle.

Employees of Apollo may, from time to time, serve as directors or as board observers with respect to portfolio companies or other operating entities, the securities of which are purchased on behalf of Apollo Clients. In the event that Apollo (i) obtains material non-public information in such capacity with respect to any such portfolio company or entity or (ii) is subject to trading restrictions pursuant to the internal policies of such portfolio company or entity, Apollo will be restricted from engaging in transactions with respect to the securities or instruments of such issuer. Such a restriction could have an adverse effect on the Umbrella Vehicle and other Apollo Clients.

Conflicts of interest are expected to arise because Apollo employees (including personnel dedicated to the Umbrella Vehicle) will serve as directors, board observers or management committee members or in a similar capacity, of certain of the Portfolio Companies. In addition to any fiduciary duties Apollo employees owe to the Umbrella Vehicle as directors or management committee members of Portfolio Companies, such employees often owe fiduciary duties to shareholders of such Portfolio Companies, which in many cases are other Apollo Clients, and to persons other than the Umbrella Vehicle. In general, such director or similar positions are often important to the Umbrella Vehicle's investment strategy and often have the effect of enhancing the ability of Apollo to manage investments. However, such positions could also have the effect of impairing the ability of Apollo to sell the related securities when, and upon the terms, it otherwise desires. In addition, such positions can place Apollo employees in a position where they must make a decision that is either not in the best interests of the Umbrella Vehicle or not in the best interests of the shareholders of the Portfolio Companies. Should an Apollo employee make a decision that is not in the best interest of such owners, such decision could subject Apollo and the Umbrella Vehicle to claims that they would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In addition, because of the potential conflicting fiduciary duties, Apollo could be restricted in choosing investments for the Umbrella Vehicle, which could negatively impact returns received by the Umbrella Vehicle.

*Outside Activities of Apollo Personnel and their Related Parties.* Apollo's Chief Executive Officer and certain other Apollo senior personnel have established family offices (each a "**Family Office**" and collectively the "**Family Offices**") to provide investment advisory, accounting, administrative and other services to their respective family accounts (including certain charitable accounts) in connection with their personal investment activities. The investment activities of the Family Offices and the involvement of the Chief Executive Officer and other Apollo senior personnel in these activities give rise to potential conflicts between the personal financial interests of such personnel and the interests of the Umbrella Vehicle or other Apollo Clients. Further, Apollo and its personnel will have conflicts of interest in allocating their time and services among Apollo Clients, other business activities of Apollo and personal investment activities. The Investment Manager's personnel will work on other projects, including other Apollo Clients and Apollo's other existing and potential business activities. In addition, Apollo's personnel will participate in the management of the investment activities of other Apollo Clients concurrently with their obligations to the Umbrella Vehicle. In certain circumstances, it is possible that the investments held by such Apollo Clients will be in competition with those of the Umbrella Vehicle. Interests could conflict, for example, if one of the Family Offices holds debt obligations or securities in a portfolio investment in which the Umbrella Vehicle or another Apollo Client owns equity or subordinated debt. Such investments in different parts of a company's capital structure present potential conflicts of interest when the company is, for example, experiencing financial distress. None of the Investors will have an interest in investments made by such other Apollo Clients solely by reason of their investment in the Umbrella Vehicle. has adopted certain procedures designed to seek to mitigate certain of these potential conflicts of interest but there can be no assurances that such procedures reduce or eliminate such conflicts of interest. Also, Apollo personnel are

generally permitted to invest in alternative investment funds, private equity funds, real estate funds, hedge funds and other investment vehicles, as well as securities of other companies, some of which will be competitors of the Umbrella Vehicle. Further, there could be circumstances where such relationships and investments generate opportunities for Umbrella Vehicle and vice versa and such Family Offices could co-invest with Apollo Clients. Investors will not receive any benefit from any such investments, and the financial incentives of Apollo personnel in such other investments could be greater than their financial incentives in relation to Umbrella Vehicle.

Additionally, certain personnel and other professionals of Apollo have family members or relatives that are actively involved in industries and sectors in which Umbrella Vehicle invests or have business, personal, financial or other relationships with companies in such industries and sectors (including the advisors and service providers described herein) or other industries, which gives rise to potential or actual conflicts of interest. For example, such family members or relatives might be officers, directors, personnel or owners of companies or assets which are actual or potential investments of Umbrella Vehicle or other counterparties of Umbrella Vehicle and its portfolio companies and/or assets. Moreover, in certain instances, Umbrella Vehicle or its portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. In most such circumstances, Umbrella Vehicle will not be precluded from undertaking any of these investment activities or transactions. To the extent Apollo determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the Apollo. The Investors rely on Apollo to manage these conflicts, in its discretion.

*Other Benefits.* Apollo, its Affiliates and their personnel and related parties will receive intangible and other benefits, discounts and perquisites arising or resulting from their activities on behalf of the Umbrella Vehicle, which will not offset or reduce Management Fees or otherwise be shared with the Umbrella Vehicle, its Portfolio Investments or the Investors. For example, airline travel or hotel stays will result in "miles" or "points" or credit in loyalty or status programs, and such benefits will, whether or not de minimis or difficult to value, inure exclusively to the benefit of Apollo, its Affiliates or their personnel or related parties receiving them, even though the cost of the underlying service is borne by the Umbrella Vehicle as an Operating Expense or by its Portfolio Investments. Similarly, Apollo, its Affiliates and their personnel and related parties, and third parties designated by the foregoing, also receive discounts on products and services provided by Portfolio Investments and customers or suppliers of such Portfolio Investments, which will not be shared with the Umbrella Vehicle or the Investors.

*Global Distribution.* The global distributor for the Umbrella Vehicle is the Global Distributor. The Global Distributor may delegate certain distribution services to the Sub-Distributors. Any material adverse change to the ability of the Global Distributor or the Sub-Distributors to build and maintain a network of licensed securities broker-dealers and other agents could have a material adverse effect on the Umbrella Vehicle's business and the offering. If the Global Distributor or the Sub-Distributor are unable to build and maintain a sufficient network of participating broker-dealers or other distributors to distribute Shares in the offering, the Umbrella Vehicle's ability to raise proceeds through the offering and implement the Umbrella Vehicle's investment strategy may be adversely affected. In addition, the Global Distributor currently serves, and Sub-Distributors may serve, as dealer manager for other issuers. As a result, the Global Distributor and such Sub-Distributors may experience conflicts of interest in allocating their time between the offering and such other issuers, which could adversely affect the Umbrella Vehicle's ability to raise proceeds through the offering and implement the Umbrella Vehicle's investment strategy. Further, the participating broker-dealers or Sub-Distributors retained by the Global Distributor may have numerous competing investment products, some with similar or identical investment strategies and areas of focus as the Umbrella Vehicle, which they may elect to emphasize to their retail clients.

*Affiliated Service Providers.* The Umbrella Vehicle and/or its existing and potential Portfolio Investments will engage Affiliates and portfolio companies of Apollo and Apollo Clients (collectively, "**Affiliated Service Providers**"), which could include, for this purpose, Portfolio Investments and/or portfolio companies of Apollo, the Athene Group, the Athora Group or other Apollo Clients, to perform certain services or engage in financial transactions, including those

described herein, and vice versa. For example, an insurance company owned by an Apollo Client and its parallel vehicles and/or alternative investment vehicles, could provide insurance products and services to the Umbrella Vehicle or one or more of its Portfolio Investments. Affiliated Service Providers receive compensation based on, among other things, the performance of the Portfolio Investments that they service or the investments that they identify. Therefore, it is possible that certain Affiliated Service Providers may receive incentive compensation from the Umbrella Vehicle or a Portfolio Investment, separate from any performance fee or carried interest borne by Investors and even if the Umbrella Vehicle, as a whole, has not performed such that carried interest or performance fee would be due at the time. Such compensation arrangements may create an incentive to make investments or investment decisions that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because performance-based compensation received by Affiliated Service Providers may be calculated on a basis that includes unrealized appreciation of the Umbrella Vehicle's Portfolio Investments, such performance-based compensation may be greater than if such compensation were based solely on realized gains. Certain of such Affiliated Service Providers and the types of services they provide and the activities in which they engage are described below. Apollo, in its sole discretion, will determine the compensation to be paid to any such Affiliated Service Provider, and, while the Board of Directors will seek to ensure that such compensation will be consistent with market terms or that a third party would not have provided the same services at more favorable rates. There is no guarantee that this will be the case. Further, no two services that may be provided by Affiliated Service Providers or third parties are identical, and for services that could be customized, variation on terms associated with such services (including price) could be significant. As such, any "market terms" that Apollo determines, in its sole discretion to be a relevant comparison to services that could be provided by Affiliated Service Providers could take into account, among other factors deemed by Apollo to be relevant, prior experience, quality accessibility of the relevant service and ability to customize the services. However, it could be the case that Apollo determines that the services to be provided by Affiliated Service Providers are unique and there are no relevant or a limited set of market comparisons. These determinations (like many others) that are made by Apollo are subjective, and Apollo will face a conflict of interest in making them. The relationship between Apollo and such Affiliated Service Provider, including AGS or AGF, will give rise to conflicts of interest between Apollo and the Affiliated Service Provider, on the one hand, and Apollo Clients (including the Umbrella Vehicle) to or with respect to whom such Affiliated Service Provider provides services, or in respect of the Apollo Clients (including the Umbrella Vehicle) that have an interest in any potential or existing Portfolio Investment or portfolio investment to or with respect to which any such Affiliated Service Provider provides services, on the other hand. In particular, Apollo, through its interest in any Affiliated Service Provider engaged by the Umbrella Vehicle or a portfolio company, will be subject to conflicts of interest as between its economic interest in such Affiliated Service Provider and its obligations to the Umbrella Vehicle or such portfolio company. Certain Apollo professionals and other persons (including persons associated with AGS or AGF (as defined herein)) that are involved in providing origination, sourcing, portfolio management, syndication or other services to the Umbrella Vehicle or its Portfolio Investments on behalf of Apollo (including Apollo investment professionals dedicated to, among other things, the Umbrella Vehicle) will also be involved in the business and operations of Affiliated Service Providers, including the activities of AGS and AGF described below. The fees earned by Affiliated Service Providers in respect of services provided by such persons in respect of Affiliated Service Providers are Other Fees (as defined below) and therefore, will not reduce any management fees payable by any Apollo Client (including the Umbrella Vehicle). Such management persons will face conflicts of interest in dedicating time and resources to the Umbrella Vehicle, which could have a detrimental effect on the Umbrella Vehicle's performance. In addition, Portfolio Investments of the Umbrella Vehicle are expected to engage Affiliated Service Providers, including AGS or AGF, to provide services, which gives rise to potential conflicts of interest in respect of the selection of the Affiliated Service Provider. Such engagements could create a perception that Apollo has sought to influence the decision by a portfolio investment's management to retain an Affiliated Service Provider or otherwise transact with an Affiliated Service Provider, instead of other Service Providers or counterparties that are more appropriate or offer better terms. However, Apollo seeks to address these conflicts of interest seeking to ensure that such conflicts are identified and resolved under Apollo's policies and procedures. In addition, an Affiliated Service Provider can also provide services, including for compensation, to third parties (including Portfolio Investments, as described below), including third parties that are competitors of Apollo or one or more of its Affiliates, Apollo Clients or their existing or potential

Portfolio Investments or portfolio investments. In such cases, the Affiliated Service Provider will generally not take into consideration the interests of the Umbrella Vehicle or its Portfolio Investments, but rather will take into account its own interests. An Affiliated Service Provider also can come into possession of information that it – and potentially, therefore, Apollo and the Umbrella Vehicle - is prohibited from acting on as a result of applicable confidentiality requirements or applicable law, even though such action or disclosure would be in the interest of the Umbrella Vehicle See "*Information Barriers*" above.

Further, conflicts of interest will arise in connection with an Affiliated Service Provider's provision of services to or in respect of an Apollo Client or an existing or potential Portfolio Investment or portfolio investment on account of, among other things, (i) Apollo, together with the Affiliated Service Provider, viewing the relevant Apollo Client or potential or existing Portfolio Investment or portfolio investment as a source of revenue (which would in most instances not result in a reduction of management fees payable by the applicable Apollo Client), (ii) an existing or potential Portfolio Investment or portfolio investment engaging an Affiliated Service Provider in an effort to obtain equity, debt or other forms of financing or investment by Apollo Clients (including the Umbrella Vehicle), including in connection with services provided or to be provided by an Affiliated Service Provider in respect of a class, tranche or series within such company's capital structure (or such company's capital structure as a whole) in which such Apollo Client(s) are not invested or are not expected to invest (and in such circumstance such Apollo Clients are invested or are expected to invested in a different class, tranche or series within such company's capital structure), (iii) the sourcing and approval of potential investments by the Umbrella Vehicle that result in incremental revenue to such Affiliated Service Provider (including in circumstances where such revenue would not have existed but for a potential or existing Portfolio Investment's or portfolio investment's engagement of such Affiliated Service Provider), including as a means to facilitate the engagement of such Affiliated Service Provider by any such company or investment in connection with a contemporaneous investment in such company or investment by an Apollo Client (including the Umbrella Vehicle), (iv) Apollo compensation arrangements with respect to such revenue and (v) the allocation of a given investment opportunity, including the under- or over-commitment of certain Apollo Clients, and/or the inclusion or exclusion of certain Apollo Clients (in whole or in part) from such investment opportunity, as a means to ensure the payment of such revenue. An Affiliated Service Provider also can come into possession of information that it is prohibited from acting on or disclosing (including on behalf of the Umbrella Vehicle) as a result of applicable confidentiality requirements or applicable law, even though such action or disclosure would be in the best interest of the Umbrella Vehicle or a Portfolio Investment. See also "*Information Barriers*" above.

*AGS and AGF.* AGS, an Affiliate of Apollo, which is a broker-dealer registered with the SEC and a member of FINRA, is authorized to perform, among other things, the following services: (i) underwriting firm commitment and best efforts offerings on a referral basis; (ii) the resale of securities pursuant to Rule 144A under the Securities Act, on a referral basis; (iii) merger and acquisition transactions and corporate finance advisory services; (iv) marketing of private funds (affiliated and unaffiliated alternative investment vehicles such as private equity funds, hedge funds and real estate funds, including solicitation activities to qualified purchasers as defined in the Investment Company Act); (v) private placement of securities; (vi) non-exchange member arranging for transactions in listed securities by an exchange member, on a referral basis; (vii) trading securities for its own account; (viii) broker or dealer selling interests in mortgages, receivables or other asset-backed securities on a referral basis; and (ix) broker or dealer selling corporate debt securities on a referral basis. In the future, AGS could expand the scope of services that it provides and for which it receives fees or other compensation from Apollo Clients and their portfolio companies. AGS's private placement services include placement of Apollo Clients, and its underwriting services include syndicating transactions for existing and potential portfolio investments of Apollo Clients. AGS's underwriting services are provided to existing and potential portfolio investments of Apollo Clients and existing and potential Portfolio Investment. Where AGS or AGF serves as underwriter with respect to a Portfolio Investment's securities, the Umbrella Vehicle will generally be subject to a "lock-up" period following the offering under applicable regulations or agreements during which time its ability to sell any securities that it continues to hold is restricted. This could prejudice the Umbrella Vehicle's ability to dispose of such securities at an opportune time.

Apollo Global Funding, LLC ("**AGF**") is a subsidiary of Apollo and an Affiliate of AGS, and provides a variety of services with respect to financial instruments that are not subject to broker-dealer regulations, such as arranging, structuring and syndicating loans and providing debt advisory and other similar services. The services provided by AGS and AGF have become increasingly prevalent and are expected to expand beyond the scope of the foregoing, given changes in the regulatory environment for banks following the GFC, and the rise in capital solutions or similar transactions that are directly sourced or originated by Apollo, without the use of traditional, third party financial intermediaries. While Apollo believes these kinds of transactions are beneficial to Apollo Clients, including the Umbrella Vehicle, the functions that AGS and AGF perform give rise to a number of conflicts of interest.

AGS and AGF are expected to, from time to time, expand the services that they perform and the activities in which they engage. In addition, Apollo could in the future develop new businesses, such as providing investment banking, advisory and other services to corporations, financial sponsors, management or other persons. Any such services could relate to transactions that could give rise to investment opportunities that are suitable for the Umbrella Vehicle or, alternatively, that preclude investment opportunities for the Umbrella Vehicle. In such case, the relevant client would typically require Apollo to act exclusively on its behalf, thereby precluding the Umbrella Vehicle from participating in such investment opportunities. Apollo would not be obligated to decline any such engagements in order to make an investment opportunity available to the Umbrella Vehicle. It is also possible that Apollo will come into the possession of information through these new businesses that limits the Umbrella Vehicle's ability to engage in potential transactions. AGF or AGS, as applicable, will be engaged, either by the Portfolio Investment or issuer of a portfolio investment or, alternatively, by the participating Apollo Clients (including, in certain circumstances, the Umbrella Vehicle) to provide services, and arrangements are generally made for AGF or AGS, as applicable, to receive its fees directly from the Portfolio Investment or issuer for services rendered (however, if such person will not pay or reimburse such fees, the participating Apollo Clients will pay or bear such fees). Subject to the requirements of the Articles and/or the applicable Sub-Fund Supplement(s), the provision of services by AGS or AGF, whether to the Umbrella Vehicle (and other Apollo Clients) or existing or potential Portfolio Investments, will not generally require the review by, or consent of, the Investors or any other independent party. In addition, unless otherwise determined by the Board of Directors, in its discretion, fees received by AGS or AGF that are not Special Fees and are Other Fees do not reduce any management fees paid by the Umbrella Vehicle and all or a portion of such fees will be retained by, and be for the benefit of, AGS, AGF or any of their respective Affiliates or employees in accordance with the fee arrangements set forth in the Articles. AGS's syndication services include, among other things, identifying potential third-party investors (including potential Co-Investors, syndication participants and/or financing counterparties), assisting in structuring the transaction so that it will be more marketable to third-party investors and/or financing counterparties, preparing marketing materials, performing outreach, executing on a syndication and sell-down strategy, and arranging financing and providing post-closing support to Apollo Clients. These services could be required (and AGS or AGF, as applicable, will be compensated for providing them) even in situations where ultimately there is no allocation, syndication or sell-down to third-party investors or financing (for example, when it is unclear at the outset of negotiating a transaction whether Apollo Clients have sufficient internal capacity (or demand) to provide the full amount of the financing sought by the counterparty).

AGS's syndication services include, among other things, identifying potential third party investors, preparing marketing materials, performing outreach, executing on a syndication and sell-down strategy, and providing ongoing post-closing support to Apollo Clients. Generally, AGS's role in a syndication of securities is that of a co-manager and not as lead underwriter; but it could serve in such capacity from time to time, including with respect to Portfolio Investments of the Umbrella Vehicle, which could have an adverse effect on the Umbrella Vehicle. AGS can also act as a broker or dealer reselling corporate debt or equity securities to an Apollo Client under Rule 144A under the Securities Act or otherwise assist in structuring or facilitating the initial resales of debt or equity securities under Rule 144A under the Securities Act. To the extent AGS or AGF is engaged by a Portfolio Investment or issuer, as applicable, and one or more Apollo Clients (including, in certain circumstances, the Umbrella Vehicle) expects to or does participate in the investment opportunity, Apollo will face actual or potential conflicts of interest, in particular if AGS or AGF, as applicable, is engaged by a third party (such as a Portfolio Investment). Such



conflicts include: (1) whether the AGS/AGF engagement, including amount of fees to be paid, is on terms that are not materially less favorable than terms that could be obtained from a third party with commensurate skill, expertise or experience (to the extent applicable), (2) the Portfolio Investment viewing the total amount of fees and interest paid for or in connection with the financing (or similar instrument) as one overall category of remuneration, whether payable to AGS or AGF, as a Service Provider, or the Apollo Clients (including the Umbrella Vehicle), and therefore does not seek to negotiate the quantum of fees to be paid to AGS or AGF, as applicable, which could result in reduced fees or other compensation and/or less attractive investment terms for the Umbrella Vehicle, (3) an incentive to pursue investment opportunities with greater fee opportunities for AGS or AGF, as applicable, whether as a percentage of the investment size or absolute Euro amount, which could adversely impact the sourcing, diligence and approval process by the Investment Manager for the Umbrella Vehicle, or (4) the under- or over-commitment of certain Apollo Clients, and/or the inclusion or exclusion (in whole or in part) of certain Apollo Clients from such investment opportunity, as a means to ensure the payment of such revenue. In addition, AGS or AGF could, as a consequence of its activities, hold positions in instruments and securities issued by the Umbrella Vehicle's portfolio companies, enter into obligations to acquire such instruments or securities, and engage in transactions that could be appropriate investments for Umbrella Vehicle. Moreover, in circumstances where a portfolio company becomes distressed and the participants in an offering undertaken by such portfolio company have a valid claim against the underwriter, the Umbrella Vehicle would have a conflict in determining whether to commence litigation or other proceedings against AGS or AGF. In circumstances where a non-affiliate broker-dealer has underwritten an offering, the issuer of which becomes distressed, the Umbrella Vehicle will also have a conflict in determining whether to bring a claim on the basis of concerns regarding Apollo's relationship with the broker-dealer.

Apollo maintains policies and procedures designed to address and to seek to mitigate these conflicts. These policies and procedures include: (i) making commercially reasonable efforts to use separate teams for each investment opportunity (i.e., one team provides services on behalf of the Board of Directors and the Investment Manager (the "**MC Team**"), while a second, separate team provides services on behalf of AGS or AGF, as applicable (the "**ASP Team**")), (ii) identifying the separate services provided by the MC and ASP Teams in order to seek to ensure that the services provided by each team are readily distinguishable from each other, (iii) ensuring that the services provided by the ASP Team are "additive" to the services performed by the MC Team and are reasonably viewed as services not customarily provided by investment managers of private funds, (iv) maintaining contemporaneous records identifying the specific services provided by the ASP Team (including scope of services provided), (v) maintaining current market comparisons to substantiate and benchmark fees, including, if viewed as desirable and feasible, engaging third parties to provide and update fee studies (with the cost of obtaining and maintaining such studies generally to be borne by Apollo Clients (including the Umbrella Vehicle)), (vi) a group of Apollo employees, including non-investment professionals, reviewing and determining whether to approve each AGS/AGF engagement (including the quantum of the proposed fees), (vii) allocating expenses between the MC and ASP Teams in a manner that Apollo deems to be fair and equitable, (viii) determining compensation arrangements for each team, (however no assurance can be given that compensation of MC Team members is not tied to any fees earned by AGS or AGF, as applicable, including fees for services with respect to existing or potential Portfolio Investments), (ix) seeking to sell-down and syndicate at or soon after consummation and funding an investment a "non-de-minimis" portion of the investment, third-party investors who agree to participate at the same price and terms as the Umbrella Vehicle, including agreeing to the fee arrangements with AGS or AGF, as applicable and (x) considering whether to consult with separate legal or other advisors for each team in connection with a particular investment or transaction. Notwithstanding the foregoing, Apollo is not obligated to take any or all of the preceding actions in any particular circumstance, and could take only one or a few of such actions, or other actions not specified herein, or none of the foregoing, on a case-by-case basis as it deems appropriate in its discretion.

The MC Team and the ASP Team will face potentially conflicting interests in providing their respective services to the Umbrella Vehicle. While the MC Team provides its services on behalf of the Board of Directors and the Investment Manager, the ASP Team provides its services on behalf of AGS, AGF and other Affiliated Service Providers. The compensation arrangements of the ASP Team could be tied to the amount of fees earned by AGS or AGF, while the

compensation of the MC Team could be determined in a different manner. Such different compensation arrangements, and, more generally, the different composition and functions of the MC Team and ASP Team, could impact the performance of, and dedication of resources provided by, Apollo as a whole.

While not expected to materially adversely impact the Umbrella Vehicle in a direct manner, the involvement of AGS or AGF, as applicable, in an investment opportunity could give rise to various actual or apparent conflicts for other Apollo Clients, including (i) causing a lending-related investment opportunity to be treated as an Affiliate loan origination (from a tax perspective) and thereby restricting the ability of certain types of Apollo Clients to participate, (ii) seeking to avoid allocation of these investment opportunities to Apollo Clients where investor consents and/or management fee offsets are required and (iii) potential screening bias against potential investment opportunities that do not include an AGS/AGF fee component.

To the extent investment opportunities for the Umbrella Vehicle arise outside of the U.S., including opportunities in Europe, the Board of Directors and the Investment Manager will be permitted to structure such opportunities in a manner that takes into account the engagement of an Affiliated Service Provider to provide services and earn fees in a manner consistent with the AGS/AGF arrangements described above, subject to such adjustments as determined by Apollo, in its discretion.

*ISGI.* In connection with current and potential investments in European financial companies (such as banks and insurance companies) by, among other persons and entities, Apollo Clients, Apollo established Apollo Asset Management Europe LLP and Apollo Asset Management Europe PC LLP, which are collectively referred to herein as Apollo Insurance Solutions Group International ("**ISGI**"). ISGI is a centralized investment and risk management capability developed to seek a scalable asset allocation solution for regulated insurance company balance sheets in Europe. Apollo, Apollo Clients or their respective portfolio companies have engaged, and will continue to engage, ISGI to provide services, which include, among other things, risk management, trading and allocation of liquid and illiquid credit portfolios, management of outsourced service providers and investment subadvisors, treasury and cash management and asset allocation services. Such engagements are typically entered into pursuant to investment advisory agreements, which generally contain customary terms in funds managed by Apollo Credit (as defined below), including with respect to the payment of management fees and carried interest, and include the ability to engage in cross trades, cross investments and financings with other Apollo Clients and their portfolio companies. Any restrictions in the Umbrella Vehicle's governing documents would not generally apply to any such ISGI engagement, including any engagement of ISGI by a Portfolio Investment. Businesses, such as portfolio companies of Apollo or Apollo Clients, that engage ISGI for the provision of services are referred to herein as "ISGI Clients."

In connection with the performance of services by ISGI, ISGI will recommend the engagement of, or cause ISGI Clients to engage, investment sub-advisors to, among other things, implement and execute the asset allocation solutions developed by ISGI. Such investment sub-advisors may include Apollo Capital Management, L.P. (an Affiliate of the Investment Manager) and its affiliated investment managers (collectively, "**Apollo Credit**"). Any such engagement of investment sub-advisors (including the engagement of Apollo Credit) will be made at an additional cost to the fees, costs and expenses charged by ISGI. In addition, ISGI, together with Apollo Credit, sources, originates, structures and arranges bilateral loans (senior, mezzanine or unitranche) for ISGI Clients, as well as other Apollo Clients, including Apollo Clients managed or advised by Apollo Credit. See also "*Affiliated Loan Origination and/or Servicing Businesses; MidCap*" below. Additionally, ISGI Clients could invest in one or more of Apollo, Apollo Clients and their respective portfolio companies (which could include the Umbrella Vehicle and its investments) and will accordingly bear the fees, expenses and incentive compensation applicable in connection with any such investment, as well as provide financing to the portfolio company and portfolio investment of Apollo or Apollo Clients (including the Umbrella Vehicle). To the extent that an ISGI Client is affiliated with Apollo, such ISGI Client's investment in an Apollo Client (including the Umbrella Vehicle), will, unless Apollo otherwise determines, be counted toward the sponsor commitment requirement in the applicable Apollo Client.

While the Umbrella Vehicle Portfolio Investments will not invest in the Umbrella Vehicle in particular, other investments by an ISGI Client in an Apollo Client (including investments by Portfolio Investments in Apollo Clients other than the Umbrella Vehicle and investments by portfolio companies of Apollo, other Apollo Clients or other ISGI Clients in the Umbrella Vehicle) will not require any approval of the Umbrella Vehicle and the term of the investment will be governed by the underlying fund's governing documents.

ISGI and Apollo Credit are entitled to compensation from ISGI Clients (including expense reimbursement), which ISGI Clients may include the Umbrella Vehicle or its Portfolio Investments, in exchange for the services identified above. Such fees, compensation or expense reimbursements received by ISGI or Apollo Credit (including from the Umbrella Vehicle or any of its Portfolio Investments) will generally (unless otherwise specified in the relevant Sub-Fund Supplement) be treated as Other Fees and not Special Fees, and, therefore, will not generally reduce Management Fees paid by the Umbrella Vehicle and will generally be retained by, and be for the benefit of, ISGI, Apollo Credit or any of their respective Affiliates or employees, as applicable. The provision of services by ISGI, Apollo Credit or any other similar affiliated business to the Umbrella Vehicle or Portfolio Investments will not require the review by or consent of the Investors or any other independent party, except as may otherwise be provided in the Articles and/or the applicable Sub-Fund Supplement(s). In addition, ISGI Clients that are themselves portfolio companies could invest in securities or other assets that are owned by other ISGI Clients or Apollo Clients, and, as such, cross trades could occur from time to time, including in connection with the disposition of a Portfolio Company, which could have an adverse effect on the consideration received by the Umbrella Vehicle in connection with such disposition.

*Affiliated Loan Origination and/or Servicing Businesses; MidCap.* Certain Apollo Affiliates (such as AGF), Apollo Clients or their existing or potential portfolio investments are engaged in the loan origination and/or servicing businesses. For example, loans, such as term loans and revolvers originated by Apollo Affiliates, Apollo Clients and/or their respective portfolio investments, could involve the appointment of related parties of Apollo, its Affiliates, Apollo Clients, their respective portfolio companies or Affiliated Service Providers. One such service provider is MidCap Financial Services, LLC (together with its subsidiaries, "**MidCap**"), a subsidiary of MidCap FinCo Designated Activity Company, an Apollo Client. MidCap is a middle market-focused specialty finance firm that provides senior debt solutions to companies across a wide range of industries and has the ability to, from time to time, provide seller or other forms of financing to a buyer of an existing Portfolio Investment that, for example, would be contingent upon the disposition of such Portfolio Investment to such buyer. In connection with such activities, conflicts of interest often arise with respect to, among other things, the role of MidCap, AGF or any other service provider engaged in the loan origination and/or servicing businesses in such transaction, the information available to MidCap or AGF with respect to such transaction and the fees and other terms (including as to whether such terms are at the market rate) on which such person is participating in such transaction. The Umbrella Vehicle can (subject to the terms of the Fund Documents) acquire loans originated, structured, arranged and/or placed or arranged by MidCap, AGF or any other related-party loan origination or servicing businesses, including Apollo Affiliates, Apollo Clients and their respective portfolio companies and Affiliated Service Providers. To the extent the Investment Manager makes a determination that the permanent hold of an investment should be reduced from the original amount funded, MidCap, AGF or another Affiliated Service Provider could be engaged by the Apollo Client (including the Umbrella Vehicle) or the Portfolio Investment to provide syndication services and receive a fee for the provision of such services from the Apollo Client or Umbrella Vehicle to the Portfolio Investment; however, it is possible that the Portfolio Investment does not pay for its expenses, in which case such expenses will be borne by the Apollo Client as an operating expense. In connection with their lending activities, MidCap, AGF or any other such loan origination or servicing businesses or other applicable person will receive certain fees and services or other compensation, including arranger, brokerage, placement, syndication, solicitation, underwriting, agency, origination, sourcing, structuring, collateral management or loan administration, advisory, commitment, facility, float or other fees, discounts, spreads, commissions, concessions and other fees received as part of such loan origination or servicing businesses, from the borrower or otherwise, and will also receive reimbursement for costs or expenses from the borrower. Such fees can be charged on a cost reimbursement, cost-plus or other basis. Such fees, compensation or expense reimbursements received by the relevant person or business (including from the Umbrella Vehicle or any of its Portfolio Investments) will generally (unless otherwise specified in the relevant Sub-

Fund Supplement) be treated as Other Fees and not as Special Fees, and, therefore, will not generally reduce Management Fees paid by the Umbrella Vehicle and will generally be retained by, and be for the benefit of, the relevant person or any of their respective Affiliates or employees, as applicable, in each case, in accordance with the fee arrangements set forth in the Articles. The provision of services by any such person or business to the Umbrella Vehicle or Portfolio Investments will not require the review by, or consent of, the Investors or any other independent party, except as otherwise provided in the Articles and/or the applicable Sub-Fund Supplement(s).

In addition to the specific examples set forth above, the aforementioned and other Affiliated Service Providers may provide the aforementioned services or other services to Apollo Clients and/or their existing or potential portfolio investments (including the Umbrella Vehicle and its existing and potential Portfolio Investments). An Affiliated Service Provider can, from time to time, as stated elsewhere herein, participate in underwriting syndicates and/or selling groups with respect to the equity and debt instruments issued or acquired by Apollo Clients or their existing or potential portfolio investments and other entities in or through which Apollo Clients or their existing or potential portfolio investments invest, or in connection with an Apollo Client's disposition of all or a portion of a portfolio investment to a third party such that an Affiliated Service Provider may facilitate or provide seller financing in connection with such disposition. Any such other Affiliated Service Provider will receive fees, other compensation or reimbursements for costs or expenses in connection with providing services to Apollo Clients or their existing or potential portfolio investments or third parties, including the Umbrella Vehicle and its Portfolio Investments. Such fees, compensation or reimbursements received by an Affiliated Service Provider (including from the Umbrella Vehicle or any of its existing and potential Portfolio Investments) will (unless otherwise specified in the relevant Sub-Fund Supplement) generally be Other Fees and not Special Fees, and, therefore, will not reduce Management Fees paid by the Umbrella Vehicle and will be retained by and be for the benefit of the applicable Affiliated Service Providers or any of their respective Affiliates or employees.

*Fees Paid to Affiliated Service Providers.* If, under an agreement between the Umbrella Vehicle or a Portfolio Investment, on the one hand, and an Affiliated Service Provider, on the other hand, the Affiliated Service Provider is engaged in activities or services on behalf of the Umbrella Vehicle and/or one or more Portfolio Investments on a for-profit basis, as determined by the Investment Manager in good faith, the applicable fees will be determined on a case-by-case basis. In determining fees, Apollo could seek to evaluate what comparable service providers who are engaged in the same or substantially similar activities as the Affiliated Service Provider charge in the ordinary course for similar services at the time of determination. While Apollo will determine in good faith what rates it believes are customary for such services at such time, there will be variances in the marketplace based on an array of factors that affect service providers and the prices of their services, including pricing strategies or other marketing practices, integration efficiencies, geographic market differences and the quality of the services provided. Apollo will make a good faith determination as to what it believes to be the market rate at such time, and will base its determination on several factors, including market knowledge, prices charged by competitors, prices charged by an Affiliated Service Provider to a third party, a third-party valuation agent or other subjective and objective metrics. See also "*Fees Paid to Other Service Providers*" below. While the Board of Directors will generally seek to obtain benchmarking data regarding the rates charged or quoted by third parties for similar services, it is possible that appropriate comparisons are not available for a number of reasons, including, for example, a lack of a substantial market of providers or users of such services or the confidential and/or bespoke nature of such services. Accordingly, any such market comparison efforts by the Board of Directors could result in inaccurate information regarding market terms for comparable services. Expenses to obtain benchmarking data will be borne by the relevant portfolio company (and indirectly by Apollo Clients and/or parties participating in the relevant transactions, including the Umbrella Vehicle) or directly by the Umbrella Vehicle and/or such other Apollo Clients that invest and/or other parties.

The Investment Manager will conduct an analysis similar to that described in the previous paragraph when determining a "market rate", as described in this Prospectus, and the same or similar conflicts will apply to such analysis as discussed above.

*Apollo Employees of Portfolio Investments or Affiliated Service Providers.* Where Affiliated Service Providers or Apollo employees are hired or retained by one or more Portfolio Investments

or by an Affiliated Service Provider on behalf of a Portfolio Investment, any related compensation will be paid, reimbursed or otherwise borne by the applicable Portfolio Investment (or Affiliated Service Provider), and a portion of the overhead related to such employee may also be allocated to such Portfolio Investment. For the avoidance of doubt, Apollo or the Affiliated Service Provider may subcontract with third parties for the provision of services that may otherwise be provided by an operating Affiliate. In addition, the Umbrella Vehicle may acquire a Portfolio Investment that is externally or internally managed and replace such management with an Affiliate of Apollo, a team of professionals (from within or outside of Apollo) or a combination of the foregoing, in which case, for the avoidance of doubt, the compensation for such services or professionals will be borne by the Portfolio Investment. The rate paid for such employees could be in excess of the applicable market rate, and any such amounts will generally (unless otherwise specified in the relevant Sub-Fund Supplement) be treated as Other Fees and not Special Fees, and, therefore, will not generally reduce Management Fees paid by the Umbrella Vehicle and will generally be retained by and be for the benefit of the applicable Affiliated Service Providers or any of their respective Affiliates or employees. These types of arrangements will not require the consent of Investors and such rates will not be subject to approval by any of the foregoing.

*APPS and Other Consultants.* The Umbrella Vehicle bears the payments, fees, costs or expenses of certain services provided by, and allocable overhead of, Apollo Consulting as well as industry executives, advisors, consultants and operating executives contracted or engaged, directly or indirectly, by the Umbrella Vehicle, the Investment Manager, any Portfolio Investment (including with respect to potential portfolio investments of the Umbrella Vehicle) or any Affiliated Service Provider. Certain non-employee industry executives, advisors, consultants and operating executives may be exclusive to Apollo. APPS also facilitates strategic arrangements with, or engagements (including on exclusive or non-exclusive, and on an independent contractor or employment basis) of, any persons that the Board of Directors determines in good faith to be industry executives, advisors, consultants (including operating consultants and sourcing consultants), operating executives, subject matter experts or other persons acting in a similar capacity, to provide consulting, sourcing or other services (collectively, "**Consultants**"). Such services relate to, among other things, due diligence or analysis of industry, geopolitical or other operational issues, and operational improvement initiatives relating to Apollo, the Umbrella Vehicle, Portfolio Investments (including with respect to potential portfolio investments of the Umbrella Vehicle that may or may not be consummated) and other Apollo Clients and their respective portfolio companies or investments. Arrangements for the provision of these services by Consultants are negotiated on an arms'-length basis, can be exclusive to Apollo or non-exclusive, can be on either an independent contractor or an employment basis and in some instances are (and in others are not) facilitated through APPS. To the extent that for legal, tax, accounting, regulatory or similar reasons it is necessary or desirable that the foregoing activities be conducted by, through or with one or more Affiliates of the Investment Manager or other persons other than APPS, such activities will be treated for purposes of this discussion as if they were conducted by APPS. There is an incentive for Apollo to engage or employ such persons and persons performing activities that might otherwise be performed by Apollo-employed investment professionals via APPS (as defined below) (rather than as Apollo-employed investment professionals) so that any compensation paid to such persons (as described more fully below) is an expense of the Umbrella Vehicle or portfolio companies and not Apollo.

Although certain of the personnel providing certain services on behalf of APPS are employees of Apollo, Apollo Clients (including the Umbrella Vehicle) and Portfolio Investments for or in respect of which one or more Consultants provides services will typically pay, or otherwise bear, the payments, fees, costs or expenses of certain services provided by, and allocable overhead and organizational expenses attributable to, APPS, as well as such Consultants' fees, costs and expenses incurred in connection with the engagement of such Consultants, and any other operating expenses associated with such engagement (including with respect to potential portfolio investments of the Umbrella Vehicle that may or may not be consummated), in each case, regardless of whether such Consultants or any other personnel providing the applicable services are employed by or exclusive to Apollo. Such compensation, if any, could be comprised of various types of compensation arrangements, including one or more of the following: (i) a quarterly or annual fee for a specified period of time or through final disposition of the applicable portfolio investment; (ii) a discretionary performance-related bonus; (iii) a fee paid upon acquisition of a portfolio investment sourced by such Consultant; (iv) a disposition fee; (v) a

"promote" or other success-based fee calculated based on the returns of the applicable portfolio investment(s), which could be paid by the applicable joint venture or a portfolio entity owned by the Umbrella Vehicle above such joint venture; (vi) a portion of the profits received by a general partner of another Apollo Client; (vii) grants of equity in one or more of the parent entities of Apollo; (viii) an opportunity to invest in another Apollo Client, or in specific transactions (including the Umbrella Vehicle investments) on a no-fee/no-carry basis; and (ix) any other types of fees, bonuses or other types of compensation not otherwise specified above. Such compensation may be higher than fees charged by industry executives, advisors, consultants or operating executives not employed or contracted by APPS. In all cases, such compensation will be for the benefit of, and attributable to, APPS and will not reduce the carried interest, management fee or other fees payable by the Umbrella Vehicle or any of its investments or otherwise directly or indirectly benefit the Umbrella Vehicle or any of its investors. Additionally, APPS could generate economic and other benefits in connection with the Umbrella Vehicle's investments that are not necessarily for the exclusive account of the Umbrella Vehicle or its Portfolio Investments. The Umbrella Vehicle, the AIFM, the Investment Manager or any Affiliated Service Provider may directly or indirectly engage or contract certain industry executives, advisors, consultants or operating executives for consulting and other services, and the fees, costs and expenses related to such services will be borne by the Umbrella Vehicle.

Apollo also expects that Apollo, Apollo Clients (including the Umbrella Vehicle) and their respective existing and potential portfolio companies will receive support from the Apollo Portfolio Performance Solutions group ("**APPS**"). APPS seeks to provide support to Apollo, Apollo deal teams, Apollo Clients (including the Umbrella Vehicle) and their respective existing and potential portfolio companies across the Apollo platform through facilitating information sharing around areas such as execution, underwriting and resource management. The personnel providing these services on behalf of APPS are generally Consultants, and, as such, Apollo Clients (including the Umbrella Vehicle) and Portfolio Investments for or in respect of which APPS provides services will typically pay, or otherwise bear, the fees, costs and expenses incurred in connection with its engagement of APPS, as well as any other operating expenses associated with such engagement (including overhead and organizational expenses attributable to APPS or to Apollo Consulting in respect thereof).

In addition, Consultants may also receive other forms of compensation from multiple sources, including the Umbrella Vehicle and Portfolio Investments, for services provided for or in respect of the Umbrella Vehicle or Portfolio Investments (for example, fees, reimbursement of expenses or compensation received for serving as its director or in a similar capacity or providing analysis of a potential acquisition or sale), and may, as part of their respective arrangements, also be entitled to invest in Portfolio Investments and/or be awarded "points" entitling them to a portion of any carried interest received from the Portfolio Investment or Portfolio Investments by or with respect to which they are engaged (which will reduce, and not be additive to, Apollo's carried interest with respect thereto). Any fees, compensation or reimbursements received by APPS or any Consultant (including from the Umbrella Vehicle or any of its Portfolio Investments) will generally (unless otherwise specified in the relevant Sub-Fund Supplement) be treated as Other Fees and not Special Fees, and, therefore, will not generally reduce management fees paid by the Umbrella Vehicle and will be retained by, and be for the benefit of, APPS, the applicable Consultant or any of their respective Affiliates or employees.

While the expertise or responsibilities of a Consultant could be or are similar in certain or substantially all respects to those of a full-time Apollo investment professional employed by Apollo or certain functions that might customarily be performed by an investment professional employed by the manager of a private fund, the payments, fees, costs, expenses and other liabilities described above will nonetheless be borne by Apollo Clients or their investments, including the Umbrella Vehicle or Portfolio Investments. Any engagement of the services of APPS or any Consultant by the Umbrella Vehicle or any of its Portfolio Investments will not require the approval of any Investor or any other independent party. Further, any determinations relating to APPS or any Consultant to be engaged by the Umbrella Vehicle or any Portfolio Investment, will, in each case, be made by Apollo in good faith, which includes Apollo being authorized in its sole discretion to determine that certain functions carried out by Consultants will instead be carried out by Apollo employees, or a mix of Consultants and employees, if, for example, it believes that the ability to offer an employment relationship would provide Apollo with greater flexibility in attracting the personnel it desires.

Where a Consultant (including for the avoidance of doubt, Apollo employees) is performing services for the Umbrella Vehicle or its potential or existing Portfolio Investments, Apollo is generally entitled (pursuant to the terms of the Fund Documents) to be reimbursed for the costs of those services, regardless of whether the person providing the service is an Apollo employee or not, and whether or not that function might customarily be performed by a person whose compensation is expected to be borne by the private equity fund's manager and not the private equity fund itself or its portfolio companies.

Further, Apollo Consulting (including APPS) could earn compensation from existing and potential Portfolio Investments in the form of equity (rather than cash), which could result in Apollo Consulting being an equity investor in a Portfolio Investment in which an Apollo Client (including the Umbrella Vehicle or Sub-Fund) is also invested. Any such transaction will not, unless otherwise required by the relevant Sub-Fund Supplement, require the consent of the Board of Directors or Investors, and such compensation will be treated as other fees and be retained by Apollo Consulting. Apollo could be subject to conflicts of interest in connection with the appointment and usage of Apollo Consulting and their respective personnel, including, without limitation, because fees, costs and expenses associated with the engagement of Apollo Consulting are borne by Apollo Clients, whereas the compensation of investment professionals employed by Apollo that are primarily involved in the investment activities of Apollo Clients and their respective portfolio companies could be borne by Apollo.

*Participations; Assignments.* From time to time, the Umbrella Vehicle could offer to other Apollo Clients participations in and/or assignments or sales of securities that the Umbrella Vehicle has originated or purchased. In the event of such an offer to other Apollo Clients, in certain circumstances (such as in a "season and sell" structure) the price of the participation, assignment or sale will not be set by the Board of Directors, the AIFM, the Investment Manager or the Umbrella Vehicle, but rather will be established based on third-party valuations. In determining the target amount to allocate to a particular investment opportunity, the Umbrella Vehicle will take into consideration the fact that it anticipates selling, assigning or offering participations in such investment to third parties and to other Apollo Clients as described above. If the Umbrella Vehicle is not successful in offering such participations, assignments or sales, the Umbrella Vehicle will be forced to hold the portion that it intended to transfer or syndicate, until such time as it can be disposed. This could result in the Umbrella Vehicle being "overweighted" with respect to a particular asset, issuer or company.

*Selection of Service Providers.* As described above, except as may otherwise be provided in the Articles, the Board of Directors, the Investment Manager or one or more of their respective Affiliates could select the Umbrella Vehicle's Service Providers (including Affiliated Service Providers) and their respective existing and potential Portfolio Investments, in each case, for purposes of the provision of services or in connection with financial transactions, and will determine the compensation of such providers without review by or the consent of any Investor or any other independent party. The Umbrella Vehicle, regardless of the relationship to Apollo of the person performing the services, will bear the fees, costs and expenses related to such services. This will create an incentive for the Board of Directors, the Investment Manager or one or more of their respective Affiliates to select an Affiliated Service Provider, or to otherwise select Service Providers based on the potential benefit to Apollo or its Affiliates rather than to the Umbrella Vehicle. For example, the Board of Directors, the Investment Manager or one or more of their respective Affiliates can select Service Providers that use their or their respective Affiliates' premises, for which the Board of Directors, the Investment Manager or one or more of their respective Affiliates could receive Overhead, rent or other fees, costs and expenses in connection with such on-site arrangement. Additionally, a Portfolio Investment of the Umbrella Vehicle may lease space from Apollo, an Affiliated Service Provider or a portfolio investment of another Apollo Client. Furthermore, the Board of Directors, the Investment Manager or one or more of their respective Affiliates can engage the same Service Provider to provide services to the Umbrella Vehicle that also provides services to Apollo or any such Affiliate, which creates a potential conflict of interest to the extent the interests of such parties are not aligned. For example, a law firm can at the same time act as legal counsel to the Umbrella Vehicle, the Board of Directors, the Investment Manager or any of their respective Affiliates.

In addition to the foregoing, and except as otherwise provided under the terms of the Umbrella Vehicle's Articles or the applicable Sub-Fund Supplement(s), the Board of Directors, the

Investment Manager or one or more of their Affiliates could cause the Umbrella Vehicle to enter into joint ventures or other co-investment arrangements, including with employees or Affiliates of, the Board of Directors, the Investment Manager or one or more of their Affiliates (each an "**Affiliated Partner**") in order to source, or facilitate the consummation of, one or more transactions. Such joint venture or co-investment arrangements could result in fees being generated for joint venture or co-investment partners, including Affiliated Partners, by the related transactions and/or fees and expenses being paid to such joint venture or co-investment partners, including Affiliated Partners, by the Umbrella Vehicle. To the extent an Affiliated Partner earns fees, or is entitled to reimbursement of expenses, from the Umbrella Vehicle in respect of a joint venture or other co-investment arrangement, such amounts generally will not offset fees or expenses payable by investors in the Umbrella Vehicle. The Board of Directors, the Investment Manager and their Affiliates can enter into joint ventures and co-investment arrangements, including with Affiliated Partners, without review by or the consent of the Investors or an independent party. This will create an incentive for the Board of Directors, the Investment Manager and their Affiliates to enter into joint ventures and co-investment arrangements with Affiliated Partners based on the benefits to such Affiliated Partners rather than the benefits to the Umbrella Vehicle.

In addition, Apollo personnel will at times hold investments in entities that are or become Service Providers to the Umbrella Vehicle or Portfolio Investments of the Umbrella Vehicle. Although the relevant Apollo personnel might not have control or other influence over the decisions of the relevant Service Provider (including whether to enter into a business arrangement with Apollo or Portfolio Investments of the Umbrella Vehicle), a conflict of interest or the perception thereof could nevertheless arise in engaging the relevant entity as a Service Provider in light of the personal benefits that accrue through the investment they hold in the Service Provider.

The Board of Directors and the Investment Manager and their respective Affiliates address these conflicts of interest by using reasonable diligence to ascertain whether each Service Provider (including law firms) has a quality reputation in the relevant subject matter, taking into account factors such as expertise, operational and regulatory controls, availability and quality of service and the competitiveness of compensation rates in comparison with other Service Providers satisfying Apollo's or its Affiliates' Service Provider selection criteria. In addition, in the event such Service Providers are Affiliates of Apollo (as opposed to third parties), the engagement of such providers must typically comply with any conditions applicable to Affiliate transactions described herein or in the Articles.

Apollo from time to time enters into arrangements with service providers that provide for fee discounts for services rendered to Apollo and its Affiliates. For example, certain law firms retained by Apollo discount their legal fees for certain legal services, such as legal advice in connection with firm operational, compliance and related matters. To the extent such law firms also provide legal services to Apollo, Apollo Clients and Portfolio Investments with respect to such matters, Apollo, such Apollo Clients and Portfolio Investments generally also enjoy the benefit of such fee discount arrangements. Legal services rendered for investment transactions, however, are typically charged to Apollo and Apollo Clients without a discount or at a premium. Legal fees for transactions that are not consummated are also typically charged at a discount. Further, Apollo could maintain programmatic or other arrangements with law firms for services rendered by lawyers that are not employed by Apollo, and the fees accrued in connection therewith will in all instances be borne by the Umbrella Vehicle.

*Operating Partners Generally.* With respect to an operating partner, Apollo generally retains, or otherwise enters into a joint venture arrangement with, such operating partner on an ongoing basis through a consulting or joint venture arrangement involving the payment of annual retainer fees or other forms of compensation. Such operating partner may receive success fees, performance-based compensation and other compensation for assistance provided by such operators in sourcing and diligencing investments for a Sub-Fund and other Apollo Clients. Such annual retainer fees, success fees, performance-based compensation and the other costs of retaining such operating partners may be borne directly by the relevant Sub-Fund as Operating Expenses. Although an operating partner may be providing services on an exclusive basis to Apollo or a Sub-Fund, or may have acquired an interest in such operating partner, members of such operating partner will not be treated as Affiliates of the Umbrella Vehicle or the relevant Sub-Fund for purposes of the Fund Documents. Accordingly, none of the compensation or expenses



described above will be offset against any Management Fee or Performance Fee payable to the Investment Manager in respect of a Sub-Fund. Such operating partners (including operating partners in which the Umbrella Vehicle or Sub-Fund may own an interest) may operate assets on behalf of a Sub-Fund, as well as other Apollo Clients and may also operate assets for third parties.

*Apollo Compensation-Related Conflicts.* The existence of carried interest entitlements and/or a performance fee with respect to certain Sub-Funds (as set out more particularly in their respective supplements) will create an incentive for Apollo to make riskier or more speculative investments on behalf of such Sub-Funds than it might otherwise make in the absence of such performance-based compensation. In particular, the terms of such performance fee entitlement could incentivize Apollo to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors. For example, drawdowns of loans under a subscription line credit facility will usually allow for infrequent or delayed capital calls, which could result in a higher IRR for the relevant Sub-Funds, which could in turn result in an acceleration of carried interest distributions being made to Apollo (or its Affiliate). Further, during any "catch-up" period, Apollo would be heavily incentivized to bring realizations forward and lock in returns (and stop the accrual of the priority return), even though the Investors might achieve a better overall return if the Umbrella Vehicle retained the investment for a longer period of time. As a consequence, conflicts of interest may arise in connection with the Board of Directors' and/or the Investment Manager's investment and related decisions, including regarding the identification, making, management, disposition and, in each case, timing of the Umbrella Vehicle's investments and their disposal. In exercising its discretion over investment and related decisions, the Board of Directors is permitted under the Articles to consider such interests and factors as it desires, including its own interests. As such, there can be no assurance that any such conflict will be resolved in favor of any Investor(s), or in a manner that does not adversely affect the Umbrella Vehicle or the Investors as a whole.

Additionally, the percentage of profits Apollo is entitled to receive and the terms applicable to such carried interest distributions or performance fee entitlement vary among Apollo Clients (as could the carried interest rates borne by Investors in the Umbrella Vehicle). Because the opportunity to receive performance incentive payments is based on the success of portfolio investments, to the extent carried interest percentages or other terms applicable to carried interest distributions or performance fee terms differ among Apollo Clients, Apollo will be incentivized to dedicate increased resources and allocate more profitable or more attractive investment opportunities to Apollo Clients bearing higher performance incentive percentages or to Apollo Clients whose governing documents contain less restrictive terms regarding such performance incentive entitlements. In addition, Apollo will be incentivized to allocate investment opportunities away from Apollo Clients that have suffered losses and have not yet achieved a priority return threshold and, instead, allocate them to Apollo Clients that are more likely to actively generate carried interest distributions. In addition, as contemplated in "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Fees and Carried Interest Payable with Respect to Co-Investments*" above, the portion of any Special Fees payable in connection with any portfolio investment that are allocable to investments by Co-Investors will not (unless otherwise specified in the relevant Sub-Fund Supplement) reduce Management Fees paid by the Umbrella Vehicle and will be retained by, and be for the benefit of, the Board of Directors, the Investment Manager or any of their respective Affiliates or employees. Therefore, the Board of Directors will be perceived to be incentivized to allocate a greater portion of such portfolio investment to Co-Investors than it would have otherwise allocated to Co-Investors in the absence of such arrangements. Apollo has adopted written allocation policies and procedures, as described in "*Allocation of Investment Opportunities*" above, to help address conflicts arising in the allocation of resources and investment opportunities among Apollo Clients.

The Investment Manager (or its designated Affiliate) will generally be paid a management fee equal to a certain percentage of a Sub-Fund's Net Asset Value, which will be calculated by the Administrator, based on valuations provided by the AIFM (the "**Management Fee**"). As further described in "*Certain Risk Factors—Certain Risks Related to Regulatory Matters—Valuations and Changing Accounting Standards*" above, the calculation of the Sub-Funds' Net Asset Value includes certain subjective judgments with respect to estimating, for example, the value of the Umbrella Vehicle's portfolio and its accrued expenses, net portfolio income and liabilities (e.g., exclusion of potentially subjective or contingent liabilities that may arise on or subsequent to the sale of an investment), and therefore, the Sub-Funds' Net Asset Value may not correspond to

realizable value upon a sale of those assets. If a Sub-Fund's Net Asset Value is calculated in a way that is not reflective of its actual Net Asset Value, then the purchase price of Shares in such Sub-Fund or the price paid for the redemption of such Shares on a given date may not accurately reflect the value of the relevant Sub-Fund's portfolio, and these Shares may be worth less than the purchase price or more than the Redemption Price. More generally, management fees, or higher management fees, will incentivize Apollo to dedicate increased resources and allocate more profitable investment opportunities to Apollo Clients who are charged such management fees or higher management fees. See also "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Fees and Carried Interest Payable with Respect to Co-Investments*" above.

Further, the Investment Manager or another member of the Apollo Group will (subject to the terms of and as described in the applicable Sub-Fund Supplement(s)) be allocated carried interest or a performance fee by the Sub-Fund (the "**Performance Fee**"). The Performance Fee creates a greater incentive for the Investment Manager to make more speculative Portfolio Investments on behalf of the Sub-Fund or time the purchase or sale of Portfolio Investments in a manner motivated by the personal interest of Apollo personnel than if such performance-based compensation did not exist, as the Investment Manager receives a disproportionate share of profits above the preferred return hurdle. In addition, the Tax Reform Bill provides for a lower capital gains Tax rate on performance-based compensation from Portfolio Investments held for at least three years, which may incentivize the Investment Manager to hold Portfolio Investments longer to ensure long-term capital gains treatment or dispose of Portfolio Investments prior to any change in law that would result in a higher effective income Tax rate on the Performance Fee. Furthermore, upon the liquidation of a Sub-Fund, the Investment Manager may receive a Performance Fee with respect to a distribution in-kind of non-marketable securities. The amount of the Performance Fee will be dependent on the valuation of the non-marketable securities distributed, which will be determined by the AIFM and could incentivize the AIFM to value the securities higher than if there were no Performance Fee. The AIFM can engage a third party to determine the value of securities distributed in-kind or non-marketable securities and rely upon the third-party opinion of value, but there can be no assurance such an opinion will reflect value accurately.

The right to receive carried interest distributions or performance fee payments also creates a potential conflict of interest in the valuation of investments. For example, where distributions in kind are made to Investors, the Board of Directors will be incentivized to employ valuation methodologies that may give rise to a higher valuation of such assets. Apollo has prepared accounting guidelines regarding the recognition of asset impairment and has also adopted written valuation policies and procedures intended to address conflicts of interests that arise in respect of the valuation of the Umbrella Vehicle's assets.

Under the terms of the Prospectus, the Board of Directors are entitled to elect to receive its carried interest in the form of an in-kind distribution of marketable securities. In such circumstances, notwithstanding the Board of Director's election to receive its share of a portfolio investment in kind, it is expected that the Umbrella Vehicle would dispose of the portion of the portfolio investment allocable to the Investors and distribute cash. The decision of the Board of Directors to receive such an in-kind distribution will result in the Board of Directors disposing of its investment at a different time than the disposition by the Umbrella Vehicle of the portion of the investment allocable to the Investors and otherwise taking actions with respect to such portfolio investment (including the exercise of voting or other rights in connection therewith) that are different than the actions taken by the Umbrella Vehicle with respect to the portion of the portfolio investment allocable to the Investors. The Board of Directors could ultimately receive a return on its share of an investment distributed to it in kind that is higher than the return achieved by the Investors with respect to their share of such portfolio investment and is higher than the amount it would have received (including with respect to both its carried interest and its capital interest) had it taken its distribution in cash. To the extent that the Board of Directors uses the distribution in kind to make a charitable donation, the tax benefit derived therefrom has the effect of reinforcing and enhancing the incentives otherwise resulting from the existence of the Board of Director's carried interest described above.

*Timing of Investment Realization.* Because the Investment Manager receives Management Fees, the Investment Manager may be incentivized to hold on to investments that

have poor prospects for improvement in order to receive ongoing Management Fees in the interim and, potentially, a more likely or larger Performance Fee payment if such asset's value appreciates in the future. Given the open-ended nature of the Umbrella Vehicle (and certain of its Sub-Funds), there is a large degree of flexibility regarding when investments must be realized.

*Allocation of Expenses.* Apollo will from time to time incur fees, costs and expenses on behalf of the Umbrella Vehicle and one or more other Apollo Clients and itself. To the extent such fees, costs and expenses are incurred for the account or for the benefit of the Umbrella Vehicle and one or more other Apollo Clients and itself, the Umbrella Vehicle and such other Apollo Clients and Apollo will typically bear an allocable portion of any such fees, costs and expenses (subject to the terms of the Articles and such other Apollo Clients' applicable governing documents) in such manner as the Board of Directors in good faith determines. See also "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Co-Investments—Economics*" above. In most cases, Apollo's Expense Allocation Steering Committee, which typically meets on a quarterly basis, is responsible for the overall expense allocations and the related methodologies for Apollo and Apollo Clients. For example, with respect to Apollo's group professional liability insurance policy, approximately 90% of the premiums are allocated among all Apollo Clients covered under such policy while the remaining portion is borne by Apollo. See also "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle, the Sub-Funds and the Shares—Substantial Fees and Expenses*" above. Although Apollo endeavors to allocate such fees, costs and expenses in good faith over time, there can be no assurance that such fees, costs and expenses will in all cases be allocated appropriately, and Apollo is incentivized to designate expenses as Organizational Expenses or Operating Expenses so that the Umbrella Vehicle and not Apollo bears the expense. See "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Co-Investments—Economics*" above. Notwithstanding the foregoing, Apollo may in the future develop policies and procedures to address the allocation of expenses that differ from its current practice.

*Special Fees Paid to Apollo.* Unless otherwise specified in the relevant Sub-Fund Supplement, Special Fees generated in connection with a given portfolio investment are generally applied, in whole or in part, to reduce the management fee (but not to less than zero) as described below and subject to the terms of the Articles and the applicable Sub-Fund Supplement(s). Special Fees (if any) are generally first allocated pro rata among any Co-Investors (including Apollo Clients and the Umbrella Vehicle) based on their respective proposed commitments to or shares of the capital provided for such Portfolio Investment (or, if the Portfolio Investment is not made, that was expected to be provided). Once the Umbrella Vehicle has been allocated its pro rata portion of such Special Fees, such portion will be further allocated pro rata among all of the Investors based on their respective proposed commitments to or shares of the capital provided for such Portfolio Investment (or, if the Portfolio Investment is not made, that was expected to be provided), or in such other manner as the Board of Directors, in good faith, determines to be fair and reasonable, with 100% of the portion of such Special Fees that is allocated to management fee-bearing Investors being applied to reduce the Management Fee payable by the Umbrella Vehicle. As a result, Special Fees that are not allocated to the Umbrella Vehicle or to its management fee-bearing Investors will not be applied to reduce the Management Fees payable by the Umbrella Vehicle and will be for the benefit of, and retained by, the Board of Directors, the Investment Manager or any of their respective Affiliates or employees. Conflicts of interest may also arise due to the allocation of such fees to or among Co-Investors. In connection with the acquisition of a Portfolio Investment, the Umbrella Vehicle may pay merger and acquisition transaction advisory services fees to its Affiliates and such fees will be treated as Special Fees. In turn, the Board of Directors may, but is not required to, cause Co-Investors to bear similar fees in connection with a Co-Investment Opportunity with respect to such Portfolio Investment, and the Board of Directors will make such determination on a case-by-case basis.

Subject to the terms of the relevant Sub-Fund Supplement, the aggregate Management Fee payable for any Management Fee period will be reduced (but not to less than zero) by an amount equal to the Umbrella Vehicle's allocable share of: (i) all offsetable placement fees paid by the Umbrella Vehicle; (ii) excess Organizational Expenses; and (iii) 100% of the Special Fees received by the Board of Directors, the Investment Manager or any of their respective Affiliates or employees (and allocable to the Umbrella Vehicle and the management fee-bearing Investors in accordance with the preceding paragraph), to the extent not previously taken into account, during the prior Management Fee period. If amounts to be applied to reduce the Management Fees paid

by such management fee-bearing Investors in any Management Fee period exceed the Management Fee payable for such Management Fee period, such excess will be credited against the Management Fee payable in the next Management Fee period and each succeeding Management Fee period thereafter until the entire amount of the excess has been credited. To the extent such excess is greater than the amounts of Management Fees due for all future periods, upon liquidation of the Umbrella Vehicle, each Investor who affirmatively elected in a written notice delivered to the Board of Directors at the Subscription Date or Closing Date (as applicable) as of which such Investor subscribes, respectively commits to subscribe, for Shares in the Umbrella Vehicle to receive its allocable share of such excess will receive an amount equal to the sum of (i) the product of (a) such excess and (b) a fraction, the numerator of which is such Investor's aggregate capital contributions and the denominator of which is the aggregate capital contributions to the Umbrella Vehicle of all of the Investors and (ii) such Investor's allocable share (based on the capital contributions of all of the Investors that made such affirmative election) of such excess which would have been paid to the Investors who did not make such affirmative election had they made such affirmative election. Any Special Fees to be received in kind (other than marketable securities, which will be valued as of the date of receipt) will be valued and deemed received as of the earliest of (1) the date that such Special Fees are reduced to cash or marketable securities, (2) the date that the Umbrella Vehicle disposes of substantially all of its investment in the relevant portfolio investment and (3) the final liquidation of the Umbrella Vehicle.

*Valuation of Investments.* As described herein, the fair values of unrealized private investments are determined in accordance with the methodologies described in Section 10 "Calculation of the Net Asset Value". Notwithstanding the period over which such valuations are based, valuations are inherently volatile and subject to change and may not necessarily be indicative of the inherent value of the underlying investments or the actual value to be realized from such investments. As described in further detail below, valuations for unrealized investments that are not publicly traded are calculated at fair value consistent with valuations with generally accepted accounting principles in Luxembourg and the AIFM's valuation policy and procedures.

There is no single standard for determining fair value of private investments and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived. The AIFM determines the fair values of unrealized private investments based on the enterprise values at which the applicable portfolio companies could be sold in a public offering in orderly dispositions over a reasonable period of time. When determining the enterprise value of an investment, in most cases the AIFM uses a market multiple approach that considers a specific financial measure (such as EBITDA, adjusted EBITDA, net income, book value or Net Asset Value) that it believes to be customary in the relevant industry. Consideration is also given to such factors as historical and projected financial data for the investment, valuations given to comparable companies, the size and scope of the investment's operations, the strengths and weaknesses of the investment, expectations relating to investors' receptivity to an offering of the investment's securities, the size of the Sub-Fund's holding in the investment, information with respect to transactions or offers for the investment's securities (including the transaction pursuant to which the investment was made and the period of time that has elapsed from the date of the investment to the valuation date), industry information and assumptions, general economic and market conditions, indicative guidance from potential underwriters and other factors deemed relevant. Valuations are before giving effect to transaction costs and management fees, incentive compensation or carried interest, Taxes, transaction expenses and other expenses to be borne by investors in the indicated funds, which in the aggregate are expected to be substantial. The effect of such costs and expenses will reduce actual realizations from such valuations. The AIFM's valuations of certain of its funds' investments in such companies may be reviewed by one or more independent valuation firms, which provide third-party valuation assistance in accordance with limited procedures that the AIFM identifies and requests it or them to perform. Those procedures do not include an audit, review, compilation or any other form of examination or attestation under generally accepted auditing standards in Luxembourg. Such firms are generally not responsible for determining the fair value of any individual investment, and their role is limited to being an advisor and providing additional support to the AIFM's existing valuation policy and process. Based on the results of its application of these limited procedures and its review of relevant information, a substantial amount of which was provided by the AIFM's investment professionals and was assumed to be accurate and complete, including investment valuations, such firms will consider whether the valuation of each investment appears to be reasonable. Valuations of the

investments of the Umbrella Vehicle may differ from those utilized by third parties based on methodologies different from those employed by other Apollo-managed funds.

While the AIFM's valuations of unrealized investments are based on assumptions that the AIFM believes are reasonable under the circumstances and using information available at the time of performing the valuation, whether on a public market basis or an estimated fair market value basis, the actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, many of which may be affected by factors beyond the AIFM's control and all of which may differ from the assumptions on which the valuations contained herein are based. Accordingly, there can be no assurance that any indicated valuations for unrealized investments will ultimately be realized for such value or be profitable or that losses can be avoided. In such event, the actual realized returns on these unrealized investments may differ materially from the (assumed) returns indicated herein.

Notwithstanding the foregoing, the AIFM may determine in certain instances to assign to a particular asset a different value than the value assigned to such asset for financial reporting purposes. In particular, the AIFM does not apply Luxembourg GAAP when determining whether an asset's decline in value is to be treated as significant and permanent for the purposes of determining distributions (including distributions of carried interest) and management fees payable to or by the Umbrella Vehicle that are determined on the basis of adjusted cost.

Accordingly, to the extent that Luxembourg GAAP would require any of the Umbrella Vehicle's assets or liabilities to be valued in a manner that differs from the terms of the Articles or the relevant Sub-Fund Supplement, such assets or liabilities will be valued (i) in accordance with Luxembourg GAAP, solely for purposes of preparing the Umbrella Vehicle's Luxembourg GAAP-compliant audited financial statements, and (ii) in accordance with the Articles (without regard to any Luxembourg GAAP requirements relating to the determination of fair value), for all other purposes (including for purposes of determining distributions and allocating gains and losses).

Finally, accounting rules applicable to investment funds and various assets they invest in are evolving. Such changes may adversely affect the Umbrella Vehicle. For example, the evolution of rules governing the determination of the fair market value of assets to the extent such rules become more stringent would tend to increase the cost and/or reduce the availability of third-party determinations of fair market value. This may in turn increase the costs associated with selling assets or affect their liquidity due to inability to obtain a third-party determination of fair market value.

*Other Fees Paid to Apollo.* Certain fees received by the Board of Directors, the Investment Manager or any of their respective Affiliates (including Apollo Consulting and Affiliated Service Providers) will (unless otherwise specified in the relevant Sub-Fund Supplement) constitute Other Fees (and are therefore not considered Special Fees and are not applied to reduce Management Fees and a portion of such fees will be retained by, and be for the benefit of, the Board of Directors, the Investment Manager or Affiliates of the Board of Directors or the Investment Manager (including Apollo Consulting and any Affiliated Service Provider)).

Notwithstanding anything herein to the contrary, where Apollo employees are hired or retained by one or more Portfolio Investments or by an Affiliated Service Provider on behalf of a Portfolio Investment, any related compensation paid, reimbursed or otherwise borne by the applicable Portfolio Investment (or Affiliated Service Provider) and a portion of the overhead related to such employee could also be allocated to such Portfolio Investment. See also "*Apollo Employees of Portfolio Investments or Affiliated Service Providers*" above. The rate paid for such employees could be in excess of the applicable market rate, and any such amounts will not be considered fees received by the Investment Manager or its Affiliates that offset or otherwise reduce any Management Fee. These types of arrangements will not require the consent of Investors, and such rates will not be subject to the approval of any of the foregoing.

*Fees Paid to Other Service Providers.* The Umbrella Vehicle could engage one or more portfolio companies of an Apollo Client and/or Apollo to provide services to the Umbrella Vehicle's portfolio investments on an arm's length basis. See also "*Fees Paid to Affiliated Service Providers*" above. Employees of Portfolio Investments and Service Providers might receive

incentives from the Umbrella Vehicle. Apollo believes that the access to portfolio companies of Apollo Clients and/or Apollo enhance the Umbrella Vehicle's capabilities as compared to other investment funds, but such relationships, and the fees paid to related parties, raise inherent conflicts of interest. Fees paid to servicers or asset managers, including those paid to entities related to Apollo, are in addition to, and will not be applied to offset, the Performance Fee, Management Fee or other expenses of the Umbrella Vehicle.

*Aggregator Investor.* Apollo may enter into arrangements with one or more third-party sponsors or financial institutions to establish one or more dedicated Feeder Vehicles to facilitate the indirect participation in the Umbrella Vehicle by certain "high net worth" investors and other qualified clients of such sponsor (an "**Aggregator Investor**"). Should a third-party sponsor or financial institution be used, such third-party sponsor or financial institution may be entitled to the payment of a placement fee from, and reimbursement of fees, costs and expenses by, the Umbrella Vehicle, in consideration of the investment by clients of such third-party sponsor or financial institution in the Umbrella Vehicle through an Aggregator Investor. In connection with the admission of any Aggregator Investor to the Umbrella Vehicle, notwithstanding anything to the contrary in the Articles, the Board of Directors will determine, in its discretion, if, among other things, such Aggregator Investor will be entitled to a management fee discount (based on the aggregate capital commitments made by such Aggregator Investor and other clients of such third-party sponsor or financial institution that invests in the Umbrella Vehicle) and whether such Aggregator Investor should be treated as a Feeder Vehicle for purposes of the Articles. In addition, the organizational expenses and operating expenses of Aggregator Investors will, if determined by the Board of Directors in its discretion, be considered Organizational Expenses or Operating Expenses that will be borne by the Umbrella Vehicle, and will not be treated as placement fees (for purposes of calculating offsets to Management Fees under the Articles and/or the relevant Sub-Fund Supplement or for any other purpose). If any such persons invest directly in the Umbrella Vehicle (in lieu of through the Aggregator Investor), the Umbrella Vehicle could nevertheless bear fees and expenses associated with such persons investing in the Umbrella Vehicle that are payable to such financial institution and do not constitute placement fees.

Prospective investors in such aggregator feeder funds should note that Aggregator Investor will bear an additional layer of fees and expenses with respect to their investments and certain terms of the aggregator feeder funds which are described in the relevant Sub-Fund Supplements of the applicable Sub-Fund's differ from the Umbrella Vehicle entity in which the applicable Sub-Fund will invest.

*Apollo Clients as Investors.* Certain Investors are affiliated with Apollo (including any Investor that is also an Apollo Client or otherwise affiliated with the Board of Directors, the Investment Manager, Apollo or any of their respective Affiliates) (such Investors, the "**Apollo Investors**") and, as such, the Board of Directors could be incentivized to grant certain consent or preferential treatment to or waive certain obligations of Apollo Investors, which will create certain conflicts of interest. For example, the Board of Directors could be more incentivized than otherwise to waive or permit the cure of a default by an Apollo Investor for its failure to make a capital contribution to the Umbrella Vehicle if, for example, the governing documents of such Apollo Investor restrict or otherwise limit its ability to make such capital contribution due to, among other things, (a) legal, tax, regulatory, accounting or other reasons, (b) investment guidelines or (c) a suspension or termination of its commitment period or the termination of its term generally, and the Board of Directors can, as a consequence, determine not to apply certain (or any) of the remedies set forth in the Articles against such Apollo Investor, which may or may not negatively impact the other Investors. The Board of Directors will also be more incentivized than otherwise to consent to a transfer of interest by an Apollo Investor to one or more persons and can elect to waive certain requirements for such transfer in accordance with the Articles. In addition, Apollo has entered into and expects in the future to enter into arrangements with certain Apollo Investors (or with investor in such Apollo Investors) with the effect that any such Apollo Investor pays or otherwise bears higher, lower or no carried interest or management fees with respect to its interest, which arrangement can be effected by a waiver, discount, rebate or otherwise by way of an Other Agreement, by way of the constituent organizational or governing document of such Apollo Investor (which will not constitute an Other Agreement for purposes of any most favored nations provisions set forth in the Articles or any Other Agreement) or otherwise.

*Strategic Relationship with the Athene Group and the Athora Group.* Apollo and its Affiliates own economic and voting interests in, and manage capital on behalf of, numerous insurance businesses, including the Athene Group and the Athora Group, certain of which are or will be Portfolio Investments or portfolio companies of Apollo or other Apollo Clients. These relationships, particularly with the Athene Group and the Athora Group, may give rise to conflicts of interest. Athene Holding Ltd. ("Athene" and, together with its subsidiaries, the "Athene Group") is a financial services company specializing in retirement services that issues, reinsures and acquires retirement savings products in the U.S. and internationally. The products and services offered by the Athene Group include (i) fixed income and fixed indexed annuity products, (ii) reinsurance services offered to third-party annuity providers, and (iii) institutional products, such as funding agreements.

Athora Holding Ltd. is a strategic platform that acquires and reinsures blocks of insurance business in the German and broader European life insurance market (together with its subsidiaries, the "**Athora Group**"), and Apollo directly and indirectly owns a significant portion of the Athora Group's common stock. Certain Apollo Clients have investments in the Athora Group in common stock, as well as in other levels of Athora's capital structure, such as in a preferred equity tranche of securities previously issued by Athora. Such disparate holdings could give rise to conflicts of interest, including those described in "*Capital Structure Conflicts*" above.

In exchange for advisory and other fees (including, generally, advisory fees and incentive compensation for overall advisory and investment management services, and fees and incentive compensation in connection with investments in Apollo Clients and portfolio companies, all of which typically differ materially from the terms of the Umbrella Vehicle), Apollo provides asset management and advisory services to the Athene Group and the Athora Group (and certain other insurance company portfolio companies in which Apollo, its Affiliates or an Apollo Client have an interest). These services include asset allocation services, direct asset management services, asset and liability matching management, mergers and acquisitions, asset diligence, asset hedging and other asset management services. Apollo also provides sub-allocation services with respect to substantially all of the Athene Group's and a significant portion of the Athora Group's assets and allocates such assets across Apollo Clients in a manner that often characterizes the Athene Group as a captive permanent capital vehicles in relation to Apollo's business. Additionally, Apollo and the Athene Group (as well as Apollo and the Athora Group) also have considerable overlap in ownership and, as a result, from time to time Apollo is or could be perceived to be able to exercise significant influence over matters requiring Investor approval relating to the business of the Athene Group and the Athora Group, including approval of significant corporate transactions, appointment of members of each group's management, election of directors, approval of the termination of each group's investment management agreements and determination of each group's corporate policies. As a result of the relationship between Apollo and the Athene Group and Apollo and the Athora Group, the Athene Group's and/or the Athora Group's participation (as well as the accounts or assets that it manages) in an Apollo Client is typically accompanied by strategic partnership treatment and in connection with investing the Athene Group's and the Athora Group's assets across Apollo Clients (including the Umbrella Vehicle), Apollo grants the Athene Group and the Athora Group certain preferential terms, including reduced or blended management fee and carried interest or performance fee rates that are lower than those applicable to the other Investors (including "most favored nations" treatment vis-à-vis preferential economic arrangements that are granted by the Umbrella Vehicle to Investors that are not affiliated with Apollo), access to investment opportunities on a primary basis (whether in the same or a different class of securities or other assets in which the Umbrella Vehicle is investing), Co-Investment Opportunities and other preferential terms, which in each case, are not subject to "most favored nations" treatment by other Investors, regardless of the amount of capital that an Investor invests in the Umbrella Vehicle or other Apollo Clients or its relationship with Apollo.

As stated above, since Apollo provides asset management and advisory services to the Athene Group and the Athora Group, there will be instances where certain transactions (such as, for example, cross-trades and cross investments (such as the provision of financing or other transactions between Apollo Clients or potential or existing portfolio investments of Apollo Clients, on the one hand, and the Athene Group and/or the Athora Group, on the other hand)) present conflicts of interest from the perspective of the involved parties, which would include Apollo itself or through its ownership of or significant influence over the Athene Group and the Athora Group.

For example, in light of the ownership interest that Apollo has in the Athene Group and the Athora Group, transactions between the Athene Group, the Athora Group and/or any of their Affiliates or portfolio investments, on the one hand, and the Umbrella Vehicle or an existing or potential Portfolio Investment of the Umbrella Vehicle on the other hand, could be considered principal transactions that require Investors' consent. Such transactions could include, for example, Apollo and/or the Athene Group selling all or a portion of their respective investments to Apollo Clients, in the form of a warehoused investment in exchange for fees or other compensation (as described further below) or in connection with a customary disposition. While Apollo will evaluate such transactions on a case-by-case basis and take such actions as it determines in good faith to mitigate conflicts associated with such transactions, no assurance can be given that any such transactions will be on arms-length terms from the perspective of the participating Apollo Clients or its portfolio companies. If a proposed transaction is determined by the Board of Directors of the Umbrella Vehicle to be a principal transaction, then the Board of Directors could seek Investor approval on behalf of the Umbrella Vehicle or instead obtain the consent of an independent conflicts review agent that is authorized to act on behalf of the Umbrella Vehicle, in each case, to the extent required by the Umbrella Vehicle's and/or the relevant Sub-Fund's governing documents and/or the Advisers Act. In addition, certain potential or actual conflicts of interest could arise given Apollo's governance rights and investments of Apollo Clients being on both sides of transactions, and, therefore, Apollo and its Affiliates may seek (but will not be obligated to) use certain measures to mitigate such conflicts of interest, including deferring decisions associated with such transactions to other persons or entities (such as the board of the Athene Group or a committee thereof). For example, certain material transactions between a member of the Athora Group or the Athene Group, on the one hand, and the Umbrella Vehicle, on the other hand, may be subject to review by the Conflicts Committee of Athene or Athora, as applicable.

In addition, the Athene Group, the Athora Group and/or their Affiliates or portfolio investments can serve as a financing or similar source to Apollo Clients (including as a provider of a form of Credit Facility at the Umbrella Vehicle level) or in connection with the acquisition, financing (including the leveraging of the Umbrella Vehicle's investments, on an investment-by-investment basis or a single financing transaction that is secured by the collateral of two or more of the Umbrella Vehicle's investments, at the time of acquisition or during the ownership of such investment(s)) or disposition of the Umbrella Vehicle's investments in existing or potential portfolio investments or in connection with the activities and business operations of such existing or potential portfolio investments (regardless of the type of investment, be it an equity, debt, control, non-control, preferred equity, structured or other type of investment structure or security). Such financing arrangements could take the form of bi-lateral credit arrangements or securitizations and could include multiple tranches of debt financing with the Athene Group, Athora Group and other Apollo Clients holding a portion or all of the various debt tranches, with the Umbrella Vehicle holding the equity or residual tranche (and, potentially, portions of other parts of the capital structure); additionally purchases or sales in the secondary market are expected to occur from time to time. The Athene Group, the Athora Group and/or their Affiliates or portfolio investments could also provide the Umbrella Vehicle with a subscription-line financing arrangement or similar arrangements that private funds enter into from time to time, including Net Asset Value based facilities that are collateralized by the Umbrella Vehicle's assets (including its capital commitments from Investors or from its portfolio investments). There will not necessarily be third parties involved in any such transaction in order to seek to ensure, among other things, that the terms of such participation by the Athene Group, the Athora Group and/or their Affiliates or portfolio investments will reflect customary or market terms or otherwise be conducted on an arms-length basis. No transaction between the Athene Group, the Athora Group, and/or any of their Affiliates or portfolio companies, on the one hand, and an Apollo Client (including the Umbrella Vehicle) or an existing or potential portfolio company of an Apollo Client, on the other hand, will require the consent of the Investors, unless otherwise set forth in the Articles or the relevant Sub-Fund Supplement, required by the Advisers Act because such transaction is deemed a "principal trade" or otherwise determined by the Board of Directors, in its sole discretion. Furthermore, for these and other purposes, Apollo could determine that the Athene Group, the Athora Group and/or their Affiliates and portfolio companies are acting as Affiliated Service Providers to the Umbrella Vehicle or its portfolio investments, which transactions Apollo is incentivized to facilitate given that it stands to generate income for itself would not be subject to the approval of the Investors. Further, Apollo could cause the Athene Group to make investments on its own balance sheet with a view towards



causing such investments in portfolio companies to benefit from the provision of services or other transactions with Apollo Clients or its existing or potential portfolio companies.

Such conflicts of interest are magnified by the expectation that the Athene Group and the Athora Group will be treated as Apollo Clients from which Apollo obtains material amounts of fee and incentive compensation. Conflicts of interest are expected to include, without limitation, the following: (i) commitments of the Athene Group to the Umbrella Vehicle and other Apollo Clients being used to satisfy or count towards the Apollo commitment (while Apollo still earns management fees and incentive compensation from such investments), and Apollo taking such other actions with respect to commitments by the Athene Group that inure to the benefit of Apollo, such as excluding Athene Group commitments from any cap that may be imposed on the size of any Sub-Fund and additional modifications to fee and carry/performance fee arrangements as described above based on strategic partnership or Affiliate status, (ii) allocation of opportunities to the Athene Group, including decisions with respect to (x) Co-Investments among Apollo Clients (including the Umbrella Vehicle) and (y) seeking Co-Investors (which could include additional allocations to the Athene Group), which could result in material less availability of investment opportunities for the Umbrella Vehicle and third party Co-Investors (and, in this regard, (A) Apollo will be incentivized to allocate investment opportunities to the Athene Group over Apollo Clients given its economic interest in the Athene Group and fee and incentive compensation arrangements described herein, and (B) there will be circumstances in which Apollo, via its interest in the Athene Group, will be participating in transactions through the Umbrella Vehicle as well as in a co-invest capacity in certain, but not all investments by the Umbrella Vehicle, which could give rise to conflicts of interest based on the selection methodology employed in connection with such deal by deal participation), (iii) as mentioned in the previous paragraph, it is expected that the Athene Group may provide financing for the Umbrella Vehicle's potential and existing portfolio companies (which could take the form of back-leverage), including Platform Investments, and the Umbrella Vehicle's business operations, including subscription-line and NAV facilities, as well as the restructuring, modification or amendment of such arrangements; (iv) multi-tranche investments where the Umbrella Vehicle and other Apollo Clients are invested one or more tranches of a portfolio investment while the Athene Group is invested on a non-pari-passu basis in the same or different tranches of such investment, (v) the Umbrella Vehicle or portfolio investments engaging in various business arrangements (including the provision of services) with portfolio companies of the Athene Group, (vi) the sale of all or a portion of a portfolio investment to the Athene Group, including in connection with the ultimate disposition of such portfolio investment to a third party, (vii) the Athene Group providing financing solutions to a third party seeking to purchase the Umbrella Vehicle's portfolio investments in the form of seller financing or otherwise, and (viii) Apollo and/or the Athene Group being the sole beneficiaries of investment opportunities that were generated using capital provided by the Umbrella Vehicle. Apollo could develop new policies and procedures, and modify existing policies and procedures in an effort to identify and mitigate the expected conflicts of interest (as reasonably practicable under circumstances), including the items referenced in this paragraph, however, no assurance can be given that the policies and procedures will serve to mitigate such conflicts of interest or avoid adverse effects on the Umbrella Vehicle.

With respect to allocation of investment opportunities, the Athene Group could participate in Apollo's investment strategies by co-investing alongside and/or in priority to Apollo Clients in some or all of their investments in such strategy. Depending on the allocation of such assets to a strategy, the timing of such allocation and the manner in which such allocation is implemented (that is, by investments in or alongside and/or in priority to the Apollo Client(s)), the investment by the Athene Group in the same strategies as Apollo Clients could result in materially less availability of discretionary investment opportunities for such Apollo Clients or Co-Investment Opportunities for investors. The investment advisory arrangements between Apollo and the Athene Group, including the Athene Group investing directly in investments of Apollo Clients creates a conflict of interest in that Apollo will be incentivized to allocate more attractive investments and scarce investment opportunities to these proprietary entities and accounts rather than to Apollo Clients. Apollo will allocate investment opportunities among the Athene Group and other Apollo Clients in accordance with its investment allocation policies and procedures (which can be amended by Apollo at any time) in a manner designed to ensure allocations of such opportunities are made on a fair and equitable basis over time, and, in addition to the considerations discussed above, also expects to consider in its determinations of whether to

allocate investments to the Athene Group in addition to, or instead of, other Apollo Clients: (i) the suitability of a proposed investment for the Athene Group and/or other Apollo Clients; (ii) whether a proposed investment is prohibited by the governing documents of certain Apollo Clients, contemplated in the disclosure documents of other Apollo Clients or likely to result in adverse legal, tax or similar consequences to the relevant Apollo Clients; and (iii) whether a proposed investment can be made on the same terms and conditions for the Athene Group and other Apollo Clients in a manner consistent with their respective governing documents and investment strategies.

Further, as the Athene Group, the Athora Group and/or their Affiliates or portfolio companies invest in a number of Apollo Clients and could (and expect) to seek to restructure or otherwise modify their respective balance sheet holdings from time to time, they could request to transfer their interests in Apollo Clients to each other, to portfolio companies of Apollo or Apollo Clients or to third parties. Apollo is incentivized to consent to such transfers (notwithstanding that the Investment Manager can grant or withhold its consent in its sole discretion), due to the fact that such transfers could, among other things, relieve the respective balance sheets of the Athene Group, the Athora Group and/or their Affiliates or portfolio companies in a manner that allows them to fund other Apollo Clients or Apollo initiatives. Additionally, the Athene Group holds interests in entities within the Apollo corporate structure that are recipients of all or a portion of the Management Fees and carried interest or Performance Fee earned by the Investment Manager and stipulated carry or Performance Fee recipient, respectively. Apollo, any Affiliate thereof or one or more Apollo Clients could acquire interests in, Apollo or an Affiliate thereof could enter into advisory arrangements with, or any of the foregoing could otherwise transact or enter into relationships with other businesses (such as, by way of example only and not of limitation, other insurance businesses) in a manner similar to the relationships with the Athene Group, the Athora Group and/or their Affiliates or portfolio companies, in which case the conflicts and other issues described in this paragraph could apply, potentially more acutely depending on the nature and degree of the relationship, with respect to each such other business. Further, even if such transfers are directly or indirectly made to third parties, the Board of Directors could and are incentivized to allow for such third parties to receive the economic benefits initially afforded to the Athene Group, and no such arrangements will be subject to "most favored nations" treatment or required to be disclosed to the Investors.

Apollo could use its or the Athene Group's "balance sheet" (the "**Balance Sheet**") as a significant source of capital to further grow and expand its business, increase its participation in existing businesses and improve the liquidity profile of Apollo. The Balance Sheet could include general partner interests in, and Investor interests in, certain Apollo Clients, and Co-Investments in certain portfolio companies of the Balance Sheet or Apollo Clients. The Balance Sheet could engage in certain structured financing transactions to improve the liquidity profile of Apollo and further expand its investor base. For example, the Balance Sheet could establish alternative asset financing vehicles and certain separate structured managed accounts to obtain financing on pools of assets, including assets from the Balance Sheet, in consideration for providing the lenders with a portion of the upside in such investments and retaining a "first loss" position with respect to any depreciation in the value of such investments over a designated term. Subject to any required insurance regulatory approvals and the operative agreements of Apollo Clients, the Balance Sheet could serve as lenders to or invest in the equity of structured financing transactions. From time to time, the Balance Sheet could bridge investment activity during fundraising for an Apollo Client by making investments for new Apollo Clients and also to acquire investments in order to help establish a track record for fundraising in new strategies.

Apollo, any Affiliate thereof or one or more Apollo Clients could acquire interests in, Apollo or an Affiliate thereof could enter into advisory arrangements with, or any of the foregoing could otherwise transact or enter into relationships with, other businesses (such as, by way of example only and not of limitation, other insurance businesses unaffiliated with Apollo), some of which could be portfolio companies of Apollo, its Affiliates or Apollo Clients (including the Umbrella Vehicle), in a manner similar to the relationships with the Athene Group, the Athora Group and/or their respective Affiliates or portfolio companies. In any such case, the conflicts and other issues described in this section would be likely to apply, and could potentially apply more acutely depending on the nature and degree of the relationship with respect to each such other business.

*Creation of Other Entities; Restructuring.* Except as expressly prohibited under a contractual restriction to which Apollo is subject, Apollo will be permitted to market, organize, sponsor, act as general partner or manager or as the primary source for transactions for other pooled investment vehicles or managed accounts, which can be offered on a public or private placement basis, and to restructure and monetize interests in Apollo, or to engage in other investment and business activities. Such activities raise conflicts of interest for which the resolution may not be currently determinable.

*Related Financing of Counterparties to Acquire Investments or Assets from the Umbrella Vehicle and its Portfolio Investments.* There could be situations in which an Apollo Client will offer and/or commit to provide financing to one or more third parties that are expected to bid for and/or purchase a Portfolio Investment (in whole or in part) from the Umbrella Vehicle. This type of financing could be provided through pre-arranged financing packages arranged and offered by an Apollo Client to potential bidders in the relevant sales process or otherwise pursuant to bilateral negotiations between one or more bidders and the Apollo Client. For example, where the Umbrella Vehicle seeks to sell a Portfolio Investment (in whole or in part) to a third party in the normal course, an Apollo Client may offer the third party debt financing to facilitate its bid and potential purchase of such Portfolio Investment.

This type of arrangement would be expected to be offered in situations in which Apollo believes it provides benefits to the Umbrella Vehicle by supporting one or more third parties in its/their efforts to successfully bid for and/or acquire one or more Portfolio Investment. However, acquisition financing arranged and offered by other Apollo Clients also creates potential conflicts of interest. In particular, another Apollo Client's participation as a potential lender in the sales process could create an incentive to select a third party bidder that uses financing arranged by such Apollo Client to the potential detriment of the Umbrella Vehicle. Affiliated Service Providers such as AGS and AGF could also receive fees in connection with any such transaction, as described above, which would not necessarily have been the case if other Apollo Clients had not committed to the financing.

In order to mitigate potential conflicts of interest in these situations, Apollo could seek to take one or more of the following actions (as it determines in its discretion) in satisfaction of its duties to the Umbrella Vehicle: (i) offer Portfolio Investment for sale in the normal course via competitive and blind bidding processes designed to maximize the sales value for the Umbrella Vehicle; (ii) engage one or more independent advisors, such as sell-side bankers, on behalf of the Umbrella Vehicle to administer and facilitate a commercially fair and equitable sales process; (iii) consult with Investors; and (iv) such other actions that Apollo deems necessary or appropriate taking into account the relevant facts-and-circumstances. However, there can be no assurance that any particular action will be feasible or effective in any particular situation, or that Apollo's own interests will not influence its conduct, and it is possible that the outcome for the Umbrella Vehicle will be less favorable than otherwise would have been the case if Apollo did not face these conflicts of interest. In addition, the actions that Apollo pursues are expected to vary based on the particular facts and circumstances of each situation and, as such, there will be some degree of variation and potentially inconsistency in the manner in which these situations are addressed.

In certain situations Apollo could accept a bid for Portfolio Investment from a bidder that received acquisition financing from an Apollo Client that is at a lower price than an offer that it received from a party that has independent financing sources. For example, although price is often the deciding factor in selecting to whom to sell a Portfolio Investment, other factors frequently influence the seller, including, among other things, closing conditions, lack of committed financing sources, regulatory or other consent requirements, and such other factors that increase the risk of the higher-priced bidder being able to complete or close the transaction under the circumstances. Apollo could therefore cause the Umbrella Vehicle to sell an asset to a third party that has received financing from another Apollo Client, even when such third party has not offered the most attractive price.

In exercising its discretion in the management of the Umbrella Vehicle, Apollo will seek to ensure that the Umbrella Vehicle obtains the most favorable sale package (including sales price and certainty and speed of closing) on the basis of a commercially fair and equitable sales process. However, no sale of a Portfolio Investment (in whole or in part) involving acquisition financing provided by an Apollo Client will require approval of the Investors.

*Diverse Membership.* Investors are expected to include taxable and tax-exempt entities, persons or entities domiciled or organized in various jurisdictions and subject to different tax and regulatory regimes, retail and institutional investors and other diverse groups and types of investors. Investors will thus have conflicting investment, tax and other interests relating to, among other things, the nature of investments made by the Umbrella Vehicle, the underwriting, structuring or the acquisition of investments, the nature and timing of disposition of investments and the manner in which one or more investments are reported. As a result, conflicts of interest will arise in connection with decisions made by the Board of Directors, the AIFM and/or the Investment Manager, including as to the nature and structure of investments (including whether an investment should be structured as debt or equity), that could be more beneficial for one type of Investor than for another type of Investor, including Apollo Investors. The results of the Umbrella Vehicle's activities will affect individual Investors differently, depending upon their individual financial, tax and other situations and circumstances. For example, the timing of a cash distribution or an event of realization of gain or loss and its characterization as long-term or short-term gain or loss could affect investors differently. In addition, the Umbrella Vehicle can make investments that have a negative impact on related investments made by the Investors in separate transactions. Furthermore, under the U.S. partnership audit regime, decisions made by the Board of Directors (or other partnership representative) in connection with tax audits (including whether to make an election under those rules) of the Umbrella Vehicle can be more beneficial for one type of Investor in the Umbrella Vehicle than for another type of Investor in the Umbrella Vehicle. In selecting, structuring and managing investments appropriate for the Umbrella Vehicle, the Investment Manager intends to consider the investment and tax objectives of the Umbrella Vehicle and its Investors as a whole, and not the investment, tax or other objectives of any Investor individually. However, there can be no assurance that a result will not be more advantageous to some Investors than to others, or to Affiliates of the Board of Directors and/or the Investment Manager than to a particular Investor.

*Seed Asset Portfolio Arrangements.* The Umbrella Vehicle and one or more of its Sub-Funds may acquire certain Seed Assets from the Investment Manager, Apollo or one or more of their Affiliates. Such acquisitions by the Umbrella Vehicle or one or more of its Sub-Funds may entail certain conflicts of interests. Although it is the intention of the AIFM and the Investment Manager that the Umbrella Vehicle and its Sub-Funds comply with legal or regulatory requirements applicable to the transfer of the Seed Assets to the Umbrella Vehicle and its Sub-Funds, there can be no assurance that all conflicts of interest arising from such transfer will be mitigated or eliminated. Material information regarding any acquisition by the Umbrella Vehicle and its Sub-Funds of any Seed Assets will be disclosed to prospective Investors prior to their admission to the Umbrella Vehicle and the applicable Sub-Fund. By investing in the Umbrella Vehicle and the applicable Sub-Fund on the basis of this Prospectus, the applicable Sub-Fund Supplement and any additional disclosure provided by the Investment Manager regarding any Seed Assets related to such persons admission to the Umbrella Vehicle and the applicable Sub-Fund, each Investor will be deemed to have acknowledged the existence of any actual and potential conflicts of interest with respect to the acquisition of any Seed Assets by the Umbrella Vehicle and any applicable Sub-Fund and to have consented to such transaction(s). It is possible that, due to circumstances or factors beyond the control of the Investment Manager, Apollo, the Umbrella Vehicle or any applicable Sub-Fund, the applicable Sub-Fund's acquisition of one or more Seed Assets will be delayed or will not be completed. There is no guarantee that the Investment Manager, Apollo or the applicable Affiliate that proposes to transfer any Seed Asset to the Umbrella Vehicle or any Sub-Fund by way of sale or contribution (as applicable) will be able, or will agree, to effect such transfers.

*Investor Due Diligence Information.* The Board of Directors will make available to each prospective investor, prior to its subscription to the Umbrella Vehicle, the opportunity to ask questions of, and receive responses from, a representative of the Board of Directors or the Investment Manager concerning the terms and conditions of this offering of Shares in the Umbrella Vehicle and to obtain any additional information, if the Board of Directors and/or the Investment Manager possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information set forth herein. Because different potential investors may ask different questions and request different information, the Board of Directors may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors. None of the responses or additional information

provided is or will be integrated into this Prospectus, and no prospective investor may rely on any such responses or information in making its decision to subscribe for Shares.

*Relationship among the Umbrella Vehicle, the AIFM, the Investment Manager and the Investment Team.* The Investment Manager will have a conflict of interest between its responsibility to act in the best interests of the Umbrella Vehicle, on the one hand, and any benefit, monetary or otherwise, that could result to it or its Affiliates from the operation of the Umbrella Vehicle, on the other hand.

The respective functions performed by the AIFM and the Investment Manager are not exclusive. The officers and employees of the AIFM, the Investment Manager and their respective Affiliates will devote such time as the AIFM or the Investment Manager (as applicable) deems necessary to carry out the operations of the Umbrella Vehicle effectively. Each of the AIFM and the Investment Manager has rendered in the past and will continue to render in the future various services to others (including investment vehicles and accounts that have the ability to participate in similar types of investments as those of the Umbrella Vehicle) and perform a variety of other functions that are unrelated to the management of the Umbrella Vehicle and the selection and acquisition of the Umbrella Vehicle's investments.

*Other Agreements.* Subject to and as contemplated by the applicable Sub-Fund Supplements, the Board of Directors, on its own behalf or on behalf of particular Sub-Funds, can and is expected to enter into side letters or similar written agreements with Investors without any further act, approval or vote of any other Investor, that have the effect of establishing rights under, supplementing the terms of or confirming the interpretation of the Articles or such Investor's Subscription Agreement (an "**Other Agreement**") in order to meet certain requirements or requests of such Investors. Such terms or rights may include: (i) rights with respect to confidentiality of the Umbrella Vehicle's and/or the relevant Investor Information; (ii) rights with respect to transfers of Shares; (iii) acknowledgements of, or agreements with respect to, investment policies and restrictions applicable to an Investor; (iv) rights with respect to reporting; (v) modifications of an Investor's Subscription Agreement; or (vi) rights or terms necessary or desirable in light of particular legal, tax, internal policy, regulatory or public policy characteristics of an Investor or the jurisdictions in which it is located and/or operates. In addition, certain Investors may be granted "most favored nation" rights, subject to certain limitations, conditions and carve-outs. Further, certain Investors may be granted more favorable treatment than other Investors holding the same class of interest, subject to certain limitations, conditions and carve-outs.

Other Agreements will generally be based on such factors as the amount of an Investor's (or a related group of Investors') Commitment(s), its existing relationships with Apollo (such as whether the Investor itself is an Apollo Client) or any particular legal, tax, internal policy, regulatory, accounting or public policy considerations applicable to such Investor, but such Other Agreements can be entered into for any reason the Board of Directors, the AIFM, the Investment Manager and/or the Umbrella Vehicle deem necessary, advisable, desirable or convenient. As a result, returns, as well as certain conditions or characteristics of an investment, can vary from Investor to Investor depending on any arrangements applicable to a given Investor's investment in the Umbrella Vehicle. The Board of Directors is not generally required to disclose the terms of any Investor's Other Agreement to any other Investor. Further, the terms of any Other Agreement with an Apollo Client, Affiliates of Apollo and certain Apollo related persons will generally not be subject to any most favored nations provisions set forth in the Articles, any Sub-Fund Supplement or in any Other Agreement. See also "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle, the Sub-Funds and the Shares—Agreements with Certain Investors*" above.

Notwithstanding any express or implied provision to the contrary contained in any Other Agreement, to the extent that compliance with any of the provisions of any Other Agreement would cause the Umbrella Vehicle, the Board of Directors, the AIFM or any of their respective Affiliates to violate their respective fiduciary duties or obligations or to violate any applicable laws, any noncompliance with any such provision will not be deemed to be a breach of such Other Agreement. Other Agreements will generally be based on such factors as the amount of an Investor's (or a related group of Investors') Commitment(s), its existing relationships with Apollo (such as whether the Investor itself is an Apollo Client) or any particular legal, tax, internal policy, regulatory accounting or public policy considerations applicable to such Investor, but such Other

Agreements may be entered into for any reason the Board of Directors, the Investment Manager and/or the Umbrella Vehicle deem necessary, advisable, desirable or convenient. As a result, returns, as well as certain conditions or characteristics of an investment, may vary from Investor to Investor depending on any arrangements applicable to a given Investor's investment in the Umbrella Vehicle. See also "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle, the Sub-Funds and the Shares—Agreements with Certain Investors*" above.

*Agreements relating to the Umbrella Vehicle's Investments.* When making investments, the Investment Manager (or its delegate) may have an opportunity to negotiate side letter arrangements that provide more advantageous investment terms for the Umbrella Vehicle. While the Investment Manager endeavors to negotiate the same terms on behalf of all of its clients for whom such an investment is deemed to be an appropriate investment, there may be situations where regulatory, investment objectives, historical relationships with Apollo or other considerations result in differences among clients in the terms or availability of the benefits of any such side letter. Furthermore, there may be circumstances where the benefit provided cannot be taken advantage of by the Umbrella Vehicle. Also, while the Investment Manager may negotiate terms that it considers more advantageous overall, concessions may be required to obtain such terms. For example, the Investment Manager may only be able to secure investment capacity for the Umbrella Vehicle, if, in exchange, the Umbrella Vehicle agrees to increase the period during which an investment is held.

*Investor-Level Leverage.* From time to time, prospective and existing Investors may inform the Board of Directors that they intend or would like to finance or lever their investment in the Umbrella Vehicle using both equity and debt financing, with all or a portion of the debt financing being provided by a lender that has, among other things, such Investors' Interests in the Umbrella Vehicle as collateral for such debt financing. It is possible that the lender could be Apollo, its Affiliates, Apollo Clients, the Athene Group, the Athora Group or one or more of their respective portfolio companies. In this instance, there could be conflicts of interest with respect to the provision of such debt financing by any such person to such Investor. Such lenders would earn and/or be reimbursed for customary fees, costs and expenses, and none of the foregoing amounts would offset management fees payable by the Umbrella Vehicle. It is also possible that such lending activities could have adverse effects on Umbrella Vehicle and the manner in which it is managed, given that an Affiliate of Apollo could be the Board of Directors on the one hand and the lender to the Investor on the other hand. Further, the Board of Directors will be subject to conflicts of interest insofar as granting or withholding its consent to a transfer by such an Investor or any other Investor, given that the circumstances under which a transfer is requested could include a foreclosure of the Interests as collateral, which would arise if the Investor who obtained leverage were to default on the debt financing associated with its investment in Umbrella Vehicle. In such circumstance, the Board of Directors is incentivized to take such actions, including the provision of its consent, to facilitate such a transfer by the Investor who obtained debt financing from an Affiliate of Apollo. None of the foregoing transactions will be subject to the approval of or be subject to a notification requirement in favor of any other Investor.

*Strategic Partnership with Motive Partners.* As publicly announced on July 1, 2021, Apollo and Motive Partners ("Motive"), a specialist private equity firm focused on financial technology investments, announced a strategic and financial partnership to capitalize on significant technological transformation and innovation in financial services. As part of the strategic partnership, Apollo acquired up to a 24.9% minority stake in Motive's management company and certain funds and accounts managed or advised by Apollo and its Affiliates and/or certain insurance company balance sheet investors will become limited partners in Motive-managed vehicles. For Apollo, the partnership is intended to accelerate innovation and growth, with Motive serving as a strategic innovation partner to Apollo, its Affiliates, and its and their managed funds' and accounts' respective portfolio companies. Motive Create, Motive's in-house innovation team, will work with Apollo in a number of focus areas, including technology innovation across its platform, new product development and distribution, and investment origination.

While Apollo and Motive are not affiliated with one another for purposes of their respective managed funds' and accounts' documents or otherwise, there are circumstances in which actual or potential conflicts of interest could arise given Apollo's minority ownership interest in Motive. As stated above, Motive Create will provide service to Apollo's managed funds and accounts and their respective portfolio companies and Apollo will be entitled to up to 24.9% of the net income

associated with such arrangements. While Apollo anticipates that its managed funds and accounts will retain favorable treatment associated with the fees paid for such services, there is no assurance that such arrangements will be on arms'-length terms or on terms that are as favorable had the services been provided by a person in which Apollo has no financial interest. Further, given Apollo's economic interest in such arrangements, Apollo is incentivized to maximize the usage and pricing associated with such arrangements. It is also possible that Affiliated Service Providers could provide services to Motive and its managed funds and portfolio companies.

Certain Motive personnel have or will enter into certain consulting or similar agreements with Apollo in order to provide certain operational and other consulting services to Apollo, its managed funds and accounts and their respective portfolio companies. Certain Motive personnel also could become employees of Apollo or maintain a co-employee relationship between Apollo and Motive. In each instance, the applicable Apollo-managed funds and accounts or their respective portfolio companies will bear the fees, costs and expenses associated with such consulting or employment arrangements.

Further, pursuant to the strategic partnership with Motive, Apollo has certain Co-Investment rights with respect to Motive fund investments on preferential economic terms. Apollo will retain the right to allocate such Co-Investment opportunities as it deems appropriate (including to its Affiliates), notwithstanding the terms of Apollo's allocation policy and procedures. In this case, given Apollo's entitlement to up to 24.9% of the carried interest and management fees generated by Motive funds, Apollo is incentivized to cause its managed funds and accounts to participate in such investment opportunities, in which case Apollo would also be entitled to carried interest and management fees in connection with its managed funds' or accounts' participation. Also, as portfolio investments of the Umbrella Vehicle arise, Apollo could be incentivized to allocate such Co-Investment opportunities to Motive and its funds (rather than Investors and other Apollo-managed funds and accounts), also in light of its entitlement to up to 24.9% of the carried interest and management fees generated by Motive funds. In addition, Apollo personnel and Motive personnel could invest in the managed funds of Apollo and Motive (as applicable) on preferential terms, including on a no-fee, no-carry basis that is not subject to "most favored nations" treatment.

Additionally, Apollo will retain certain governance rights and minority protections with respect to Motive, including observer rights on Motive committees. It is possible that the existence of such rights and Apollo's receipt of information from Motive could result in the Umbrella Vehicle's inability to pursue certain investment opportunities or that certain investments that are owned by the Umbrella Vehicle or Motive (as the case may be) could give rise to conflicts of interest. Moreover, Apollo, including its senior personnel, could be required to devote a portion of their business time in order to enhance Motive's business opportunities, including capital raising activities. However, Apollo does not anticipate that any such commitments will materially interfere with the devotion of any such person's business time to Apollo and its managed funds and accounts.

Motive will not be treated as an Affiliate of Apollo or an Affiliated Service Provider for purposes of the Umbrella Vehicle's governing documents or otherwise, none of the foregoing arrangements or other arrangements entered into by Apollo and Motive or any of their respective managed funds' or portfolio companies will be subject to the review or approval of the advisory board, any subcommittee thereof or the Investors, and any income generated by Apollo from any such arrangements will not reduce any fees (including management fees) payable by the Umbrella Vehicle or any other person to Apollo and its Affiliates.

*Charitable Donations and Political Activities.* The Board of Directors could, from time to time, cause the Umbrella Vehicle and/or its Portfolio Investments to make contributions to charitable initiatives or other non-profit organizations that the Board of Directors believes could, directly or indirectly, enhance the value of the Umbrella Vehicle's portfolio investments or otherwise serve a business purpose for, or be beneficial to, the Umbrella Vehicle's Portfolio Investments. Such contributions could be designed to benefit employees of a Portfolio Investment or the community in which a Portfolio Investment is located or in which the Portfolio Investment operates. In certain instances, such charitable initiatives could be sponsored by, affiliated with or related to current or former employees of Apollo, operating partners, joint venture partners,

Consultants, Portfolio Investment management teams and/or other persons or organizations associated with Apollo, the Umbrella Vehicle or the Umbrella Vehicle's Portfolio Investment. These relationships could influence the Board of Directors in deciding whether to cause the Umbrella Vehicle or its Portfolio Investments to make charitable contributions. Further, such charitable contributions by the Umbrella Vehicle or its Portfolio Investments could supplement or replace charitable contributions that Apollo would have otherwise made. Also, in certain instances, the Board of Directors could, from time to time, select a lender and/or service provider to the Umbrella Vehicle or its portfolio investments based, in part, on the charitable initiatives of such lender or service provider where the Board of Directors believes such charitable initiatives could, directly or indirectly, enhance the value of the Umbrella Vehicle's portfolio investments or otherwise serve a business purpose for, or be beneficial to, the Umbrella Vehicle's Portfolio Investments, and even where the economic terms of such loan or service arrangement are otherwise less favorable than the terms offered by another lender or service provider that does not engage in such charitable initiatives.

A Portfolio Investment could, in the ordinary course of its business, make political contributions to elected officials, candidates for elected office or political organizations, hire lobbyists or engage in other permissible political activities in U.S. or non-U.S. jurisdictions with the intent of furthering its business interests or otherwise. Portfolio Investments are not considered Affiliates of the Board of Directors, and therefore such activities are not subject to relevant policies of the Board of Directors or any limitations on such activities contained in Other Agreements, and could be undertaken by a Portfolio Investment without the knowledge or direction of the Board of Directors. In other circumstances, there could be initiatives where such activities are coordinated by Apollo for the benefit of the Portfolio Investment. The interests advanced by a Portfolio Investment through such activities could, in certain circumstances, not align with, or be adverse to, the interests of other Portfolio Investments, the Umbrella Vehicle, the Investors or certain Investors. The costs of such activities could be allocated among Portfolio Investments. While the costs of such activities will typically be borne by the Portfolio Investment undertaking such activities (and therefore, indirectly, the Umbrella Vehicle), such activities could also directly or indirectly benefit other Portfolio Investments, other Apollo Clients or Apollo.

Any such charitable or political contributions made by the Umbrella Vehicle or its Portfolio Investments, as applicable, which could reduce the Umbrella Vehicle's returns in respect of the relevant portfolio investment, will not offset carried interest or management fees paid or allocable to the Board of Directors or Apollo. There can be no assurance that any such activities will actually be beneficial to or enhance the value of the Umbrella Vehicle or its Portfolio Investments, or that the Board of Directors will be able to resolve any associated conflict of interest in favor of the Umbrella Vehicle.

*The Investment Manager is an Affiliate of AGM.* The shares of Class A common stock of AGM are publicly traded on the New York Stock Exchange. As a result, the Investment Manager has duties or incentives relating to the interests of AGM's stockholders that could differ from, and that could conflict with, the interests of the Umbrella Vehicle and the Investors, such as conflicts arising from the allocation of expenses, Special Fee offsets, payment of Other Fees and investment opportunities (in particular, opportunities in the financial services industry). Apollo will endeavor to resolve such conflicts in a manner that Apollo determines in good faith to be fair and equitable to the extent possible under the prevailing facts and circumstances. Apollo will seek to allocate investment opportunities in the financial services industry between Apollo and Apollo Clients in accordance with their respective governing documents and will evaluate such opportunities in accordance with its allocation policies and procedures. In the past, the application of such policies has resulted in the allocation by Apollo of certain investment opportunities relating to the alternative investment management business to Apollo rather than to the Apollo Clients, and Apollo expects to allocate such opportunities in a similar manner in the future.

As described herein, Apollo, together with Apollo Clients, engages in a broad range of business activities and invests in a broad range of businesses and assets. The Board of Directors takes into account Apollo's, its Affiliates' and/or other Apollo Clients' and each of their respective Portfolio Investment's respective interests (including reputational interests, financial interests, confidentiality concerns (including with respect to the Founders) and any other interests that arise from time to time) when determining whether to pursue (or how to structure) a potential portfolio investment for the Umbrella Vehicle. As a result, it is possible that the Investment Manager may



choose not to pursue or consummate an investment opportunity for the Umbrella Vehicle (or may structure an investment in a manner it otherwise would not) notwithstanding that such investment may be profitable for the Umbrella Vehicle because of the reputational, financial, confidentiality and/or other interests of Apollo and its Affiliates (including the Founders).

*Representing Creditors and Debtors.* The Board of Directors, the Investment Manager and their respective Affiliates could in certain circumstances represent creditors or debtors in proceedings under relevant bankruptcy or insolvency codes or prior to such filings, including where the Board of Directors, the Investment Manager and their respective Affiliates represent the Umbrella Vehicle (as creditor or debtor), on the one hand, and Apollo, other Apollo Clients, the Athene Group or their respective portfolio companies (as creditors or debtors), on the other hand. From time to time, the Board of Directors, the Investment Manager and their respective Affiliates could serve as advisor to creditor or equity committees on behalf of such Apollo Clients. This involvement, for which the Board of Directors, the Investment Manager and their respective Affiliates could be compensated, could, among other things, limit or preclude the flexibility that the Umbrella Vehicle may otherwise have to participate in restructurings, or the Umbrella Vehicle may be required to liquidate any existing positions of the applicable issuer.

*Portfolio Investment Relationships.* The Umbrella Vehicle's Portfolio Investments may, subject to the terms of any Sub-Fund Supplement, be Apollo Clients or be counterparties or participants in agreements, transactions, or other arrangements with other Portfolio Investments of the Umbrella Vehicle and portfolio companies of other Apollo Clients and/or Apollo that, although Apollo determines to be consistent with the requirements of such funds' governing agreements, may not have otherwise been entered into but for the affiliation with Apollo, and which may involve fees and/or servicing payments to Apollo-affiliated entities that are not subject to any management fee offset provisions described herein or in a Sub-Fund Supplement. For example, Apollo may, like other private equity firms, in the future cause Portfolio Investments to enter into agreements regarding group procurement, benefits management, data management and/or mining, technology development, purchase of title and/or other insurance policies (which may be pooled across Portfolio Investments and discounted due to scale), and other similar operational initiatives that may result in fees, commissions or similar payments and/or discounts being paid to the Investment Manager or its Affiliates, or a Portfolio Investment, including related to a portion of the savings achieved by the Portfolio Investment. Moreover, Apollo, the Investment Manager and their respective Affiliates are often eligible to receive favorable terms for procurement due in part to the involvement of the Umbrella Vehicle's Portfolio Investments in such arrangements, and any discounted amounts will (unless otherwise set out in the relevant Sub-Fund Supplement(s)) not be subject to any management fee offsets or otherwise shared with the relevant Apollo Clients. In addition, portfolio companies of other Apollo Clients may do business with, support, or have other relationships with competitors of the Umbrella Vehicle's Portfolio Investments, and in that regard prospective investors should not assume that a company related to or otherwise affiliated with Apollo will only take actions that are beneficial to or not opposed to the interests of the Umbrella Vehicle and its Portfolio Investments.

Moreover, in connection with seeking financing or refinancing of Portfolio Investments and their assets, it may be the case that better financing terms are available when more than one Portfolio Investment provides collateral, particularly in circumstances where the assets of each Portfolio Investment are similar in nature. As such, rather than seeking such financing or refinancing on its own, a Portfolio Investment of the Umbrella Vehicle may enter into cross collateralization arrangements with another Portfolio Investment of the Umbrella Vehicle. In addition, a provider of the foregoing financing could include one or more Apollo Clients and members of the Apollo group.

Apollo could also enter into, or cause the Umbrella Vehicle or its Portfolio Investments to enter into, financing or similar transactions or arrangements in respect of balance sheet assets or accounts receivable held by the Umbrella Vehicle's Portfolio Investments. For example, Apollo, its Affiliates, Apollo Clients (including Apollo Clients created for this purpose as well as members of the Athene Group or the Athora Group, or Apollo Clients financed thereby), or any of their respective portfolio companies, subsidiaries or special purpose vehicles could acquire one or a group of the Umbrella Vehicle Portfolio Investments' interests in certain assets, accounts receivable or similar future cash flows. While any such transaction could provide liquidity, operating cash or other benefits to the relevant Portfolio Investment, it could also result in such

Portfolio Investment receiving a lesser return on the relevant assets than would have been the case had it retained them. Apollo will also be incentivized to cause Portfolio Investment to enter into such transactions both in its or its' Affiliates capacities as the counterparty or sponsor thereof, and in order to use the proceeds of such transactions to make distributions to the Umbrella Vehicle and the Investors, including carried interest distributions.

*Interpretation of the Articles.* The Articles and related documents are detailed agreements that establish complex arrangements among the Investors, the Umbrella Vehicle, the Sub-Funds, the Board of Directors, the AIFM, the Investment Manager and other entities and individuals. Questions will arise from time to time under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, may be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While the relevant agreements will be construed in good faith and in a manner consistent with applicable legal obligations, the interpretations adopted will not necessarily be, and need not be, the interpretations that are the most favorable to the Umbrella Vehicle or the Investors. Similarly, pursuant to the Articles, only conflicts of interest that are "material" will be presented to the Investors. Materiality, in this context, will be determined from the perspective of the Umbrella Vehicle as a whole, and not that of any other party. The determination of whether a conflict is "material" to the Umbrella Vehicle is inherently subjective, and will be made by the Board of Directors in its discretion. In interpreting the Articles and making determinations as to materiality, the Board of Directors will at times be subject to conflicts of interest as between its, Apollo's, Apollo Clients', their respective Affiliates' and/or any of their respective portfolio companies' interests, on the one hand, and those of the Umbrella Vehicle, its Portfolio Investments and/or the Investors, on the other hand. There can be no assurance that any such interpretation or determination will be resolved in favor of the Umbrella Vehicle or the Investors.

*Legal Representation.* In preparing this Prospectus, Clifford Chance ("**Counsel**") have relied upon certain information furnished by the Board of Directors, the AIFM, any platform advisor, the Investment Manager and their respective Affiliates and have not investigated or verified the accuracy or completeness of such information. In connection with this offering and subsequent advice to the Umbrella Vehicle, the Board of Directors, the Investment Manager and their respective Affiliates, Counsel's engagement is limited to the specific matters as to which it is consulted by the Board of Directors and/or the Investment Manager and, therefore, there may exist facts or circumstances that could have a bearing on the Umbrella Vehicle's (or the Investment Manager's) financial condition or operations with respect to which Counsel has not been consulted and for which Counsel expressly disclaims any responsibility. In addition, Counsel does not undertake to monitor compliance by the Umbrella Vehicle, the Board of Directors, the Investment Manager and their Affiliates with the investment strategy, valuation procedures or any other guidelines set forth herein, and Counsel does not monitor the Umbrella Vehicle's ongoing compliance with applicable laws.

In connection with this offering and ongoing advice to the Umbrella Vehicle, the Board of Directors, the Investment Manager and their respective Affiliates, Counsel will not represent any Investor unrelated to Apollo. No independent counsel has been retained (or is expected to be retained) to represent the Investors. In that regard, prospective investors should consult with and rely on their own legal and other advisors concerning a potential investment in the Umbrella Vehicle, including tax consequences to them and any other relevant considerations relating to any investment in the Umbrella Vehicle.

*Depositary's conflicts of interests.* From time to time conflicts of interests may arise between the Depositary and its delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Umbrella Vehicle. On an ongoing basis, the Depositary analyses, based on applicable laws and regulations, any potential conflicts of interests that may arise while carrying out its functions. Any identified potential conflict of interest is managed in accordance with the Depositary's conflicts of interests policy, which is subject to applicable laws and regulation for a credit institution according to and under the terms of the Luxembourg law of 5 April 1993 on the financial services sector.

Further, potential conflicts of interest may arise from the provision by the Depositary and/or its Affiliates of other services to the Umbrella Vehicle and/or other parties. For example, the Depositary and/or its Affiliates may act as the depositary, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its Affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Umbrella Vehicle and/or other funds for which the Depositary (or any of its Affiliates) act.

The Depositary has implemented and maintains a management of conflicts of interests' policy, aiming namely at: (a) identifying and analyzing potential situations of conflicts of interests; and (b) recording, managing and monitoring the conflicts of interests situations in: (i) implementing a functional and hierarchical segregation making sure that operations are carried out at arm's length from the Depositary business; and (ii) implementing preventive measures to decline any activity giving rise to the conflict of interest such as: (A) the Depositary and any third party to whom the custodian functions have been delegated do not accept any investment management mandates; (B) the Depositary does not accept any delegation of the compliance and risk management functions; (C) the Depositary has a strong escalation process in place to ensure that regulatory breaches are notified to compliance which reports material breaches to senior management and the board of directors of the Depositary; and (D) a dedicated permanent internal audit department provides independent, objective risk assessment and evaluation of the adequacy and effectiveness of internal controls and governance processes.

Up to date information on the conflicts of interest policy referred to above may be obtained, upon request, from the Depositary.

21. **SUB-FUND SUPPLEMENT: APOLLO ALIGNED ALTERNATIVES (E-1)**

to the Prospectus of **Apollo Private Markets SICAV**

relating to the Sub-Fund **Apollo Aligned Alternatives (E-1)**

(hereinafter the "**Sub-Fund**")

**Important Notice**

This Sub-Fund Supplement summarizes selected features of the Sub-Fund in table format. Investors are strongly recommended to carefully read this Sub-Fund Supplement in conjunction with the general part of the Prospectus and the Articles and to seek professional advice before making any decision to subscribe for shares in the Sub-Fund. Terms not otherwise defined in this Sub-Fund Supplement shall have the meaning given to them in the Prospectus.

**Investment in the Sub-Fund is only intended for investors who: (i) understand the Sub-Fund's strategy, characteristics and risks in order to make an informed investment decision; and (ii) have knowledge of, and investment experience in, alternative strategies, including (in particular) those that may use borrowing to leverage investment (such as this Sub-Fund) and financial markets generally.**

**Participation in the Sub-Fund will be offered primarily through financial intermediaries, which generally have client net worth thresholds and other requirements. Accordingly, the Sub-Fund is primarily intended for investors who have established relationships with such financial intermediaries. Investors should consult with their financial intermediary to discuss potential eligibility and suitability requirements for investment in the Sub-Fund.**

**Investors are specifically referred to the risk factors in the general part of the Prospectus and in this Sub-Fund Supplement, under "Risk Factors" and as set out in Annex II.**

In the Prospectus and Subscription Agreement for Shares in the Sub-Fund, each Investor confirms that it has read and understood the aforementioned documentation and that it has sought professional advice in respect to such documentation. By signing the Subscription Agreement, each Investor confirms its agreement with the content of the Prospectus (including all annexes and exhibits thereto), this Sub-Fund Supplement and the Articles.

Participation in the Sub-Fund involves intricate tax and regulatory matters that may differ from Investor to Investor. Each Investor is advised to clarify the actual tax and regulatory effects that participation in the Sub-Fund may have in its particular case with its personal tax and legal advisor.

References to the "Sub-Fund" in this Sub-Fund Supplement shall include, unless the context otherwise requires, the Umbrella Vehicle (or any agent thereof) acting in respect of the Sub-Fund.

**Notice to residents of the European Economic Area**

Pursuant to the EU Directive 2011/61/EU on the Alternative Investment Fund Managers Directive (the "**AIFMD**"), the Umbrella Vehicle will constitute an EU AIF whose AIFM is itself an EU AIFM. Each Member State of the European Economic Area has adopted legislation implementing the AIFMD into national law. Under the AIFMD, marketing of the Shares of the Sub-Fund to any (prospective) Investor domiciled or with a registered office in the European Economic Area will be restricted by such laws and no such marketing shall take place except as permitted by such laws. Potential Investors should ensure they are able to subscribe for Shares in the Sub-Fund in accordance with the above laws.

When marketed under the AIFMD marketing passport provided for in article 32 of the AIFMD, Shares in the Sub-Fund are only available for purchase by Professional Investors, being Investors that are considered to be a professional client or may, on request, be treated as a professional client, within the meaning of Annex II to Directive 2014/65/EU ("**MiFID II**").

For the avoidance of doubt, marketing to retail clients may take place, but only where this is permitted under applicable local law and to the extent that (where required) a PRIIPS KID has been made available to any retail investors.

### **Notice to residents of Luxembourg**

In Luxembourg, Shares in the Sub-Fund may be subscribed by both retail investors and institutional investors. Retail investors in particular should note that investment in the Sub-Fund is only intended for investors who: (i) understand the Sub-Fund's strategy, characteristics and risks in order to make an informed investment decision; and (ii) have knowledge of, and investment experience in, alternative strategies, (including (in particular) those that may use borrowing to leverage investment (such as this Sub-Fund)) and financial markets generally.

### **Notice to residents of the United Kingdom**

The Umbrella Vehicle is a collective investment scheme for the purposes of section 235 of the Financial Services and Markets Act 2000 ("**FSMA**") of the United Kingdom. It has not been authorized, or otherwise recognized or approved, by the FCA and as an unregulated scheme, it cannot be promoted in the United Kingdom to the general public. Accordingly, neither the Prospectus nor this Sub-Fund Supplement is to be distributed, delivered or passed on to any person resident in the United Kingdom, unless it is being made only to, or directed at persons falling within, the categories discussed below.

The communication of the Prospectus and this Sub-Fund Supplement (together, the "**Materials**") is directed at, and Shares are available only to, the following persons in the United Kingdom, namely (i) persons falling within any of the categories of "Investment Professionals" as defined in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**") (ii) persons falling within any of the categories of persons described in article 49(2) of the Financial Promotion Order, (iii) persons falling within the categories of "certified high net worth individual" described in article 48(2) of the Financial Promotion Order and "self-certified sophisticated investor" described in article 50A(1) of the Financial Promotion Order and (iv) any person to whom it may otherwise lawfully be made (each, a "**Relevant Person**"). Communication of the Materials to, or reliance on them by, any person who is not a Relevant Person is unauthorized and may contravene FSMA, and any such person should return them immediately.

No person, other than Relevant Persons, may act on the Materials and any investment or investment activity to which they relate is available only to Relevant Persons and will be engaged in only with such persons. Persons of any other description in the United Kingdom may not receive and should not act or rely on the Materials or any other marketing materials relating to the Sub-Fund. The Materials will only be distributed, and Shares will only be offered, in circumstances permitted under the Alternative Investment Fund Managers Regulations 2013 ("**UK AIFM Regulations**").

Potential Investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Sub-Fund, and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The Materials are not an approved prospectus for the purposes of Section 85 of the FSMA.

### **Notice to residents of Germany**

The Shares in the Sub-Fund described in the Materials may only be distributed or offered to German resident investors being professional investors within the meaning of section 1 para. 19 no. 32 of the German Capital Investment Act (*Kapitalanlagegesetzbuch* – "**KAGB**"), or semi-professional investors within the meaning of section 1 para. 19 no. 33 of the KAGB. The Shares in the Sub-Fund described in the Materials must not be distributed or offered to retail investors within the meaning of section 1 para. 19 no. 31 KAGB. Please note that the Board of Directors may also not consent to transfers of the Shares to German resident transferees who are not professional or semi-professional investors within the meaning of the KAGB. Potential investors

or transferees may be required to provide evidence on their status as professional or semi-professional investors within the meaning of the KAGB.

### Notice to residents of Italy

The Shares in the Sub-Fund described in the Materials must not be marketed to any Italian potential Investors, other than professional investors as defined under AIFMD (and MiFID II) as well as non-professional investors, **provided that** such non-professional investors (in accordance with Article 14 of Ministerial Decree 30/2015):

- A. subscribe for Shares for at least an initial minimum (non-divisible) amount of EUR 500,000 (or the equivalent thereof in another currency);
- B. subscribe for Shares for at least an initial minimum (non-divisible) amount of EUR 100,000 (or the equivalent thereof in another currency) **provided that** – with respect to this subparagraph (B):
  - i. they have received investment advice; and
  - ii. as a result of the subscription, the overall amount of their investments in alternative investment funds reserved for subscription to special categories of investors (reserved funds) does not exceed 10% of their financial portfolio (including the value of their bank deposits, insurance-based investment products and financial instruments); or
- C. subscribe through entities licensed to provide portfolio management investing on their behalf in the context of such portfolio management.

### Notice to residents of Switzerland

The Umbrella Vehicle is not approved by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") for offering to non-qualified investors in Switzerland pursuant to Art. 120(1) and (2) of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("**CISA**"). Consequently, Shares may not be offered or advertised and the Prospectus, this or any Sub-Fund Supplement, the Articles, the Subscription Agreement and any other offering material or document relating to the Umbrella Vehicle, the Sub-Fund(s) and/or the Shares may not be distributed or otherwise made available in Switzerland to non-qualified investors within the meaning of the CISA. Investors in the Umbrella Vehicle do not benefit from the specific investor protection provided by the CISA and the supervision by FINMA in connection with the approval for offering.

The Prospectus, this Sub-Fund Supplement or any other Sub-Fund Supplement and any accompanying documentation do not constitute an issuance prospectus pursuant to the Swiss Federal Act on Financial Services of 15 June 2018, as amended (the "**FinSA**"), nor otherwise under Swiss law, and may therefore not comply with the corresponding disclosure standards. Furthermore, the Shares have not been and are not expected to be listed on any stock exchange or other regulated trading venue in Switzerland and, consequently, the information presented in the Prospectus, this or any Sub-Fund Supplement or any accompanying documentation does not necessarily comply with the disclosure standards set out in the relevant listing rules. Neither the Prospectus, this Sub-Fund Supplement or any other Sub-Fund Supplement nor any other offering or marketing materials relating to the Umbrella Vehicle or the Shares have been or will be filed with, or approved by, any Swiss governmental authority.

In Switzerland, the Umbrella Vehicle and the Shares may only be advertised or offered, and the Prospectus, this Sub-Fund Supplement or any other Sub-Fund Supplement or any other advertising or offering materials relating to the Umbrella Vehicle or the Shares may solely be provided, to qualified investors pursuant to art. 10 para. 3 CISA (i.e. professional clients or institutional clients in accordance with art. 4 para. 3 to 5 or art. 5 para. 1 and 4 of the FinSA). Certain persons may on a discretionary basis be considered eligible for investment in the Umbrella Vehicle (a) under art. 10 para. 3ter CISA if they intend to subscribe in the context of a long-term, remunerated investment management or investment advisory agreement with a prudentially regulated financial intermediary, or (b) if an intended subscription comes about at the

express initiative of the potential investor that was not preceded by any advertising by the Umbrella Vehicle, its affiliates, agents or representatives.

The Prospectus, this Sub-Fund Supplement or any other Sub-Fund Supplement and any accompanying documentation do not constitute investment advice. Said materials may only be used by those persons to whom they have been delivered in connection with the Umbrella Vehicle or the Shares and may neither be copied nor directly or indirectly distributed or made available to other persons.

The Prospectus, this Sub-Fund Supplement or any other Sub-Fund Supplement and/or key information documents as well as annual and semi-annual reports may be obtained free of charge from the Swiss Representative.

In respect of the Shares offered in Switzerland, the place of performance is the registered office of the Swiss Representative. The place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or place of residence of the Investor.

#### **Notice to residents of Hong Kong**

THE SHARES MAY NOT BE OFFERED OR SOLD, BY MEANS OF ANY DOCUMENT, AND NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SHARES, WHETHER IN HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OR ELSEWHERE, SHALL BE ISSUED, CIRCULATED OR DISTRIBUTED WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC IN HONG KONG OTHER THAN (I) WITH RESPECT TO SHARES WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO "PROFESSIONAL INVESTORS" WITHIN THE MEANING OF THE SECURITIES AND FUTURES ORDINANCE (CAP. 571) OF HONG KONG ("SFO") AND ANY RULES MADE THEREUNDER OR (II) IN CIRCUMSTANCES THAT DO NOT CONSTITUTE AN INVITATION TO THE PUBLIC FOR THE PURPOSES OF THE SFO.

THE CONTENTS OF THE PROSPECTUS AND THIS SUB-FUND SUPPLEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THE PROSPECTUS AND THIS SUB-FUND SUPPLEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

#### **Notice to residents of Taiwan**

Shares in the Sub-Fund may be made available outside Taiwan for purchase by investors located in Taiwan but may not be recommended, marketed, sold or offered within Taiwan. No person or entity in Taiwan has been authorized to market offer, sell, give advice regarding or otherwise intermediate the offering and sale of Shares in the Sub Fund.

#### **Notice to residents of Australia**

THIS SUB-FUND SUPPLEMENT IS NOT A PROSPECTUS FOR THE PURPOSES OF CHAPTER 6D OF THE CORPORATIONS ACT 2001 (CTH) ("**CORPORATIONS ACT**") OR A PRODUCT DISCLOSURE STATEMENT FOR THE PURPOSES OF PART 7.9 OF THE CORPORATIONS ACT AND HAS NOT BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ("**ASIC**"). IT DOES NOT PURPORT TO CONTAIN ALL INFORMATION THAT WOULD BE REQUIRED TO BE INCLUDED IN A PROSPECTUS OR PRODUCT DISCLOSURE DOCUMENT FOR THE PURPOSES OF CHAPTER 6D OR PART 7.9 OF THE CORPORATIONS ACT. IF THIS SUB-FUND SUPPLEMENT RELATES TO SHARES IN A FUND THAT IS A MANAGED INVESTMENT SCHEME, THE SUB-FUND IS NOT AND IS NOT REQUIRED TO BE REGISTERED WITH ASIC UNDER CHAPTER 5C OF THE CORPORATIONS ACT.

NO OFFER OR INVITATION TO PURCHASE OR SUBSCRIBE FOR THE SHARES IN THE SUB-FUND IS MADE TO ANY PERSON IN AUSTRALIA EXCEPT TO THE EXTENT THAT SUCH PERSON IS A "WHOLESALE CLIENT" AS DEFINED IN SECTION 761G(7) OF THE CORPORATIONS ACT AND THE OFFER OR INVITATION WOULD BE PERMITTED TO BE

MADE TO THE PERSON WITHOUT THE NEED FOR A PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT UNDER CHAPTER 6D OR PART 7.9 OF THE CORPORATIONS ACT, AS THE CASE REQUIRES.

IF THIS SUB-FUND SUPPLEMENT RELATES TO THE ISSUE OF SHARES WHERE A RECIPIENT ACQUIRES SHARES IN THE SUB-FUND AND ON-SELLS THEM WITHIN 12 MONTHS OF THE ISSUE OF SUCH SHARES, THAT PERSON WILL BE REQUIRED TO LODGE A PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT FOR THE PURPOSES OF CHAPTER 6D OR PART 7.9 OF THE CORPORATIONS ACT, RESPECTIVELY, WITH ASIC UNLESS EITHER:

- (A) IT CAN BE ESTABLISHED THAT THE SUB-FUND ISSUED, AND THE RECIPIENT SUBSCRIBED FOR, SHARES IN THE SUB-FUND WITHOUT THE PURPOSE OF THE RECIPIENT ON-SELLING SHARES OR GRANTING, ISSUING OR TRANSFERRING A SHARE IN, OR OPTIONS OR WARRANTS OVER THEM; OR
- (B) THE SALE IS PURSUANT TO AN OFFER RECEIVED OUTSIDE AUSTRALIA OR IS MADE TO A PERSON TO WHOM A SALE OFFER MAY BE MADE WITHOUT THE NEED FOR A PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT UNDER CHAPTER 6D OR PART 7.9 OF THE CORPORATIONS ACT.

#### **Notice to Residents of Brazil**

THE SHARES IN THE SUB-FUND MAY NOT BE OFFERED OR SOLD TO THE PUBLIC IN BRAZIL. ACCORDINGLY, THE SHARES IN THE SUB-FUND HAVE NOT BEEN NOR WILL BE REGISTERED WITH THE BRAZILIAN SECURITIES COMMISSION NOR HAVE THEY BEEN SUBMITTED TO THE FOREGOING AGENCY FOR APPROVAL. DOCUMENTS RELATING TO THE SHARES IN THE SUB-FUND, AS WELL AS THE INFORMATION CONTAINED THEREIN, MAY NOT BE SUPPLIED TO THE PUBLIC IN BRAZIL, AS THE OFFERING OF SHARES IN THE SUB-FUND IS NOT A PUBLIC OFFERING OF SECURITIES IN BRAZIL, NOR USED IN CONNECTION WITH ANY OFFER FOR SUBSCRIPTION OR SALE OF SECURITIES TO THE PUBLIC IN BRAZIL.

#### **Notice to residents of Singapore**

THE OFFER OR INVITATION OF THE SHARES IN THE SUB-FUND, WHICH IS THE SUBJECT OF THIS SUB-FUND SUPPLEMENT, IS NOT AUTHORISED OR RECOGNISED BY THE MONETARY AUTHORITY OF SINGAPORE (THE "**MAS**") AND SHARES ARE NOT ALLOWED TO BE OFFERED TO THE RETAIL PUBLIC. EACH OF THE PROSPECTUS, THIS SUB-FUND SUPPLEMENT AND ANY OTHER DOCUMENT OR MATERIAL ISSUED IN CONNECTION WITH THE OFFER OR SALE IS NOT A PROSPECTUS AS DEFINED IN THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE (THE "**SFA**"). ACCORDINGLY, STATUTORY LIABILITY UNDER THE SFA IN RELATION TO THE CONTENT OF PROSPECTUSES WOULD NOT APPLY. YOU SHOULD CONSIDER CAREFULLY WHETHER THE INVESTMENT IS SUITABLE FOR YOU IN LIGHT OF YOUR OWN PERSONAL CIRCUMSTANCES.

THE PROSPECTUS AND THIS SUB-FUND SUPPLEMENT HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED AS A PROSPECTUS WITH THE MAS AS THE SUB-FUND IS INVOKING THE EXEMPTIONS FROM COMPLIANCE WITH PROSPECTUS REQUIREMENTS PURSUANT TO THE EXEMPTIONS UNDER SECTION 304 AND SECTION 305 OF THE SFA. THE MAS ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS AND THIS SUB-FUND SUPPLEMENT.

ACCORDINGLY, THE PROSPECTUS, THIS SUB-FUND SUPPLEMENT AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF SHARES MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY SHARES BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO ANY PERSONS IN SINGAPORE OTHER THAN (I) TO AN INSTITUTIONAL INVESTOR (AS DEFINED IN SECTION 4A(1) OF THE SFA) UNDER SECTION 304 OF THE SFA (EACH AN "**INSTITUTIONAL INVESTOR**"), (II) TO A RELEVANT PERSON AS DEFINED



IN SECTION 305 OF THE SFA OR ANY PERSON PURSUANT TO AN OFFER REFERRED TO IN SECTION 305(2) OF THE SFA (EACH A "**RELEVANT INVESTOR**"), AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 305 OF THE SFA, OR (III) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISION OF THE SFA.

SUBJECT TO ALL OTHER RESTRICTIONS ON TRANSFERABILITY IMPOSED BY THE SUB-FUND, RECIPIENTS OF THIS SUB-FUND SUPPLEMENT REPRESENT AND WARRANT THAT WHERE THE SHARES ARE INITIALLY ACQUIRED PURSUANT TO AN OFFER MADE IN RELIANCE ON AN EXEMPTION UNDER:

- (A) SECTION 304 OF THE SFA BY AN INSTITUTIONAL INVESTOR, SUBSEQUENT SALES OF THE SHARES WILL ONLY BE MADE TO ANOTHER INSTITUTIONAL INVESTOR; AND
- (B) SECTION 305 OF THE SFA BY A RELEVANT INVESTOR, SUBSEQUENT SALES OF THE SHARES WILL ONLY BE MADE TO AN INSTITUTIONAL INVESTOR OR ANOTHER RELEVANT INVESTOR.

IN ADDITION, IT SHOULD BE NOTED THAT WHERE THE SHARES ARE INITIALLY ACQUIRED IN SINGAPORE PURSUANT TO AN OFFER MADE IN RELIANCE ON AN EXEMPTION UNDER SECTION 305 OF THE SFA BY:

- (A) A CORPORATION REFERRED TO IN SECTION 305A(2) OF THE SFA (A "**RELEVANT CORPORATION**"), THE SECURITIES OF THE RELEVANT CORPORATION SHALL NOT BE TRANSFERRED WITHIN SIX MONTHS AFTER THE RELEVANT CORPORATION HAS ACQUIRED ANY SHARES UNLESS THE TRANSFER IS IN ACCORDANCE WITH THE CONDITIONS OF SECTION 305A(2) OF THE SFA; AND
- (B) A TRUST REFERRED TO IN SECTION 305A(3) OF THE SFA (A "**RELEVANT TRUST**"), THE RIGHTS AND INTEREST (HOWSOEVER DESCRIBED) OF THE BENEFICIARIES THEREOF IN THE RELEVANT TRUST SHALL NOT BE TRANSFERRED WITHIN SIX MONTHS AFTER ANY SHARES HAVE BEEN ACQUIRED FOR THE RELEVANT TRUST UNLESS THE TRANSFER IS IN ACCORDANCE WITH THE CONDITIONS OF SECTION 305A(3) OF THE SFA.

INVESTORS SHOULD THEREFORE ENSURE THAT THEIR OWN TRANSFER ARRANGEMENTS COMPLY WITH THE RESTRICTIONS. INVESTORS SHOULD SEEK LEGAL ADVICE TO ENSURE COMPLIANCE WITH THE ABOVE ARRANGEMENT.

SOLELY FOR THE PURPOSES OF ITS OBLIGATIONS PURSUANT TO SECTION 309B OF THE SFA, THE INVESTMENT MANAGER HAS DETERMINED, AND HEREBY NOTIFIES ALL RELEVANT PERSONS (AS DEFINED IN THE SECURITIES AND FUTURES (CAPITAL MARKETS PRODUCTS) REGULATIONS 2018 ("**CMP REGULATIONS 2018**")), THAT THE SHARES ARE CAPITAL MARKETS PRODUCTS OTHER THAN PRESCRIBED CAPITAL MARKETS PRODUCTS (AS DEFINED IN SECTION 309B OF THE SFA).

THE PROSPECTUS AND/OR THIS SUB-FUND SUPPLEMENT DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION.

#### **Notice to residents of Chile**

ESTA OFERTA PRIVADA SE INICIA EL DÍA EL 28 ABRIL, 2023 Y SE ACOGE A LAS DISPOSICIONES DE LA NORMA DE CARÁCTER GENERAL N° 336 DE LA SUPERINTENDENCIA DE VALORES Y SEGUROS, HOY COMISIÓN PARA EL MERCADO FINANCIERO.

ESTA OFERTA VERSA SOBRE VALORES NO INSCRITOS EN EL REGISTRO DE VALORES O EN EL REGISTRO DE VALORES EXTRANJEROS QUE LLEVA LA COMISIÓN PARA EL

MERCADO, POR LO QUE TALES VALORES NO ESTÁN SUJETOS A LA FISCALIZACIÓN DE ÉSTA;

POR TRATAR DE VALORES NO INSCRITOS NO EXISTE LA OBLIGACIÓN POR PARTE DEL EMISOR DE ENTREGAR EN CHILE INFORMACIÓN PÚBLICA RESPECTO DE LOS VALORES SOBRE LOS QUE VERSA ESTA OFERTA;

ESTOS VALORES NO PODRÁN SER OBJETO DE OFERTA PÚBLICA MIENTRAS NO SEAN INSCRITOS EN EL REGISTRO DE VALORES CORRESPONDIENTE.

THIS PRIVATE OFFER COMMENCES ON 28 APRIL, 2023 AND IT AVAILS ITSELF OF THE GENERAL REGULATION NO. 336 OF THE SUPERINTENDENCE OF SECURITIES AND INSURANCE (CURRENTLY, THE FINANCIAL MARKETS COMMISSION);

THIS OFFER RELATES TO SHARES NOT REGISTERED WITH THE SECURITIES REGISTRY OR THE REGISTRY OF FOREIGN SECURITIES OF THE FINANCIAL MARKETS COMMISSION, AND THEREFORE SUCH SHARES ARE NOT SUBJECT TO OVERSIGHT BY THE LATTER;

BEING UNREGISTERED SHARES, THERE IS NO OBLIGATION ON THE SUB-FUND TO PROVIDE PUBLIC INFORMATION IN CHILE REGARDING SUCH SHARES; AND

THESE SHARES MAY NOT BE SUBJECT TO A PUBLIC OFFER UNTIL THEY ARE REGISTERED IN THE CORRESPONDING SECURITIES REGISTRY.

**Notice to residents of Mexico**

THE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE NATIONAL REGISTRY OF SECURITIES, MAINTAINED BY THE MEXICAN NATIONAL BANKING COMMISSION AND, AS A RESULT, MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO. THE SUB-FUND AND ANY UNDERWRITER OR PURCHASER MAY OFFER AND SELL THE SHARES IN MEXICO, TO INSTITUTIONAL AND ACCREDITED INVESTORS, ON A PRIVATE PLACEMENT BASIS, PURSUANT TO ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW.

**The Sub-Fund Supplement**

<p><b>AAA Fund</b></p>	<p>Apollo Aligned Alternatives (the "<b>AAA Fund</b>") comprises Apollo Aligned Alternatives (A), L.P., Apollo Aligned Alternatives (C), L.P., Apollo Aligned Alternatives (FC), L.P., Apollo Aligned Alternatives, L.P., Apollo Aligned Alternatives (E-2), SCSp and any additional and/or successor aggregator or investment structuring vehicles, Parallel Funds or Feeder Funds and any alternative investment vehicles of the foregoing that may be established, as applicable.</p>
<p><b>Sub-Fund</b></p>	<p>Apollo Aligned Alternatives (E-1) (the "<b>Sub-Fund</b>") is an open-ended investment compartment (<i>compartment</i>) of the Umbrella Vehicle.</p>
<p><b>Investment Objective and Strategy</b></p>	<p>It is intended that the Sub-Fund will pursue investment opportunities across the alternatives platform of Apollo Asset Management, Inc. (together with its subsidiaries, "<b>Apollo</b>") by investing, directly or indirectly, in (i) certain Apollo-managed commingled funds ("<b>Apollo Funds</b>"), (ii) private direct investments ("<b>Direct Investments</b>"), (iii) co-investments alongside Apollo ("<b>Co-Investments</b>") and (iv) commingled funds managed by persons not being an Affiliate of Apollo ("<b>Third-Party Funds</b>," collectively and together with any other investments of the Sub-Fund, "<b>Alternative Investments</b>").</p> <p>It is intended that the Sub-Fund will invest at least 90% of its assets in Alternative Investments, with the balance intended to be used for (i) a liquidity reserve to facilitate Investor redemptions (the "<b>Liquidity Reserve</b>"); and (ii) any reserves for the payment of expenses, liabilities or other obligations of the Sub-Fund, in each case which may comprise cash, cash equivalents and/or liquid instruments, through one or more subsidiaries established for the purpose of holding the Alternative Investments.</p> <p>Current commingled funds across Apollo's alternatives platform in which the Sub-Fund is intended to invest include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• <b>Private Equity:</b> Contrarian, value-oriented investment strategy that focuses on opportunistic buyouts, corporate carve-outs, and distressed-for-control opportunities, and includes a dedicated fund focused on impact investing, pursuing private equity-like opportunities aligned with social and/or environmental impact goals. Across the portfolio, Apollo has applied a value-oriented mindset, underpinned by pricing discipline, conservative leverage levels and an emphasis on downside protection. Post-acquisition, Apollo actively engages with its portfolio companies to drive operational transformation, generate value and accelerate growth. With a longstanding ESG focus and commitment to expanding opportunity, Apollo seeks to magnify its impact through the breadth of its private equity portfolio.</li> <li>• <b>Hybrid Value:</b> Hybrid equity and credit mandate focused on downside protections, employing a flexible approach centered around three primary pathways: capital solutions, structured equity, and non-control stressed/distressed investments. Capital solutions focuses on senior or subordinated credit instruments and structured instruments including preferred or convertible securities with equity linked upside, often through warrants or participation rights. Structured Equity utilizes non-control or control equity to fund organic growth initiatives, acquisitions, deleveraging, or build-ups with staged</li> </ul>

	<p>deployment of capital. Stressed/Distressed investments typically encompass non-control distressed or leveraged yield credit investments sourced during periods of broad market volatility.</p> <ul style="list-style-type: none"> <li>• <b>Infrastructure Equity:</b> Flexible, value-oriented strategy focusing on the underserved lower middle-market infrastructure opportunity across three primary pathways – control-oriented acquisitions, corporate carve-outs, and opportunistic and structured solutions. Apollo's infrastructure business makes investments in power and renewables, midstream energy, communications, and transportation assets in OECD markets.</li> <li>• <b>US and Asia Real Estate:</b> Contrarian, value-oriented approach to investing across major property types and niche sectors, investing in properties, portfolios, and businesses at a discount to stabilized or intrinsic asset value and replacement cost. Apollo's real estate strategy is designed to find and extract mispriced risk regardless of broader market trends, leveraging the Apollo library and its research-driven market lens, which examines trends across demographics, disruptive forces, and dislocation. By leveraging existing platforms in sectors such as manufactured housing, food-related real estate and hospitality, Apollo Real Estate seeks to act as an operator in markets they know well and where Apollo can seek to create significant downside protection.</li> <li>• <b>European Principal Finance:</b> Apollo's European Credit and Real Assets special situations strategy, focused on primarily acquiring non-performing, non-core, and capital inefficient whole loans, real estate and asset-backed credit instruments, as well as associated operating platforms arising from deleveraging and stress in European financial markets. The strategy seeks situations of mispriced and illiquid risk arising from the realignment of financial service models, regulatory pressures and asset management complexity.</li> <li>• <b>Opportunistic Credit:</b> Apollo's Opportunistic Credit product suite is designed to pursue dislocated, event-driven, or opportunistic long/short credit opportunities, focusing on high conviction investments with a technical and/or non-fundamental value proposition. Opportunistic Strategies focus on Apollo Credit's highest conviction ideas and investment themes across market cycles and invest tactically to capitalize on both near and longer-term relative value opportunities. The investment approach focuses on constructing a portfolio of highly defensible, top of the capital structure investments with strong cash flows and significant asset coverage in a cross-asset format in both the primary and secondary markets.</li> <li>• <b>Principal Structured Finance:</b> Apollo's Principal Structured Finance product capitalizes on Apollo's longevity underwriting expertise to deliver low-correlated, attractive risk-adjusted returns by investing in life settlements, life contingent liabilities and insurance-linked securities.</li> <li>• <b>Co-Investments:</b> Represents direct investments alongside Apollo and/or its managed funds in transactions that require outsized capital commitments. The specific risks related to co-investments are duly taken into account by the conflict of</li> </ul>
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	<p>interest policy established by the AIFM in accordance with the AIFMD framework.</p> <ul style="list-style-type: none"> <li>• <b>Third-Party Managed Funds:</b> Represents investments into select third-party managed vehicles across targeted strategies where Apollo does not have existing mandates, which meet the risk/return profile of the Sub-Fund.</li> </ul> <p>Private direct investments in which the Sub-Fund intends to invest are investments in leading businesses, teams and technologies that primarily focus on the proprietary origination of financial assets across industry sectors. These businesses are stand-alone companies with substantial experience in high quality corporate performance, established management teams and robust employee bases. Apollo typically views these investments as long-term or perpetual holds as they are well-positioned for sustained growth and equity appreciation.</p> <p>The Sub-Fund shall not, directly or indirectly, invest more than 20% of its NAV at the time of investment in any single issuer or borrower, <b>provided that</b> such diversification will be assessed on a look-through basis to the underlying investment (for which purpose the Sub-Fund's proportionate interest shall be calculated based on its equity ownership via the relevant Alternative Investment and/or any intermediary vehicles, as applicable). Should such restriction be exceeded for any reason other than the purchase of one or more additional investments (for example market or currency fluctuations), no remedial action will be required for these reasons.</p> <p>The above investment restriction will not apply during a ramp-up period of four years after the Sub-Fund's first subscriptions from investors are received.</p> <p>Apollo believes the Sub-Fund will offer a turnkey solution for those seeking broadly diversified access to alternatives across sectors and vintages.</p> <p>The Sub-Fund's initial alternatives exposure generally aligns Investors with Apollo with respect to its alternative asset balance sheet investments – the same governance framework oversees Apollo's own balance sheet investments in similar investments via parallel funds. As one of the world's largest alternative asset managers, Apollo's portfolio management process is inherently opportunistic, targeting investments for the Sub-Fund based on favourable risk-reward, diversification and potential for outsized returns due to relevant themes or sector/market dislocations. Apollo believes that the envisaged portfolio will be well-positioned to provide investors with (i) a highly diversified portfolio composition across alternative investment strategies; (ii) focus on downside protection across market cycles, across asset cycles; (iii) access to leading investment teams and processes; and (iv) benefits from synergies across Apollo's leading integrated portfolio and the direct oversight of Apollo and its senior management.</p> <p>The Sub-Fund may control some of the intermediary vehicles in the investment structures through which it invests but it will not be in control of all intermediary vehicles in such investment structures. Where the Sub-Fund does not control an intermediary vehicle, the Sub-Fund will ensure that arrangements are in place to ensure such intermediary vehicle's compliance with the diversification requirements, borrowing limits and liquidity needs of the Sub-Fund.</p>
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	<p>Certain investors that are members of the Apollo Group hold a portfolio of certain Alternative Investments and have made or will make, directly or indirectly, subject to any required approvals, all or a portion of their initial and subsequent capital contributions to the AAA Fund by contributing such assets to the AAA Fund.</p> <p>The Sub-Fund shall not directly originate loans (including, for the avoidance of doubt loans, to natural persons. the AIFM, the Investment Manager or any Affiliate thereof) nor directly acquire participation interests in all or a portion of a loan.</p> <p>There can be no guarantee that any Apollo Fund, and in turn the Sub-Fund, will achieve their investment objectives.</p>
<p><b>Allocation of Investment Opportunities</b></p>	<p>Members of the Apollo Group may, from time to time, be presented with investment opportunities that fall within the investment objectives of the other members of the Apollo Group, Athene and their affiliates and Apollo Clients. The Apollo Group has established policies and procedures for allocating investment opportunities among Apollo Clients intended to ensure that each Apollo Client is treated in a manner that, over time, is fair and equitable. Such opportunities will be allocated pursuant to such allocation policies and procedures (as amended from time to time by the Apollo Group in its sole discretion).</p> <p>See Annex II: "Risk Factors— Additional Risks related to Investments by the Sub-Fund—Allocation of Investment Opportunities".</p>
<p><b>Investment Manager</b></p>	<p>The AIFM has delegated its portfolio management function in respect of the Sub-Fund to Apollo Management International LLP (the "<b>Investment Manager</b>"), an English limited liability partnership and an Affiliate of Apollo Global Management, Inc ("<b>Apollo</b>") with registered office at 1 Soho Place, London, W1D 3BG, England, pursuant to an investment management agreement entered into by the Investment Manager, the Umbrella Vehicle, acting in respect of the Sub-Fund, and the AIFM. The Investment Manager is authorized by the United Kingdom Financial Conduct Authority.</p> <p>The Investment Manager in turn intends to appoint Apollo Aligned Alternatives Management, L.P. (the "<b>Sub-Investment Manager</b>") as a sub-investment manager in relation to the Sub-Fund, pursuant to a sub-investment management agreement to be entered into between (amongst others) the Investment Manager and the Sub-Investment Manager.</p> <p>The Investment Manager may, at any time, without the approval of Investors, terminate or assign the appointment of the Sub-Investment Manager and appoint a replacement sub-investment manager and/or Global Distributor <b>provided that</b> (1) such replacement shall not result in increased costs for the Investors; (2) prior notice of such termination and replacement is given to the AIFM in accordance with the AIFM Agreement; and (3) such replacement is appropriately authorized under Applicable Law (including, but not limited to, the Directive) to perform the relevant obligations.</p> <p>The Investment Manager may from time to time engage other Affiliates to undertake investment advisory or other functions and such relevant Affiliate will operate under the general oversight and supervision of the Investment Manager, which itself operates under the oversight by the AIFM.</p>

<b>Platform Advisor</b>	<p>S64 Ventures Limited, trading as S64 Capital Innovation, a limited company incorporated and registered in England and Wales with company number 11888553 whose registered office is at 91 Wimpole Street, London W1G 0EF, United Kingdom, will be appointed as the platform advisor (the "<b>Platform Advisor</b>") in relation to the Sub-Fund pursuant to a platform advisory agreement entered into between (amongst others) the Investment Manager and the Platform Advisor in respect of the Sub-Fund (the "<b>Platform Advisory Agreement</b>").</p> <p>In this capacity, the Platform Advisor may where necessary, support the Board of Directors in structuring the Sub-Fund, liaising with and facilitating the services to be provided by the Service Providers, providing assistance to the Board of Directors and the AIFM in governance, oversight and distribution related matters and more generally facilitate and support the day-to-day operations of the Sub-Fund. Further, the Platform Advisor may where necessary, assist in the lifecycle management and operational interface to sub-distributors and investors, including through the provision of technological solutions and/or platforms to facilitate all of the foregoing.</p>
<b>Term</b>	<p>The Sub-Fund will continue for an unlimited period of time, until being put into liquidation in certain specified circumstances including as described under the section "<i>Dissolution</i>" below. Investors may request the redemption of their Shares on a quarterly basis as described in the section "<i>Redemption of Shares</i>" below, subject to the limitations set out in such section.</p>
<b>Currency of the Sub-Fund</b>	<p>The Sub-Fund is denominated in U.S. dollars (USD).</p> <p>The Sub-Fund may offer Classes (as defined below) denominated in other currencies. Subscription payments and distributions will be made in the currency of the applicable Class.</p> <p>The NAV per Share for the applicable Class will be reported to the Investors, and Class returns will be calculated and reported, in the applicable Class currency.</p>
<b>Shares</b>	<p>All Shares will be fully paid-up at the time of subscription.</p> <p>More details regarding the subscription process can be found in the general part of the Prospectus as well as under the section "<i>Subscription of Shares</i>" below.</p> <p>All Shares of the Sub-Fund will be registered in the Share register of the Umbrella Vehicle as described in the general part of the Prospectus.</p> <p>Fractions of Shares up to 2 decimal spaces will be issued.</p>
<b>Share Classes</b>	<p>The Sub-Fund currently offers the classes of Shares set out in Annex III (each a "<b>Class</b>").</p> <p>Subject to the sole discretion of the Board of Directors, each holder of Shares in the Sub-Fund (each an "<b>Investor</b>") will be required to meet the eligibility criteria for the relevant Class as set out in Annex III.</p> <p><b>Please note that the Sub-Fund does not anticipate declaring or paying cash dividends on its Shares. Accordingly, the Sub-Fund retains all realized net capital gains, if any, and investment income to increase the Sub-Fund's net assets.</b> In the unlikely event that the Sub-Fund's cash-level exceeds the supply of investment</p>

	<p>opportunities, then the Board of Directors may determine (at the Investment Manager's recommendation) to declare a cash dividend on the Sub-Fund's Shares to return capital to Investors. In such circumstances, Investors will receive in cash any such distributions that the Sub-Fund pays in respect of such Shares.</p> <p>Except as otherwise described herein, the terms of each Class of Shares are identical. The Board of Directors has the authority to issue different Classes, sub-Classes, categories or sub-categories of Shares within the Sub-Fund. Details of the characteristics of each Class of Shares offered by the Sub-Fund will be determined by the Board of Directors and may have different rights, benefits, powers or duties, and may be subject to different terms, including with respect to fees, distributions and liquidity, which will be described in this Sub-Fund Supplement (as amended from time to time).</p>
<b>Type of Shares</b>	Registered Shares only.
<b>Hedging</b>	The Investment Manager or Sub-Investment Manager may in its discretion, but is not obliged to, hedge exclusively interest rate and/or currency risks in connection with investments solely for portfolio management, but not for speculative purposes.
<b>Minimum Subscription</b>	The minimum initial and minimum subsequent subscription amount by each Investor in the Sub-Fund is as set out in Annex III. Each Investor shall maintain a minimum holding of the amount of the minimum initial subscription amount for such Class. Certain sub-distributors, countries and/or Share Classes may have higher minimums.
<b>Defaulting Investor</b>	<p>If an Investor fails to fund its subscription, the respective application for subscription will not be accepted. A subscription will be held until cash is received. Cash must be received by the next available Dealing Date. If cash is not received by such date, the relevant subscription will be deemed to be revoked.</p> <p>The Sub-Fund, the Board of Directors, the AIFM, the Investment Manager, the Sub-Investment Manager, the Administrator and the Depositary have no liability for any delay or failure to issue Shares as a result of a defaulting Investor failing to fund its subscription.</p>
<b>Borrowing</b>	<p>The Sub-Fund may, directly and/or indirectly, utilize leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an investment, <b>provided that</b> the Sub-Fund shall not incur short-term indebtedness or provide other short-term credit support that would cause it to exceed the Short-Term Borrowing Limit or incur indebtedness, directly and/or indirectly, that would cause its leverage to exceed the Leverage Limit, <b>provided that</b> no remedial action will be required if the Short-Term Borrowing Limit or Leverage Limit is exceeded for any reason other than the incurrence of an increase in indebtedness (including the exercise of rights attached to an investment).</p> <p>For the purposes of this section:</p> <p><b>"Loan-to-Value Ratio"</b> means Consolidated Borrowings expressed as a percentage of aggregate gross asset value of the assets held directly or indirectly by the Sub-Fund (as determined by the AIFM or the Administrator) as at the date of assessment in accordance with the AIFM's valuation policy in respect of the Sub-Fund;</p>



	<p><b>"Consolidated Borrowings"</b> means the aggregate outstanding borrowings and guarantees (without duplication) of the Sub-Fund (its proportionate interest (calculated based on its equity ownership) of such outstanding borrowings and guarantees at the level of the subsidiaries) the proceeds of which are used to fund all or a portion of the capital necessary for an investment (for the avoidance of doubt, excluding (i) any indebtedness at the level of an Alternative Investment, (ii) any internal indebtedness between the Sub-Fund, the Parallel Vehicles (if any), its subsidiaries and investments; and (iii) any Short-Term Borrowings);</p> <p>The leverage limit consists of an aggregate Loan-to-Value Ratio of 25% (the "<b>Leverage Limit</b>");</p> <p>The Sub-Fund may make use of a credit facility for working capital purposes, including bridging of subscriptions and redemptions, currency hedging and running expenses (the "<b>Short-Term Borrowings</b>");</p> <p><b>"ST Loan-to-Value Ratio"</b> means Short-Term Borrowings (including any other short-term indebtedness or other short-term credit support of the Sub-Fund but excluding for the avoidance of doubt leverage (including Consolidated Borrowings)) expressed as a percentage of aggregate gross asset value of the assets held directly or indirectly by the Sub-Fund (as determined by the AIFM or the Administrator) as at the date of assessment in accordance with the AIFM's valuation policy in respect of the Sub-Fund; and</p> <p>The short-term borrowings limit consists of an aggregate ST Loan-to-Value Ratio of 10% (the "<b>Short-Term Borrowings Limit</b>").</p> <p>The maximum total aggregate leverage calculated pursuant to the gross method and commitment method set out in the AIFM Regulation is respectively 300% and 200%.</p>
<b>Initial Subscription Price</b>	<p>Until the Sub-Fund has determined its first NAV per Share for any Class, the subscription price for Shares in the Sub-Fund shall be as set out in Annex III unless otherwise determined by the Board of Directors (excluding, in each case, applicable Subscription Fees) (as set out more particularly in the section titled "<i>Fees</i>" below).</p>
<b>Underlying Investors</b>	<p>Investments in the Sub-Fund may be made (i) directly or (ii) by appointing a Financial Intermediary to hold Shares as financial intermediary of and trustee upon trust for, such underlying investor (each, an "<b>Underlying Investor</b>"), in accordance with and subject to the terms of the general part of the Prospectus.</p> <p>Any reference in the Prospectus and this Sub-Fund Supplement to "<b>Investors</b>" shall be read as a reference to the relevant Financial Intermediary and/or where appropriate, the Underlying Investor and any penalties, sanctions and requirements that can be imposed on an Investor will be, in respect of the relevant Financial Intermediary, applied to the relevant pro-rata portion of the relevant Financial Intermediary's Shares corresponding to the relevant Underlying Investor, in accordance with and subject to the terms of the general part of the Prospectus.</p> <p>Likewise, voting rights will be exercised by Financial Intermediaries through either (i) a split vote following voting instructions from each</p>

	Underlying Investor or (ii) exercising voting rights further to a general power of attorney to vote on behalf of each Underlying Investor.
<b>Eligibility</b>	Each potential Investor wishing to subscribe for Shares in the Sub-Fund is required to execute a subscription agreement and make certain representations and warranties to the Sub-Fund, the Board of Directors, the AIFM and/or the Investment Manager. Each potential Investor must also satisfy the eligible Investor qualifications as set out in the subscription agreement.
<b>Genuine Diversity of Ownership</b>	<p>The application of certain aspects of the UK tax code may partially depend on whether the Umbrella Vehicle and/or the Sub-Fund meet the "genuine diversity of ownership" condition in Regulation 75 of the UK Offshore Funds (Tax) Regulations (SI 2009/3001) (the "<b>GDO Condition</b>").</p> <p>In this regard, the Board of Directors confirms that the Sub-Fund is intended for and marketed to a wide range of investors (including retail clients, where permitted).</p> <p>For the purposes of the GDO Condition, the Board of Directors undertakes that interests in the Sub-Fund:</p> <ul style="list-style-type: none"> <li>• are and will continue to be widely available; and</li> <li>• are, and will continue to be, marketed to, and made available sufficiently widely, to reach the intended categories of investors mentioned above and in a manner appropriate to attract these kinds of investors.</li> </ul>
<b>Communication and announcements to the Investors</b>	To the extent permitted by the 1915 Law, the 2010 Law or any other Luxembourg laws or regulations, an electronic secure platform may be used for the transmission of all notifications and announcements of the Board of Directors and the Sub-Fund, such as, for instance information notices, financial reports and corporate information.
<b>Subscription of Shares</b>	<p>Prospective Investors and/or Investors may submit subscription requests to purchase Shares on an ongoing basis, but Prospective Investors and/or Investors may only purchase Shares pursuant to accepted subscription orders as of the first Business Day of each month (the "<b>Dealing Date</b>"). The first Dealing Date is expected to be 1 June 2023. A prospective Investor and/or Investor generally must notify the Administrator of its desire to subscribe for Shares for new subscriptions by 5.pm. Central European Time on the Business Day at least 5 Business Days prior to the Dealing Date, (unless such notice period is waived by the Administrator).</p> <p>To be accepted, a subscription request must be accompanied by an executed Subscription Agreement completed to the satisfaction of the Administrator, including (a) satisfying any additional requirements imposed by the Prospective Investor and/or Investor's broker-dealer and/or other financial intermediary, (b) satisfying the know your client (KYC), terrorist financing and anti-money laundering checks carried out by the Administrator or such other person appointed by the Board of Directors by 5.pm. Central European Time on the Business Day at least 5 Business Days prior to the Dealing Date and (c) payment of the full purchase price of the Shares being subscribed by 5.pm. Central European Time on the Business Day at least 4 Business Days prior to the Dealing Date.</p>

	<p>The Board of Directors has the discretion to accept or reject subscription requests in full or in part, and in particular the Board of Directors may determine in the best interests of Investors that all or part of a subscription request should be deferred to a later Dealing Date. The Board of Directors may also declare additional or more frequent Dealing Dates.</p> <p>The purchase price per Share of each Class will be equal to the NAV per Share for such Class as of the immediately preceding Valuation Day to the relevant Dealing Date. The monthly NAV of the Sub-Fund as at such Valuation Day will generally be available by the 45<sup>th</sup> Business Day after the applicable Dealing Date. Prospective Investors and/or Investors will therefore not know the NAV per Share of their subscription until after the subscription has been accepted.</p> <p>The issue, subscription and redemption price of Shares for each Class will be made publicly available at <a href="https://gwms.apollo.com/AlignedAlternativesE1">https://gwms.apollo.com/AlignedAlternativesE1</a>.</p> <p>Investors may also be required to pay Subscription Fees to their financial intermediary (as set out more particularly in the section titled "Fees" below).</p> <p>The Board of Directors may in its discretion agree to issue Shares to one or more Investors as consideration for a contribution in kind in compliance with the conditions set forth by Luxembourg law.</p>
<p><b>Conversion of Shares</b></p>	<p>Investors may request the conversion of Shares between Classes in the Sub-Fund, <b>provided that</b> such Investor meets investor eligibility criteria and conditions applicable to such Class as set out in this Sub-Fund Supplement and the Prospectus.</p> <p>The Board of Directors may suspend conversions in respect of Shares during any period that the determination of the NAV of the relevant Class is suspended in accordance with the rules set out in the Articles and the Prospectus.</p> <p>An Investor may request the conversion of all or part of its Shares of a Class on any Dealing Date; <b>provided that</b> the Investor fulfils the eligibility criteria of the relevant Class into which the conversion is requested and subject to the written consent of the Investor's broker or other financial intermediary, if applicable, and the Board of Directors or its delegate. Any conversion request which, when executed, would cause the Investor's investment to fall below the applicable minimum holding requirement, will be considered as a request for a full conversion for that Investor's Shares in that particular Class.</p> <p>Written conversion requests should be sent to the Administrator by 5.pm. Central European Time on the Business Day at least 5 Business Days before the Dealing Date (the "<b>Conversion Cut-Off</b>").</p> <p>All conversion requests must contain the following information:</p> <ul style="list-style-type: none"> <li>• the Dealing Date in respect of which the conversion request is made;</li> <li>• the full name(s) in which the Shares to be converted are registered;</li> </ul>

	<ul style="list-style-type: none"> <li>• the Class and its ISIN code from which Shares are to be converted and the Class and its ISIN code to which Shares will be converted; and</li> <li>• either the monetary amount or the number of Shares to be converted.</li> </ul> <p>If accepted by the Administrator, conversion requests received by the Administrator before the relevant Dealing Date (in respect of which the conversion request is made) will be dealt with on such Dealing Date on the basis of the NAV of the relevant Classes prevailing on that Dealing Date. Any conversion requests received after the Conversion Cut-off for a Dealing Date will be processed on the next Dealing Date on the basis of the NAV of the relevant Classes prevailing on such Dealing Date.</p> <p>The number of Shares to be allocated in the new class (the "<b>New Class</b>") will be determined by dividing (a) the aggregate NAV of the number of Shares of the existing Class (the "<b>Initial Class</b>") to be converted (adjusted for currency exchange), by (b) the NAV per Share of the New Class, in each case with the NAV determined on the relevant Valuation Day.</p> <p>Following such conversion of Shares, the Administrator will inform the applicable Investor of the number of Shares of the New Class obtained by conversion and the price thereof. Fractions of Shares in the New Class to two decimal places may be issued.</p> <p>The Board of Directors (or its delegate) may in its own discretion at any time convert Shares from one Class into another Class of Shares where (i) the holding by the applicable Investor of Shares in a particular Class has fallen below the minimum investment and holding requirement for that Class as set out in the Prospectus and/or this Sub-Fund Supplement, (ii) an Investor does not meet or ceases to meet investor eligibility criteria and conditions set out in the Prospectus, this Sub-Fund Supplement and/or the Investor's Subscription Agreement, (iii) Investors are not otherwise entitled to acquire or possess these Shares, or (iv) the Board of Directors or its delegate determines that such conversion is necessary or advisable and not inequitable to Investors.</p> <p>The calculation procedure set out above will apply to any conversions so conducted at the direction of the Board of Directors and/or its delegate.</p>
<p><b>Redemption of Shares</b></p>	<p>Investors will generally be able to request Share redemptions on a quarterly basis, effective as of the close of the last Business Day in March, June, September and December each year (each a "<b>Redemption Date</b>"). Investors may generally make a redemption request with a view to redeeming part or all of their Shares as at a Redemption Date by submitting a notice to the Administrator (in the form made available by the Sub-Fund) before 5.pm. Central European Time on the Business Day that is at least 56 Business Days prior to the applicable Redemption Date (unless such notice period is waived by the Administrator). Once a redemption notice has been submitted, the Investor may not withdraw or revoke the redemption request save with the Board of Directors' consent. Any revocation request must be submitted before 5.pm. Central European Time on the Business Day that is at least 31 Business Days prior to the relevant Redemption Date in respect of which such redemption request is made.</p>

	<p>Amounts distributed in connection with a redemption will be based upon the NAV per Share of the applicable Class of Shares being redeemed as of the coinciding Valuation Day. The monthly NAV of the Sub-Fund as at a Valuation Day will generally be available by the 46<sup>th</sup> Business Day after the Redemption Date at which such Shares were redeemed. Investors will therefore not know the NAV per Share of their redeemed Shares until after the redemption has been processed.</p> <p>The Sub-Fund expects that settlements of Share redemptions will generally be made within 48 Business Days of the Redemption Date. Investors whose redemption requests are accepted will cease to be Investors with respect to such redeemed Shares as of such Redemption Date and will therefore cease to be entitled to the rights of an Investor with respect to the redeemed Shares as of such date, including the right to receive distributions, and will not be entitled to interest on redemption payments.</p> <p>The aggregate NAV (or such equivalent in respect of any Parallel Vehicle) of total redemptions (on an aggregate basis (without duplication)) across the Sub-Fund and any Parallel Vehicles is generally limited to 5% of the aggregate NAV (or such equivalent with in respect of any Parallel Vehicle) per calendar quarter of the Sub-Fund and any Parallel Vehicles (excluding, for this purpose, any NAV (or such equivalent in respect to any Parallel Vehicle) as determined by the Board of Directors, including, but not limited to, by virtue of the fact such NAV (or such equivalent in respect to any Parallel Vehicle) is attributable to interests that are subject to a lock-up period) (measured using the lowest NAV (or such equivalent in respect of any Parallel Vehicle) for any month within the immediately preceding calendar quarter), except in the event of exceptional circumstances as more particularly set out in the general part of the Prospectus at "Section 8: Redemption and Withdrawal" and "Section 11: Suspension of the Calculation of the Net Asset Value", being: (a) if the Board of Directors (or its delegate) determines that such redemption would be reasonably likely to have a material adverse effect on the Sub-Fund, the Investors (when considered as a whole) or any investment; (b) if the calculation of the Sub-Fund's Net Asset Value has been suspended in accordance with "Section 11: Suspension of the Calculation of the Net Asset Value" of the general part of the Prospectus; or (c) if the Board of Directors (or its delegate) determines that it is necessary to implement a redemption suspension period to protect the Investors remaining in the Sub-Fund and as also described below.</p> <p>As set out above, below and in the general part of the Prospectus at "Section 8: Redemption and Withdrawal" and "Section 11 : Suspension of the Calculation of the Net Asset Value" the Board of Directors has the discretion to accept or reject redemption requests or modify or suspend the redemption program in full or in part, and to determine in the best interests of Investors whether and to what extent to fulfil redemptions, and the timing of such fulfilment (including to take account of the Sub-Fund's ability to redeem corresponding amounts in respect of its investments in the applicable Alternative Investments).</p> <p>The Board of Directors may suspend redemptions entirely in certain circumstances, as more particularly set out in the general part of the Prospectus at "Section 8 : Redemption and Withdrawal" and "Section 11 : Suspension of the Calculation of the Net Asset Value" being: (a) if the Board of Directors (or its delegate) determines that such redemption would be reasonably likely to have a material adverse effect on the Sub-Fund, the Investors (when considered as a whole)</p>
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	<p>or any investment; (b) if the calculation of the Sub-Fund's Net Asset Value has been suspended in accordance with "Section 11 : Suspension of the Calculation of the Net Asset Value" of the general part of the Prospectus; or (c) if the Board of Directors (or its delegate) determines that it is necessary to implement a redemption suspension period to protect the Investors remaining in the Sub-Fund and in the Articles. For the avoidance of doubt, it is intended that, in the absence of any market shifts or extraordinary market conditions, in which redemptions could be expected to be suspended, the Board of Directors expect suspensions of redemptions to take place in exceptional circumstances (as more particularly set out above and in the general part of the Prospectus at "Section 8 : Redemption and Withdrawal" and "Section 11 <b>Error! Reference source not found.</b>: Suspension of the Calculation of the Net Asset Value") and not on a systematic basis.</p> <p>In determining whether to suspend redemptions, the Board of Directors shall at all times take into account whether such redemption is considered to be in the best interests of the Sub-Fund and its Investors as a whole and/or if other such Investors are not harmed by such redemption, such as when redemptions of Sub-Fund Shares would place an undue burden on the Sub-Fund's liquidity, adversely affect the Sub-Fund's operations, risk having an adverse impact on the Sub-Fund that would outweigh the benefit of redemptions of units or as a result of legal or regulatory changes.</p> <p>In making such a determination to suspend redemptions, the Board of Directors will have regard to the liquidity available to the Sub-Fund, including without limitation (i) utilizing the Liquidity Reserve, (ii) relying on a credit facility, or (iii) using distributable proceeds, <b>provided that</b> the Sub-Fund is under no obligation to take any of the above actions, or to realize investments, solely for the purpose of meeting redemption requests. As a general matter, however, an investment in the Sub-Fund should be considered to be illiquid.</p> <p>Material modifications to the Sub-Fund's redemption program, including any amendment to the 5% quarterly limitations on redemptions and suspensions of the redemption program will be promptly disclosed to Investors via the Sub-Fund's electronic secure platform or otherwise. If the redemption program is suspended, then the Board of Directors will be required to evaluate on a quarterly basis whether the continued suspension of the redemption program is in the best interests of the Sub-Fund and the Investors as a whole.</p> <p>In the event that, pursuant to the limitations above, not all of the Shares submitted for redemption during a given quarter are to be accepted for redemption by the Sub-Fund, Shares submitted for redemption during such quarter will be redeemed on a <i>pro rata</i> basis. All unsatisfied redemption requests will be automatically resubmitted for the next available Redemption Date, unless an Investor withdraws or revokes its redemption request with the consent of the Board of Directors before such Redemption Date in the manner described above.</p>
<b>Transfers</b>	<p>Investors may transfer part or all their Shares in the Sub-Fund upon prior consent from the Board of Directors, in its sole discretion, which shall be provided within 30 calendar days from its notification. The absence of a favourable response within 30 calendar days shall be considered a refusal to such transfer.</p>

	<p>Any transferee must provide the Administrator with a duly completed Subscription Agreement, any required AML/KYC documents and any additional information or documentation as requested by the Administrator in connection with the transfer and by the transferee's broker or financial intermediary, as applicable, including, without limitation, a written transfer agreement signed by the transferor and transferee in relation to the Shares being transferred.</p> <p>Any transferee must meet investor eligibility criteria and conditions applicable to the relevant Class of Shares as set out in this Sub-Fund Supplement and the Prospectus.</p>
<p><b>Distributions</b></p>	<p><b>The Sub-Fund does not anticipate declaring or paying cash dividends on its Shares. Accordingly, the Sub-Fund retains all realized net capital gains, if any, and investment income to increase the Sub-Fund's net assets.</b></p> <p>In the unlikely event that the Sub-Fund's cash-level exceeds the supply of investment opportunities, then the Board of Directors could determine (at the Investment Manager's recommendation) to declare a cash dividend on the Sub-Fund's Shares to return capital to Investors. In such circumstances, Investors will receive in cash any such distributions that the Sub-Fund pays in respect of such Shares. Any distributions the Sub-Fund makes are at the discretion of the Board of Directors, considering factors such as earnings, cash flow, capital needs, taxes and general financial condition and the requirements of applicable law. As a result, the Sub-Fund's distribution rates and payment frequency may vary from time to time.</p> <p>It should be noted that the amount of distributions per Share on Class A Shares (if any), Class C Shares (if any), Class D Shares (if any), Class F Shares (if any) and Class I Shares (if any) will generally differ as the varied Management Fees applicable to such Classes will be deducted from gross distributions attributable to Class A Shares, Class C, Class D Shares, Class F Shares and Class I Shares. Accordingly, distributions on Class A Shares (if any), Class C Shares (if any), Class D Shares (if any) and Class F Shares (if any) will be lower than Class I Shares.</p> <p>It should also be noted that the amount of distributions per Share on Class K shares (if any) will generally differ from that in relation to other Classes of Shares. No Management Fees or Subscription Fees will be deducted from gross distributions attributable to Class K Shares. Accordingly, distributions on Class K Shares (if any) will be higher than Class A Shares, Class C Shares, Class D Shares, Class F Shares or Class I Shares.</p> <p>Investors holding Shares with a functional currency other than USD are exposed to fluctuations of the USD foreign exchange rate and/or hedging costs, which may lead to variations on the amount to be distributed.</p>
<p><b>Net Asset Value</b></p>	<p>The AIFM will be responsible for the proper and independent valuation of the Sub-Fund's assets (within the meaning of the 2013 Law) with the support of the Investment Manager. The Investment Manager will provide valuation advice and assist the AIFM in the valuation of the assets of the Sub-Fund, while the AIFM ensures that the valuation function is independent from the Investment Manager, and performed in accordance with the 2013 Law. The calculation of the Sub-Fund's NAV will be carried out by the Administrator (under the supervision of</p>

	<p>the AIFM), respectively, in accordance with the rules set out in Section 10 of the Prospectus and Annex I to this Sub-Fund Supplement.</p> <p>Under the supervision of the AIFM, the Administrator will determine the NAV per Share for each Class of the Sub-Fund as of the last Business Day of each calendar month (the "<b>Valuation Day</b>"). The monthly NAV per Share for each Class will generally be available around the 45<sup>th</sup> Business Day after the Dealing Date of the applicable month. The NAV of the Sub-Fund will be expressed in USD. The monthly NAV per Share for each Class will be made publicly available at <a href="https://gwms.apollo.com/AlignedAlternativesE1">https://gwms.apollo.com/AlignedAlternativesE1</a>.</p>
<p><b>Fees</b></p>	<p><b>Management Fee</b></p> <p>In consideration for its services to the Sub-Fund, the Investment Manager shall be entitled to payment of a management fee (the "<b>Management Fee</b>") payable by the Sub-Fund equal to:</p> <p>2.35% of the Sub-Fund's NAV per annum attributable to Class A Shares;</p> <p>2.10% of the Sub-Fund's NAV per annum attributable to Class C Shares;</p> <p>2.50% of the Sub-Fund's NAV per annum attributable to Class D Shares;</p> <p>2.00% of the Sub-Fund's NAV per annum attributable to Class F Shares; and</p> <p>1.50% of the Sub-Fund's NAV per annum attributable to Class I Shares.</p> <p>The Management Fee shall be payable monthly in arrears, before giving effect to any accruals for the Management Fee, redemptions for that month, any distributions and any impact to NAV solely caused by currency fluctuations for non-USD Share Classes.</p> <p>No Management Fee will be borne by holders of Class K Shares.</p> <p>The Sub-Fund will indirectly bear its proportionate share of management fees ("<b>Underlying Management Fees</b>") with respect to each Alternative Investment and for all shares other than Class K Shares, the Investment Manager shall undertake to reduce or waive its Management Fee or to make other arrangements so that the aggregate of any management fees charged directly to the Sub-Fund together with any Underlying Management Fees paid to the Investment Manager or its Affiliates do not exceed the Management Fees described herein. Holders of Class K Shares will bear their proportionate share of Underlying Management Fees; the Investment Manager undertakes no obligation to reduce or rebate such fees.</p> <p>The Investment Manager may waive or reduce the Management Fee charged to certain shareholders at its sole discretion. Any such waiver may be effected either by way of rebate to the relevant Shareholder's account or by purchase of additional Shares by the Investment Manager for the Shareholder.</p> <p>The Investment Manager will use some of its investment management fee to remunerate certain financial intermediaries. In such cases, a portion of the fee will be allocated to an investor's representative at the financial intermediary through which such investor was placed in</p>



the Sub-Fund, in order to compensate such representative for reporting, administrative and/or other services provided by such representative. Investors should be aware that the receipt of this fee by an investor's representative will result in a conflict of interest between the interests of the Investor and the interests of the relevant representative.

**Performance Fee**

No carried interest or performance compensation will be borne directly by the Sub-Fund. The Sub-Fund will indirectly bear its proportionate share of any carried interest charges or other performance compensation ("**Underlying Carried Interest**") with respect to each Alternative Investment.

**Subscription Fees**

Certain financial intermediaries through which an investor subscribes to the Sub-Fund may charge such investor upfront selling commissions, placement fees, subscription fees or similar fees ("**Subscription Fees**") on Shares sold in the offering that are paid by the investor outside of its investment in the Sub-Fund and not reflected in the Sub-Fund's NAV. In certain circumstances, the Subscription Fees may be paid to Apollo and paid over, in whole or in part, to the financial intermediary that placed the investor into the Sub-Fund. No Subscription Fees will be paid with respect to reinvestments of distributions. No Subscription Fees will be borne by holders of Class K Shares.

**Special Fees**

Special Fees (as defined more particularly below) in connection to the investments made directly by the Sub-Fund (if any) will be set off against the Management Fee as contemplated by "Section 20 : Conflicts of Interest" of the general part of the Prospectus.

With respect to any investment in an Apollo Fund that, pursuant to its governing documents, requires the Sub-Fund to bear Underlying Management Fees but provides for an offset thereto in respect of all or a percentage of the "special fees," "transaction fees" or other substantially similar offsetable amounts in accordance with such governing documents and receivable by Apollo, such offsetable amounts will, with respect to the Sub-Fund, be treated in a manner in accordance with such governing documents. For the avoidance of doubt, (i) no such offset will apply with respect to any such "special fees," "transaction fees" or substantially similar amounts if the applicable governing documents do not require such an offset or the Sub-Fund is not bearing Underlying Management Fees with respect to such investment and (ii) Other Fees (as defined more particularly below and in the governing documents) will not constitute offsetable amounts and will be retained by Apollo.

**Other Fees**

Other Fees associated with the Sub-Fund will be borne by the Sub-Fund, including as further described in the section "Organizational Expenses" below.

Notwithstanding anything herein to the contrary, the Investors acknowledge that the Sub-Fund will purchase investments in transactions where or relating to a portfolio company in respect of

	<p>which an Affiliated Service Provider will act or has acted as an agent, broker, principal, arranger, advisor or syndicate manager or in respect of which an Affiliated Service Provider has been retained to provide loan administration services. Such Affiliated Service Provider will receive fees, including up-front fees and syndication fees, from the relevant portfolio company or syndicate members in respect of such activities, none of which shall constitute Special Fees or otherwise reduce Management Fees.</p> <p><b>All fees referenced above are exclusive of any applicable tax unless otherwise stated.</b></p> <p><b>Fees arising at multiple levels</b></p> <p>To the extent the Management Fee may apply at the level of the Sub-Fund and/or any other intermediary vehicle or Parallel Vehicle, Investors will only be charged such Management Fee by the Investment Manager (or its designated Affiliate) once.</p>
<p><b>Other Fees, Costs and Expenses</b></p>	<p><b>Fees of the AIFM</b></p> <p>The AIFM is entitled to receive from the Sub-Fund, such fees as set out in the AIFM fee letter. The fees for the AIFM are subject to a minimum amount of EUR 50,000 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to investors upon request free of charge at the registered office of the Umbrella Vehicle. The AIFM may be entitled to be reimbursed by the Sub-Fund for any expenses related to the advice of legal counsel and any other out-of-pocket expenses to the extent agreed by the Umbrella Vehicle and/or the Sub-Fund in the AIFM Agreement, the AIFM fee letter and such costs shall fall within scope of the Operating Expenses of the Sub-Fund.</p> <p><b>Fees of the Depositary</b></p> <p>The Depositary is entitled to receive from the Sub-Fund, depositary fees as set out in the Depositary Agreement.</p> <p>The fees for the Depositary and the Administrator are subject to a minimum amount of EUR 100,000.- per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to investors upon request free of charge at the registered office of the Umbrella Vehicle.</p> <p><b>Fees of the Administrator</b></p> <p>The Administrator is entitled to receive from the Sub-Fund, administration fees as set out in the Administration Agreement.</p> <p>The fees for the Depositary and the Administrator are subject to a minimum amount of EUR 100,000.- per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to investors upon request free of charge at the registered office of the Umbrella Vehicle.</p> <p><b>Platform Advisory Fee</b></p> <p>The Platform Advisor is entitled to receive an advisory fee as set out in the Platform Advisory Agreement (the "<b>Platform Advisory Fee</b>").</p>

	<p>The Platform Advisory Fee will be borne by the Investment Manager out of the Management Fee, however, Investors should note that the Sub-Fund shall bear certain fees, costs and expenses in relation to the role of the Platform Advisor as Operating Expenses, as more particularly described below.</p> <p><b>Fees of the Auditor</b></p> <p>The Auditor is entitled to receive from the Sub-Fund, such fees as set out in an audit fee letter. The fees for the Auditor are subject to a minimum amount of EUR 36,250 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant audit fee letter, which will be made available to investors upon request free of charge at the registered office of the Umbrella Vehicle.</p> <p><b>Other costs</b></p> <p>As more particularly described in "Section 13 : Costs and Expenses" of the general part of the Prospectus, the Board of Directors will charge to the Sub-Fund (and the same will be met out of the assets of the Sub-Fund) all Operating Expenses, including expenses, liabilities and costs incurred by the Board of Directors or charged by third party service providers in connection with the Sub-Fund, if and to the extent such expenses, liabilities and costs are directly incurred in connection with the investments or the management of the Sub-Fund, its subsidiaries or, as determined by the Investment Manager in good faith, any Additional Vehicle. The Sub-Fund will also bear its proportionate share of any costs, liabilities and expenses arising at the level of the Alternative Investments in connection with the investments and management of such investments in accordance with their relevant governing documents. All fees, costs and expenses incurred in respect of any particular Investor, may be borne by such Investor, as determined by the Board of Directors acting in good faith, including by deducting such amounts from distributions that would otherwise have been made to such Investor.</p> <p><b>All fees referenced above are exclusive of any applicable tax unless otherwise stated.</b></p>
<p><b>Organizational Expenses</b></p>	<p>All Organizational Expenses associated with the Sub-Fund and as determined by the Investment Manager in good faith, any Additional Vehicle will be borne by the Sub-Fund, as further described in the general part of the Prospectus (including its share of the payments, fees, costs, expenses and other liabilities incurred in connection with the formation and organization of the Umbrella Vehicle allocated to it by the Board of Directors in its discretion acting reasonably). The Sub-Fund will also bear its proportionate share of the organizational and offering expenses of an Alternative Investment in accordance with the governing documents of such investment.</p> <p>The Investment Manager has agreed to advance, or procure that one of its Affiliates will advance, all of the Sub-Fund's Organizational Expenses on the Sub-Fund's behalf up to and including the first anniversary of the date on which the Sub-Fund accepts its first subscription (the "<b>Effective Date</b>"). The Sub-Fund will reimburse the Investment Manager for such advanced expenses rateably over the 60 months following the Effective Date. For the purposes of calculating the Sub-Fund's NAV, the Organizational Expenses paid by the Investment Manager and/or one of its Affiliates up to and including the Effective Date are not recognized as expenses or as a component of equity and will not be reflected in the Sub-Fund's NAV until the Sub-</p>

	Fund reimburses the Investment Manager and/or one of its Affiliates (as applicable) for these expenses.
<b>Operating Expenses</b>	<p>In relation to the Sub-Fund, "Operating Expenses" shall include the following payments, fees, costs, expenses and other liabilities and obligations resulting from, related to, associated with, arising from or incurred in connection with: (i) (a) the discovery, evaluation, investigation, development, acquisition, consummation, structuring, ownership, maintenance, monitoring, hedging, portfolio and risk management or disposition of investments (including brokerage, sales and underwriting commissions, private placement, syndication, solicitation, pricing and valuation (including appraisal), arranger, transaction, advisory, investment banking, custodial, depositary, trustee, transfer agent, record-keeping and administrative fees, clearing, settlement and bank charges, deposits (including earnest money deposits), consent or other third-party fees or payments, closing, execution and transaction costs, other fees, costs and expenses in respect of derivative contracts (including any payments under, and any margin expenses relating to, such derivative contracts or any posting of margin or collateral with respect to such derivative contracts), investment costs, and other closing, execution and transaction costs, travel and related expenses (including with respect to potential investments) and other administrative fees, costs and expenses), irrespective of whether any such investment is ultimately consummated (including any broken deal expenses and reverse break-up fees), (b) any indebtedness, credit facility, guarantee, line of credit, loan commitment, letter of credit, hedging guarantee or similar credit support or other indebtedness involving the Umbrella Vehicle and/or Sub-Fund or any investment (including any payment of principal or fees, costs and expenses incurred in obtaining, negotiating, entering into, effecting, maintaining, varying, refinancing or terminating such borrowings and indebtedness and interest arising out of such borrowings and indebtedness, and including fees, costs and expenses incurred in obtaining lines of credit, loan commitments and letters of credit for the account of the Umbrella Vehicle and/or the Sub-Fund), securing the same by mortgage, charge, pledge, assignment (including an assignment by way of security) or other lien on any assets of the Umbrella Vehicle and/or the Sub-Fund or otherwise encumbering assets in connection with or in furtherance of the acquisition of all or a portion of or the financing of a portfolio investment; (c) attending conferences in connection with the evaluation of future investments or particular sector opportunities (including the evaluation of potential investments, irrespective of whether any such investment is ultimately consummated); (ii) risk management assessments and analysis of the Umbrella Vehicle and/or the Sub-Fund's direct or indirect assets; (iii) taxes and other governmental charges incurred or payable by the Umbrella Vehicle and/or the Sub-Fund (including any entity-level taxes imposed on, with respect to, or otherwise borne by the Umbrella Vehicle and/or the Sub-Fund, to the extent not allocated to one or more Investors; (iv) any actuaries, accountants, advisors, auditors, administrators (whether or not third party), brokers (including prime-brokers), counsel, custodians, appraisers, depositaries, valuation experts, distributors (including, for the avoidance of doubt, the Global Distributor) and other Service Providers that provide services to or with respect to the Umbrella Vehicle and/or the Sub-Fund, and legal expenses incurred in connection with claims or disputes related to the Sub-Fund or one or more investments or one or more actual, unconsummated or proposed investments; (v) the engagement of professionals (including Apollo Consulting) (including all fees, costs, incentive compensation</p>

	<p>and expenses on account of compensation and benefits of its employees) and any industry executives, advisors, consultants (including operating consultants and sourcing consultants), any platform advisor (including, in respect of the Platform Advisor, any fees, costs and/or expenses incurred by or payable to the Platform Advisor in respect of the provision to the Sub-Fund of access to the Platform Advisor's digital infrastructure and technology platforms (including where the same is implemented in connection with the Sub-Fund's marketing and distribution activities), the Platform Advisor's assistance with distributor onboarding processes, investor subscription processes, liquidity management (including share class hedging), financial management and ongoing reporting, and any other services or materials provided by the Platform Advisor falling into the other sub-categories described in this section), any ESG consultants, operating executives, subject matter experts or other persons acting in a similar capacity) who provide services to or in respect of the Umbrella Vehicle and/or the Sub-Fund or its operating entities, or other subsidiaries or related investments (including with respect to potential investments, and including allocable Overhead of Apollo Consulting, including all costs, incentive compensation and expenses on account of compensation and benefits of its employees and also including, among other things, (A) conducting due diligence on or analysis of industry, geopolitical or other operational issues, and (B) operational improvement initiatives relating to such investments, and developing and implementing such initiatives (including, but not limited to, the operating executives engaged by the Umbrella Vehicle and/or the Sub-Fund, the Investment Manager or any other Affiliated Service Provider); (vi) all fees, costs and expenses in connection with entities comprising Apollo Consulting, including those incurred in the organization, operation, maintenance, restructuring (including by way of a secondary transaction, strip sale or similar transaction to one or more third parties or other Apollo Clients) and dissolution of such vehicles; (vii) obtaining research and other information for the benefit of the Umbrella Vehicle and/or the Sub-Fund, including information service subscriptions, as well as the operation and maintenance of information systems and information technology systems used to obtain such research and other related information; (viii) developing, implementing or maintaining computer software and technological systems for the benefit of the Umbrella Vehicle and/or the Sub-Fund, the Investors or its investments (including potential investments); (ix) fees, costs and expenses incurred in connection with systems, including, but not limited to, licenses, development and hosting; (x) premiums and fees for insurance (including costs, liabilities and expenses of any litigation, investigation, judgments or settlements paid in connection therewith) allocated in good faith to the Sub-Fund by the Investment Manager (including Apollo's group insurance policy, general partner's, directors' and officers' liability or other similar insurance policies, errors and omissions insurance, financial institution bond insurance and any other insurance for coverage of liabilities to any person or entity that are incurred in connection with the activities of the Umbrella Vehicle and/or the Sub-Fund); (xi) any governmental inquiry, investigation or proceeding or any litigation involving or otherwise applicable to the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager or any of their respective Affiliates in connection with the activities of the Umbrella Vehicle and/or the Sub-Fund or any investment, any subsidiaries or any potential investment (including fees, costs and expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of any such inquiry, investigation, proceeding or litigation and the amount of any judgments, settlements or fines paid in</p>
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	<p>connection therewith) and other extraordinary expenses related to the Umbrella Vehicle and/or the Sub-Fund, any investment, subsidiary or any potential investment (including fees, costs and expenses that are classified as extraordinary expenses under the applicable accounting principles); (xii) the preparation of all reports or information requests for one or more Investors (including all fees, costs and expenses incurred to audit such reports, provide access to a database or other internet forum and for any other operational, legal, secretarial or postage expenses relating thereto or arising in connection with the distribution of the same), and any other financial, tax, accounting, legal or fund administration reporting functions for the benefit of the Umbrella Vehicle and/or the Sub-Fund or any Umbrella Vehicle and/or any Sub-Fund vehicle or Umbrella Vehicle and/or Sub-Fund subsidiary, the preparation of financial statements, tax returns; (xiii) meetings of the Board of Directors and/or the Investment Manager with any Investor(s) (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expense in connection with any such meetings); (xiv) the Umbrella Vehicle and/or the Sub-Fund's respective indemnification obligations (including those incurred in connection with indemnifying Indemnified Parties (as defined in the Prospectus), and advancing fees, costs and expenses incurred by any such Indemnified Party in defense or settlement of any claim that may be subject to a right of indemnification under the constituent documents of the Umbrella Vehicle and/or the Sub-Fund); (xv) complying with (or facilitating compliance with) any applicable law, rule or regulation (including legal fees, costs and expenses), regulatory filing or other expenses of the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager, including any compliance, filings or other obligations, in each case, involving or otherwise related to the Umbrella Vehicle and/or the Sub-Fund (including the amount of any judgments, settlements or fines paid in connection therewith) but, for the avoidance of doubt, excluding any ordinary course compliance, filings or other obligations imposed on the Investment Manager or any of its Affiliates under the Advisers Act (such as the preparation and filing of the Investment Manager's or any of its respective Affiliates' Form ADV) or by the Luxembourg Commission de Surveillance du Secteur Financier and/or the United Kingdom Financial Conduct Authority, that do not relate directly to the affairs of the Umbrella Vehicle and/or the Sub-Fund; (xvi) a Default by Defaulting Investor; (xvii) a Transfer of an Investor's Shares or an Investor's withdrawal or admission permitted or required under this Prospectus, the Articles and/or the Sub-Fund Supplement (but only to the extent not paid by the Investor or assignee or withdrawing Investor, as applicable); (viii) redemptions of Investors' Shares; (xix) any amendments, modifications, revisions or restatements to the constituent documents of the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager (other than any such amendments, modifications, revisions or restatements related solely to the affairs of the Investment Manager not related to the affairs of the Umbrella Vehicle and/or the Sub-Fund); (xx) distributions to the Investors; (xxi) administering and operating the Sub-Fund, preparing and maintaining the books and records of the Sub-Fund, including internal costs that the Investment Manager may incur to produce the Sub-Fund's books and records, external costs in cases where the Investment Manager hires a third-party administrator to maintain the Umbrella Vehicle and/or the Sub-Fund's books and records and any costs of the Investment Manager to oversee and manage such third-party administrator and fees, costs and expenses incurred in the organization of special purpose vehicles, subsidiaries of the Umbrella Vehicle and/or the Sub-Fund or alternative investment vehicles</p>
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	<p>including costs associated with establishing and maintaining a permanent residence in certain jurisdictions (such as rent for office space, related overhead and employee salaries and benefits) which fees, costs and expenses may, in the sole discretion of the Board of Directors or the Investment Manager, be allocated solely to or paid solely by investors participating therein); (xxii) negotiating and entering into, and compliance with, actual and prospective Other Agreements, whether executed or not (which fees, costs and expenses may, in the sole discretion of the Board of Directors, be allocated solely to or paid solely by the Investor(s) to which they relate), and "most favored nations" elections processes in connection therewith; (xxiii); the winding-up, dissolution and termination of the Umbrella Vehicle and/or the Sub-Fund; (xxiv) all similar fees, costs and expenses in connection with Additional Vehicles, special purpose vehicles and subsidiaries of the Umbrella Vehicle and/or the Sub-Fund or such Additional Vehicles, including those incurred in the organization, operation, maintenance, restructuring, winding-up and dissolution of such vehicles; (xxv) all fees, costs and expenses in connection with forming, organizing, maintaining, administering, operating and negotiating joint ventures or arrangements and Platform Investments; (xxvi) the Sub-Fund's allocable portion of any carried interest, incentive allocation, management fees or other similar fees, costs and expenses or compensation (including expense reimbursement), in each case, payable or allocable to joint venture partners or Platform Investment partners of the Sub-Fund, any intermediate vehicle, any special purpose vehicle, any subsidiary or any investment; (xvii) to the extent agreed by the Investment Manager in its sole discretion, all similar operating expenses of an Investor that is a vehicle sponsored or managed by a placement agent, the Global Distributor, a Sub-Distributor or any of their respective Affiliates and which placement agent, Global Distributor, Sub-Distributor or affiliate thereof is entitled to receive distribution fees or placement fees in connection with or as a result of placing investors indirectly into the Sub-Fund through such Investor; (xxviii) an allocable portion of the fees, costs and expenses incurred in connection with organizing, maintaining, administering and operating any Umbrella Vehicle and/or any Sub-Fund entity that serves as the alternative investment fund manager or general partner thereof or in a similar capacity (including rent, salaries and ancillary costs of such entities, and costs and expenses of Service Providers of such entities); and (xxix) costs of currency hedging.</p> <p>The Sub-Fund will also bear its proportionate share of the operating expenses of an Alternative Investment in accordance with the governing documents of such investment.</p> <p>To the extent that the Sub-Fund or an Apollo Client is participating in an investment or potential investment, any and all expenses not paid by a portfolio company or other person will be borne by the Sub-Fund or the Apollo Client to the extent applicable, <i>pro rata</i> in proportion to the amount of funds to be invested or proposed to be invested by each of the foregoing, or in such manner as the Board of Directors and/or the Investment Manager, in their sole discretion, deem to be fair and equitable under the circumstances.</p>
<b>Other Fees</b>	<p>In relation to the Sub-Fund, the term "Other Fees" means: (i) fees, costs or expenses that comprise or constitute Organizational Expenses or Operating Expenses; (ii) salary, fees, expenses or other compensation of any nature paid by an investment to any individual (or to the Investment Manager or any of its Affiliates (including Apollo</p>

	<p>Consulting) with respect to such individual) who acts as an officer of, or in an active management role at, such investment (including industry executives, advisors, consultants (including operating consultants and sourcing consultants), operating executives, subject matter experts or other persons acting in a similar capacity engaged or employed by Apollo Consulting); (iii) without limiting the foregoing clauses (i) and (ii), fees, costs or expenses paid to or in respect of Apollo Consulting or any industry executives, advisors, consultants (including operating consultants and sourcing consultants), operating executives, subject matter experts or other persons acting in a similar capacity who provide services to the Umbrella Vehicle or its investments (including allocable overhead or other amounts or compensation of Apollo Consulting, including all costs and expenses on account of compensation and benefits of its employees); (iv) payments, fees, costs, expenses and other liabilities, allocable overhead or other amounts or compensation (such as arranger, brokerage, placement, syndication, solicitation, underwriting, agency, origination, sourcing, structuring, collateral management, SPV (including any SPV of a portfolio investment), capital markets, debt advisory or subsidiary management or administration, advisory, commitment, facility, float or other fees, discounts, spreads, commissions and concessions, but not merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of an investment) earned by or paid to an Affiliated Service Provider, or another person with respect to services rendered by such Affiliated Service Provider or other person; provided, that if such Affiliated Service Provider is engaged in the relevant activity or service on a for-profit basis with respect to the Sub-Fund or an investment, as determined by the Board of Directors in good faith, then, the applicable fees paid to it for such services will be on an arm's-length basis or not materially less favourable to the Sub-Fund or the applicable investment than the fees that could be paid to a third party with commensurate skill, expertise or experience (to the extent applicable) except where the Board of Directors obtains advice from or the recommendation of an independent third-party consultant or expert that is not an Affiliate of the Investment Manager with requisite skill, expertise or experience in the applicable subject matter that the terms of such transaction are on an arm's length basis or not materially less favourable to the Sub-Fund or the applicable investment; (v) amounts earned by or for the account of any Apollo Client (directly or indirectly through an expense offset mechanism); (vi) fees, costs and expenses for any and all services whatsoever (including merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of an investment) paid or otherwise borne by any investment or issuer of any securities or other financial instruments that constitute debt investments or investments with respect to which Apollo does not exercise direct control with respect to the decision to engage the services giving rise to such fees, costs and expenses; (vii) any fees, costs and expenses or other amounts or compensation (including management fees, operating expenses, incentive allocation and/or carried interest) earned by any person or otherwise borne with respect to investments that are managed by the Board of Directors, the Investment Manager or any of their respective Affiliates (including an investment in an Apollo Client) that are acquired by the Sub-Fund in the secondary market, (viii) any and all fees, costs and expenses, or other amounts or compensation, that may be paid to or that are otherwise for the benefit of the Board of Directors, the Investment Manager or any of their respective Affiliates or any employees of any of the foregoing arising out of the day-to-day operation and administration of Redding Ridge Asset Management, including</p>
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	<p>amounts or compensation paid to or that are otherwise for the benefit of Apollo Capital Management, L.P. or Apollo Management International LLP; and (xi) any fees, costs or expenses determined by the Board of Directors in good faith to be similar in nature to any of the foregoing.</p>
<b>Special Fees</b>	<p>The Board of Directors, the Investment Manager any of their respective Affiliates (including Affiliated Service Providers) or any employees of any of the foregoing will receive 100% of all net consulting or management consulting fees, investment banking fees, breakup fees, directors' fees, closing fees and merger and acquisition transaction advisory fees related to the negotiation of the acquisition and financing of any investment made directly by the Sub-Fund (if any)(other than investments that are debt portfolio investments or with respect to which Apollo does not exercise direct control with respect to the decision to engage the services giving rise to the relevant fees, costs and expenses), and similar fees, whether in cash or in kind, including options, warrants and other non-cash consideration (collectively, "<b>Special Fees</b>"). Such Special Fees will be applied to reduce the Management Fee paid by such management fee-bearing Investors.</p>
<b>Reporting</b>	<p>The Sub-Fund will prepare and distribute its annual report to the Investors within 180 calendar days after the end of each financial year. The annual report will contain financial statements audited by an internationally recognized accounting firm.</p> <p>In addition, and in accordance with the requirements of the 2010 Law, the Sub-Fund will prepare and distribute an unaudited semi-annual report to Investors within three months following the period to which it refers.</p>
<b>SFDR</b>	<p>This section of the Sub-Fund Supplement sets out certain pre-contractual disclosures for the purposes of the SFDR.</p> <p>For the purposes of the SFDR, the AIFM, and not the Investment Manager, is the "financial market participant" required to make pre-contractual disclosures in relation to the Sub-Fund. In this section of the Sub-Fund Supplement, all references to the Investment Manager are references to the Investment Manager providing portfolio management services to the Sub-Fund as delegate of (and subject to the overall supervision and oversight of) the AIFM.</p> <p><b>Status under SFDR:</b></p> <p>As of the date of this Sub-Fund Supplement, the Sub-Fund has been classified as falling within Article 6 of the SFDR. For disclosures made to satisfy the requirements of Articles 6 and 7 of the SFDR and Article 7 of Taxonomy Regulation, please refer to the sections below. The Sub-Fund does not have as its objective sustainable investment and does not promote environmental or social characteristics for the purposes of the SFDR. The Sub-Fund is therefore not subject to the additional disclosure requirements for financial products referred to in Article 8 or Article 9 of the SFDR.</p> <p><b>Impact of Sustainability Risks on Returns:</b></p> <p>The Investment Manager has implemented a policy in respect of the integration of sustainability risks in its investment decision-making process (the "Policy"). Further information on the manner in which sustainability risks are integrated into investment decisions is set out</p>

	<p>under the sub-heading "Integration of Sustainability Risks into Investment Decisions" below.</p> <p>The Investment Manager considers that sustainability risks are relevant to the returns of the Sub-Fund. A "sustainability risk" is an environmental, social or governance ("<b>ESG</b>") event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.</p> <p>Assessment of sustainability risks is complex and may be based on data which is difficult to obtain, incomplete, estimated, out of date and/or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager will correctly assess the impact of sustainability risks on the Sub-Fund's investments.</p> <p>To the extent that an event contemplated by a sustainability risk occurs, or such event occurs in a manner that is not anticipated by the Investment Manager, there may be a sudden, material negative impact on the value of an investment. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the net asset value of the Sub-Fund.</p> <p>The impacts following the occurrence of an event contemplated by a sustainability risk may be numerous and vary depending on the specific risk and asset class. In general, where an event contemplated by a sustainability risk occurs in respect of an asset, there will be a material negative impact on, and may be an entire loss of, its value. For example, this may be because of damage to a business' reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital, and/or fines and other regulatory sanctions. The time and resources of a business' management team may be diverted from furthering its business and be absorbed in seeking to manage the events contemplated by such sustainability risk, including changes to business practices and managing investigations and litigation. Sustainability risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by businesses to which the Sub-Fund is exposed may also be adversely impacted by a sustainability risk.</p> <p>Sustainability risks are relevant as both standalone risks, and also as cross-cutting risks which manifest through many other risk types which are relevant to the assets of the Sub-Fund. For example, the occurrence of an event contemplated by a sustainability risk can give rise to financial and business risk, including through a negative impact on the credit worthiness of other businesses. The increasing importance given to sustainability considerations by both businesses and consumers means that the occurrence of an event contemplated by a sustainability risk may result in significant reputational damage to affected businesses. The occurrence of an event contemplated by a sustainability risk may also give rise to enforcement risk by governments and regulators, and also litigation risk.</p> <p>Events contemplated by a sustainability risk may arise and impact a specific investment or may have a broader impact on economic sectors, geographical regions and/or jurisdictions and political regions.</p>
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or widespread flooding and rising sea levels, and associated operational risks and costs of insurance; (ii) access to and scarcity of natural resources, such as water; and/or (iii) measures introduced by governments or regulators to transition to a low-carbon economy and more broadly reduce pollution and control and reduce waste.

**Social**

Social risks may be internal or external to a company and may be associated with and arise in respect to a company itself, its affiliates, company employees, supply chain, local communities, and/or customers of companies in which the Sub-Fund may have exposure. Social risks that may affect the utility and value of investments may include, for example: (i) human capital considerations, such as human rights violations, modern slavery, workforce health and safety, and fines or other regulatory sanctions and/or investigations and litigation; and (ii) external social factors, such as cybersecurity threats and consumer data privacy violations, local community engagement, and fines and other regulation sanctions and/or investigations and litigation.

**Governance**

Governance risks are associated with the quality, effectiveness, and process for the oversight of day-to-day management of companies in which the Sub-Fund may have exposure. Such risks may arise in respect of the company itself, its board and/or management team, its affiliates, or in its supply chain. Governance risks that may affect the utility and value of investments may include, for example: (i) the adequacy of a company's internal and external audit functions; (ii) the effectiveness of a company's controls to detect and prevent bribery and corruption; (iii) the effectiveness of the measures taken by a company to protect personal data of employees and customers; and (iv) the presence of appropriate and effective safeguards for employment-related risks, such as workplace harassment and discrimination, and workforce health and safety risks.

**Integration of Sustainability Risks into Investment Decisions:**

The Investment Manager has adopted the Policy in respect of the integration of sustainability considerations in investment decision-making processes. This section provides a summary of the information set forth in the Policy.

The Policy sets forth Apollo's longstanding commitment to three core principles of responsible investing and good stewardship that are built into the firm and its investment processes: integrating, engaging, and being transparent with respect to the ESG factors. The Policy articulates Apollo's belief that actively managing ESG risks and seizing ESG opportunities makes it a better investor, and a better steward of its investors' capital, by positioning Apollo and portfolio companies for sustainable success. Just as important, the Policy also sets forth Apollo's belief that it can and should have a positive impact on society, helping to make the world a better place and improving people's lives. Importantly, the Policy notes that ESG issues can affect both the investment risk and the performance of the companies in which Apollo-managed funds invest, and accordingly, Apollo's approaches to identify, measure, manage, and monitor ESG risks may vary depending on, *inter alia*, asset class, geography, investment strategy, portfolio construction, investment vehicle, or time horizon.

	<p>The Policy notes that, under SFDR, "sustainability risk" means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. Accordingly, the Policy approaches sustainability risk from the perspective that ESG events might cause a material negative impact on the value of Apollo's clients' investments, and conversely, the Policy is not focused on the negative impact that its investment decisions may have externally on sustainability factors.</p> <p>With respect to sustainability risks, the Policy explains that, as part of Apollo's broader risk management processes, there are certain procedures that the Investment Manager will implement to identify, measure, manage, and monitor sustainability risks. These processes include, but are not limited to: (i) the review of certain sustainability risks that are potentially likely to cause a material negative impact on the value of Apollo's clients' investments, should events contemplated by such risks occur; (ii) the measurement of such risks by considering the likelihood of events contemplated by such risks occurring and the potential severity of impact to the value of an investments should events contemplated by such risks occur; (iii) the holistic integration of sustainability risks into overall risk management processes and the recognition that sustainability risks are, as a group, one of many potential risks that may, depending on the specific investment opportunity, be relevant to a determination of risk; and (iv) the periodic monitoring of existing client portfolios and taking corrective action where necessary and appropriate.</p> <p><b>Taxonomy Regulation:</b></p> <p>For the purposes of the Taxonomy Regulation, the AIFM makes the following disclosure. The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p><b>Principal Adverse Impacts:</b></p> <p>The SFDR requires the AIFM to make a "comply or explain" decision as to whether it considers the principal adverse impacts ("PAIs") of its investment decisions on sustainability factors, in accordance with a specific regime outlined in the SFDR (the "PAI regime"). The Investment Manager does not currently consider the PAIs of investment decisions on sustainability factors within the meaning of the SFDR in respect of the Sub-Fund. In the context of the investment objectives and strategies of the Sub-Fund, the Investment Manager is concerned about the lack of reasonably priced, readily available, and accurate and complete data to comply with many of the reporting requirements of the PAI regime, as the Investment Manager believes that both issuers and third-party market data providers do not yet make available all necessary data set forth under the PAI regime.</p> <p>The Investment Manager will keep the decision to not consider the principal adverse impacts of investment decisions on sustainability factors within the meaning of the SFDR under regular review.</p>
<b>Exclusivity</b>	<p>The functions and duties which the Board of Directors, AIFM, Investment Manager, the Sub-Investment Manager and/or any of their Affiliates undertake on behalf of the Sub-Fund will not be exclusive and they perform similar functions and duties for themselves and for others and, without limitation, act as manager, investment advisor or</p>

	<p>general partner (or equivalent) in respect of other funds, accounts or other products.</p>
<p><b>Securities Financing Transactions and TRS</b></p>	<p>The AIFM and the Investment Manager expect that the Sub-Fund may enter into total return swaps ("<b>TRSs</b>"). As such, the section in the Prospectus entitled "EU and UK Securities Financing Transaction Regulation" shall apply to the Sub-Fund with respect to its use of TRSs. The maximum and expected proportion of the Sub-Fund's assets under management that may be subject to TRSs shall be 15% and 5%, respectively.</p> <p>As of the date of the Prospectus, the AIFM and the Investment Manager do not contemplate that the Sub-Fund will enter into any securities financing transactions. However, in the event that the Sub-Fund expects to employ any of the foregoing transactions, the Sub-Fund Supplement will be updated prior to the use of such transactions as required by the AIFMD Rules and European Union Regulation 2015/2365 of the European Parliament and of the Council of November, 25 2015 on transparency of securities financing transactions and of reuse and amending European Union Regulation 648/2012 (the "<b>SFTR</b>"). With respect to any such Securities Financing Transactions and should the Sub-Fund enter into such transactions, the information provided will include the rationale for their use, the type of assets that can be subject to them, the maximum and expected proportion of assets under management subject to them, criteria to select counterparties, acceptable collateral, valuation methodology and information on safekeeping of assets and collateral.</p>
<p><b>Dissolution</b></p>	<p>The Sub-Fund may be put into liquidation by a decision of the Board of Directors. Any decision to put the Sub-Fund into liquidation will take into account the best interests of the Investors and will be subject to the prior non-objection of the CSSF.</p>
<p><b>Benchmark Regulation</b></p>	<p>The Sub-Fund is actively managed and will not make use of a benchmark within the meaning of Regulation (EU) No 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2004/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.</p>
<p><b>Risk Factors</b></p>	<p><i>In addition to the risks set out in Annex II to this Sub-Fund Supplement, all risk factors and investment considerations detailed in the general part of the Prospectus should be considered applicable, directly or indirectly, to an investment in the Sub-Fund. An investment in the Shares of the Sub-Fund involves a significant degree of risk. There can be no assurance that the Sub-Fund will realize an attractive rate of return or that there will be any return of capital.</i></p> <p><i>Prospective investors should carefully evaluate these considerations, which represent some but not all of the potential risks of an investment in the Shares of the Sub-Fund, before becoming an investor in the Sub-Fund. For a summary of risk factors and potential conflicts of interest relevant to the Sub-Fund, see Annex II to this Sub-Fund Supplement, "Section 20 : Conflicts of Interest" and "Section 19 : Risk Factors" of the general part of the Prospectus.</i></p>

**ANNEX I**  
**CALCULATION OF THE NET ASSET VALUE**

Section 1.01 Sub-Fund investment into Alternative Investments

The Sub-Fund principally invests in Alternative Investments. The Sub-Fund will be valued according to the principles outlined in Section 10 of the Prospectus, with the following additional considerations as described below.

The Sub-Fund's investment in Alternative Investments will be valued based on the aggregate NAV of the Alternative Investment units held by the Sub-Fund, as determined from the most recent available Alternative Investment NAV per unit.

Section 1.02 Overview of Alternative Investment valuation

Each Alternative Investment will be valued in accordance with its valuation policy and the constitutive documents of the relevant investment. The AIFM will apply the below principles:

- (i) Alternative Investment valuations (other than Apollo Funds or Third-Party Funds) will initially be valued at cost for the first quarter; this is expected by the AIFM to represent the fair value at the time.
- (ii) Thereafter, for Alternative Investments other than Apollo Funds or Third-Party Funds, the AIFM will appoint a third party valuation agent to perform a valuation, which will generally be based on a discounted cash flow valuation approach.
- (iii) For Alternative Investments that are Apollo Funds or Third-Party Funds, the AIFM will rely on the underlying valuations of the relevant fund unless it is determined that an independent valuation is required.
- (iv) The AIFM is entitled to rely on the valuations provided by the third party valuation agent without adjustment, except in circumstances where publicly available information would indicate otherwise.

## ANNEX II RISK FACTORS

Terms not otherwise defined in this Annex shall have the meaning given to them in the Prospectus and the Sub-Fund Supplement, as applicable.

Any risks described herein with respect to investments made by the Sub-Fund should also be read to apply to Alternative Investments in which the Sub-Fund invests.

### **Additional Risks related to Investments by the Sub-Fund**

**Newly formed entity. AAA Assets; Prior Performance Information.** By executing a Subscription Agreement with respect to the Sub-Fund, each Investor acknowledges, understands and agrees that entities that are members of the Athene Group (the "**Athene Limited Partners**") and other investors that are members of the Apollo Group collectively hold a portfolio of certain Alternative Investments (collectively, "**AAA Assets**") and have or will directly or indirectly make, subject to any required Regulatory Approvals (as defined below), all or a portion of their initial and subsequent capital contributions to the AAA Fund, by contributing certain AAA Assets in exchange for units and/or cash consideration in such amounts and at such values, in each case, as determined by Apollo Aligned Alternatives Advisors, L.P. in its sole discretion (such initially contributed AAA Assets, the "**Initial AAA Portfolio**").

While the Sub-Fund's initial, indirect, investments (consisting of the Initial AAA Portfolio) have been identified and are subject to acquisition, the Sub-Fund and the AAA Fund consists of a group of newly organized entities that have little or no prior operating history or track record. Accordingly, the Sub-Fund and the AAA Fund do not have performance history for a prospective investor to consider. Any information with respect to prior performance of any Apollo Client or investment contained herein is not indicative of actual results to be obtained by any Apollo Fund, Co-Investment and/or Third-Party Fund (collectively, "**Portfolio Funds**"), and there can be no assurance that the Sub-Fund or any Portfolio Fund will be able to implement their investment strategies or investment approach to achieve comparable results, that any target results will be met or that it will be able to avoid losses. There can be no assurance that any similar investment opportunities will be available or pursued by any Portfolio Fund in the future. The Sub-Fund does not have a substantial operating history upon which prospective investors can evaluate its performance. Prospective investors should not construe, and should draw no conclusions from, the prior experience of Apollo's investment teams or the performance of any other investment entities associated with Apollo, as providing any assurances regarding the performance of the Sub-Fund. Further, with respect to the valuation ascribed to the Initial AAA Portfolio, other AAA Assets and any other information contained herein regarding unrealized investments, while Apollo's valuations of such investments are based on assumptions that Apollo believes are reasonable under the circumstances, whether on a public market basis or an estimated fair value basis, the actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the time and manner of sale, many of which could be affected by factors beyond Apollo's control and all of which could differ materially from the assumptions on which the valuations used in the prior performance data contained herein are also based. Accordingly, there can be no assurance that any indicated valuations for unrealized investments will ultimately be realized for such value or be profitable or that losses can be avoided. In such event, the actual realized returns on these unrealized investments could differ materially from any projected returns.

**Risk Associated with Unspecified Transactions; No Assurance of Investment Return.** Although the Athene Limited Partners have contributed the Initial AAA Portfolio to the AAA Fund and, from time to time, will directly or indirectly contribute additional AAA Assets to the AAA Fund, not all of the AAA Fund's future investments have been identified and not all of the investments that will be made by the AAA Fund have been identified. Investors will be relying on the ability of the investments' respective managers and/or management teams (which may (or may not) be affiliated with Apollo) (together with the managers and/or management teams of any additional Portfolio Funds in which the Fund invests, the "**Portfolio Managers**") and the other underlying Alternative Investments that will be made by the AAA Fund to choose, make and realize investments, and there is no assurance that the Investment Manager, the Sub-Investment



Manager or such Portfolio Managers will find attractive opportunities to meet the AAA Fund's or its Portfolio Funds' investment objectives or that the AAA Fund or its Portfolio Funds will be able to make and realize investments in any portfolio company ("**Portfolio Company**") (which term, as well as the term "Portfolio Companies," should be deemed to include, at any time, then-current and potential Portfolio Companies or portfolio companies of the AAA Fund or any of its Portfolio Funds (as applicable), unless the context otherwise requires) or portfolio of companies. The realizable value of a highly illiquid investment, at any given time, could be less than its intrinsic value. In addition, it is possible that certain investments held by the AAA Fund or its Portfolio Funds will require a substantial amount of time to liquidate. Furthermore, to the extent the investment strategy of the AAA-Fund or any Portfolio Fund and/or the Sub-Fund, relies upon a certain set of market and economic conditions and such conditions do not materialize for an extended period of time, the Portfolio Funds, and/or the Sub-Fund, likely would not be able to invest a significant portion of their investable capital during their respective investment periods. There can be no assurance that the AAA Fund or any Portfolio Fund, and/or the Sub-Fund will be able to generate returns for its investors or the AAA Fund, as applicable, or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. The AAA Fund will bear any fees, costs and expenses incurred in developing, investigating, negotiating or structuring any investment in which the AAA Fund does not actually invest (including any such fees, costs and expenses not borne by co-investors).

The AAA Fund and its Portfolio Funds can enter into agreements to consummate transactions that involve payments, such as reverse break-up fees, by the AAA Fund or its Portfolio Funds in certain circumstances even if the AAA Fund or its Portfolio Funds do not consummate the transaction. As a result, the AAA Fund and/or its Portfolio Funds could incur a substantial cost with no opportunity for a return. Even if the investments of the AAA Fund and its Portfolio Funds are consummated successfully, they are not generally expected to produce a realized return to their investors for a period of time after the investment is made, if ever. The AAA-Fund and its Portfolio Funds have the ability to make (or commit to make) an investment with a view to selling or syndicating a portion of such investment to co-investors or other persons (including Apollo or Apollo Clients) prior to, or within a reasonable time after, the acquisition of such investment closes. In such event, the AAA Fund or such Portfolio Funds will bear the risk that any or all of the excess portion of such investment will not be sold or will only be sold on unattractive terms and that, as a consequence, the AAA Fund or such Portfolio Funds will bear the entire portion of any reverse break-up fee or other fees, costs and expenses related to such investment, hold a larger than expected investment in such Portfolio Company or could realize lower than expected returns from such investment. Any such sell down or syndication will not be deemed to be a cross trade or principal trade and, as such, will not require the consent of investors or any other person. Further, any "back-to-back" commitment or assignment of a commitment in connection with an investment similarly will not be deemed a cross trade or a principal trade. Accordingly, an investment in the Sub-Fund should only be considered by prospective investors who do not require current income and can afford a loss of their entire investment.

**Risks Associated with the Investment Strategy.** The Sub-Fund's current strategy will result in the Sub-Fund, indirectly, investing across a variety of assets across different geographies. Accordingly, the Portfolio Managers and Portfolio Funds will be required to maintain expertise, relationships and market knowledge across a range of asset and investment types and geographic regions, and will be subject to the market conditions affecting each such investment in various markets, including such factors as the local legal and regulatory environment, economic climate, business layoffs, industry slowdowns, changing demographics and supply and demand issues affecting each such market. This multimarket approach could require more management time, staff support and expense than would be experienced with a company whose focus is dedicated to a greater extent on fewer investment types or regions than is contemplated by the Sub-Fund or its Alternative Investments.

**Debt Instruments Generally:** The Sub-Fund expects to invest, indirectly, predominantly in private equity strategies, including real estate assets and hybrid equity but also credit investments. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments,

including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. It is likely that many of the debt instruments in which the Sub-Fund may, indirectly, invest may have speculative characteristics. There are no restrictions on the credit quality of the, indirect, investments of the Sub-Fund. Generally, such securities offer a higher return potential than higher-rated securities but involve greater volatility of price and greater risk of loss of income and principal. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

**Investment Risk:** Any information included herein or in any of the Sub-Fund's marketing materials regarding targeted returns for the Sub-Fund is provided as an indicator as to how the Sub-Fund is expected to be managed and is not intended to be viewed as an indicator of likely performance returns to investors in the Sub-Fund. Any targeted return information is based upon projections, estimates and assumptions that a potential investment will yield a return equal to or greater than the target. Accordingly, there can be no assurance that the Sub-Fund projections, estimates or assumptions will be realized or that the Investment Manager or Sub-Investment Manager will be successful in finding investment opportunities that meet anticipated return parameters. Additionally, the Sub-Fund's estimates of potential returns from a potential investment should not be viewed as a guarantee as to the quality of the Sub-Fund's potential investments or of an investment in the Sub-Fund or as a representation as to the adequacy of the Sub-Fund's methodology for estimating returns.

**Government and Agency Risk.** In some instances, the making or acquisition of an investment may involve substantive continuing involvement by, or an ongoing commitment to, a government, quasi-government, industry, self-regulatory or other relevant regulatory authority, body or agency (collectively, "**Regulatory Agencies**"). The nature of these obligations exposes the owners of the relevant investments to a higher level of regulatory control than typically imposed on other businesses.

Regulatory Agencies might impose conditions on the construction, operations and activities of a business or asset as a condition to granting their approval or to satisfy regulatory requirements, including requirements that such assets remain managed by an Alternative Investment or any of its Affiliates which could limit the ability of such to dispose of portfolio investments at opportune times.

Regulatory Agencies often have considerable discretion to change or increase regulation of the operations of a Portfolio Company or to otherwise implement laws, regulations or policies affecting its operations (including, in each case, with retroactive effect), separate from any contractual rights that the Regulatory Agencies' counterparties have. Accordingly, additional or unanticipated regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, could be required to acquire an investment, and additional approvals could become applicable in the future due to, among other reasons, a change in applicable laws and regulations or a change in the relevant Portfolio Company's activities. There can be no assurance that a Portfolio Company will be able to (i) obtain all required regulatory approvals that it does not yet have or that it could require in the future, (ii) obtain any necessary modifications to existing regulatory approvals or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility owned by a Portfolio Company, the completion of a previously announced acquisition or sale to a third party, or could prevent operation of a facility owned by a Portfolio Company, the completion of a previously announced acquisition or sale to a third party, or could otherwise result in additional costs and material and adverse consequences to a Portfolio Company and the Sub-Fund.

Regulatory Agencies could be influenced by political considerations and could make decisions that adversely affect a Portfolio Company's business. There can be no assurance that the relevant government will not legislate, impose regulations, or change applicable laws, or act contrary to the law in a way that would materially and adversely affect the business of a Portfolio Company, including causing the reduction or elimination of a subsidy (on which certain types of investments might be materially dependent), all of which could have a material adverse impact on relevant investments by an Alternative Investment.

Additionally, certain Athene Limited Partners are regulated by certain state insurance regulators (the "**Athene Regulated Limited Partners**") and certain insurance or other regulatory approvals ("**Regulatory Approvals**") could be required in connection with certain investments. In connection with such investments that require any Regulatory Approval: (i) AAA Fund's entitlement to and participation in such investments may be restricted, delayed or prevented (in whole or in part) due to the requirement to receive such Regulatory Approvals (including with respect to the contribution of AAA Assets to the AAA Fund by Athene Regulated Limited Partners); (ii) the AAA Fund may, in its sole discretion, exclude the capital accounts attributable to the applicable Athene Regulated Limited Partners from participating in such investments (in whole or in part) until such Regulatory Approval is received or otherwise and may make any such equitable adjustments and take such actions as are necessary to effectuate the foregoing, including allocating a non-*pro rata* portion of such investments to other Athene Limited Partners that are not Athene Regulated Limited Partners or to alternative investment vehicles in which the applicable Athene Regulated Limited Partner(s) have no exposure or to other investors, with the result being that other Athene Limited Partners or alternative investment vehicles or other investors are allocated a greater than *pro rata* share of such investments; and (iii) the contribution(s) of certain investments comprising the Initial AAA Portfolio are subject to the receipt of Regulatory Approvals. The AAA Fund could make similar arrangements or adjustments with respect to any other investor, in its sole discretion.

**Due Diligence.** Before making an investment, the Investment Manager and Sub-Investment Manager expects to conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to such investment; however, no due diligence has been or will be conducted with respect to the Initial AAA Portfolio or other AAA Assets which will be contributed from time to time, and each Investor is required to conduct its own due diligence with respect to such assets. The Sub-Fund also expects that the Portfolio Managers of the Portfolio Funds in which it invests will conduct appropriate due diligence with respect to the underlying investments of such Portfolio Funds. Such due diligence might entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues and assessment of cyber security and information technology systems. Outside consultants, legal advisors, accountants, investment banks and other third parties might be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants can present a number of risks primarily relating to the Investment Manager's, Sub-Investment Manager's or such Portfolio Manager's reduced control of the functions that are outsourced. In addition, if the Investment Manager, Sub-Investment Manager or such Portfolio Manager is unable to timely engage third-party providers or if a transaction must, for commercial or other reasons, be conducted on an expedited basis, its ability to evaluate and acquire more complex targets could be adversely affected.

When conducting due diligence and making an assessment regarding an investment, the Investment Manager, Sub-Investment Manager or such Portfolio Manager will rely on the resources available to it, including public information, information provided by the target of the investment and, in some circumstances, third-party investigations, as well as private information, including information obtained due to the Investment Manager's, Sub-Investment Manager's or such Portfolio Manager's respective investment professionals' relationships with former and current banks, lenders, management teams, consultants, competitors and investment bankers. The due diligence investigation that the Investment Manager, Sub-Investment Manager or such Portfolio Manager carries out with respect to any investment opportunity might not reveal or highlight all relevant facts, material or otherwise, that are necessary or desirable in evaluating such investment opportunity. In addition, instances of fraud and other deceptive practices committed by the management teams of Portfolio Companies in which any Portfolio Fund has an investment or is evaluating a potential investment could undermine Portfolio Manager's due diligence efforts with respect to such Portfolio Companies. Moreover, such an investigation will

not necessarily result in the investment being successful. Conduct occurring at Portfolio Companies, including activities that occurred prior to the Alternative Investment's investment therein, could have an adverse impact on the Sub-Fund.

By executing a Subscription Agreement with respect to the Sub-Fund, each Investor acknowledges, understands and agrees that, in making a decision to subscribe for Shares, (i) the Investor has relied solely upon the Articles, the Prospectus and this Sub-Fund Supplement and the disclosures contained in the Form ADV and its own review.

**Trust Preferred Securities:** Trust preferred securities, typically issued by banks, insurance companies and similar institutions, have characteristics that are common to both preferred stock and debt securities and represent a leveraged investment in collateral of the issuer. Trust preferred securities will generally be part of the issued share capital of an issuer and will not be secured under any indenture or by any pool of collateral or asset types. The issuer generally will pledge substantially all of its assets to secure any notes or any other obligations, all of which are senior to trust preferred securities. The collections on and proceeds of the issuer's assets will be available to make payments in respect of the trust preferred securities only if, as and when funds are released from the lien of any debt indenture in accordance with its terms. Since the timing and amount of cash available for the trust preferred securities is subject to many uncertainties, there can be no assurance that the issuer will have funds remaining after application of available funds to its debt, expenses and other obligations to make distributions in respect of trust preferred securities.

Due to the nature of the leveraged investment in collateral of the issuer and the capital and legal structure of the issuer, changes in the value of the trust preferred securities will be greater than the change in value of any collateral debt securities, which themselves are subject to credit, liquidity, interest rate and other risks. Such utilization of leverage increases the risk of losses to the issuer and, therefore, increases the risk of losses to the holders of trust preferred securities.

Generally, the only source of cash for the issuer to make payments on trust preferred securities will be payments received from its parent institution. Obligations of the issuer's parent institution are unsecured, subordinated and will rank junior in priority of payment to any senior indebtedness, whether now existing or subsequently incurred, and effectively will rank in right of payment junior to all other liabilities of such parent institution. In the event of a bankruptcy, liquidation or dissolution of the parent institution, its assets would be available to pay obligations to the issuer only after all payments have been made on the parent institution's indebtedness. Similarly, payments on any parent guarantee in favor of the issuer may not be available if it defaults on a payment of any of its other liabilities. As a practical matter, the holders of trust preferred securities generally will not be able to exercise directly any remedies against the parent institution.

The parent institution generally has the right, at one or more times, to defer making payments to the issuer on its debt for a specified period of time or upon the occurrence of certain types of events. Such a deferral by a parent institution could have a material adverse effect on the ability of the issuer to pay interest on its notes or indebtedness. Therefore, the deferral of interest payments could result in a failure to satisfy the requirements of certain coverage tests which, in turn, could potentially result in the early amortization of all or a portion of one or more classes of indebtedness. In addition, any deferral of interest payments on the issuer's debt securities would reduce the issuer's cash available to make distributions on the trust preferred securities and such reduction would not necessarily result in a corresponding reduction of taxable income of trust preferred securities shareholders that are subject to U.S. federal income tax.

As a general matter, the occurrence of (i) certain adverse tax consequences to a parent institution, (ii) certain adverse regulatory treatment of the funds raised by a parent institution or (iii) the issuer of the trust preferred securities being considered an "investment company" under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") may constitute special events, giving the parent institution the right to redeem its indebtedness and its trust preferred securities. Furthermore, generally at the option of the parent institution, such parent institution's debt may be redeemed prior to its stated maturities, in which case a corresponding portion of trust preferred securities would generally also be redeemed. In most instances, holders of trust preferred securities will not be entitled to vote on significant matters, since such voting rights are vested in the holder of the common securities of the trust preferred securities issuer.

Trust preferred securities are subject to credit, interest rate and liquidity risk. As such, adverse changes in the financial condition or results of operations of a parent institution or in general economic conditions or both may impair such parent institution's ability to make payments of principal and interest to the issuer. Adverse changes in the financial condition, results of operations or prospects of the parent institution may affect the liquidity of the market for its and the issuer's securities and may reduce the market price of such securities.

**Liquidity of Markets:** At times, certain sectors of the fixed-income markets will experience significant declines in liquidity. While such events may sometimes be attributable to changes in interest rates or other factors, the cause is not always apparent. During such periods of market illiquidity, the Sub-Fund may not be able to sell assets in its portfolio or may only be able to do so at unfavourable prices. Such "liquidity risk" could adversely impact the value of the Sub-Fund's portfolio and may be difficult or impossible to hedge against.

**Investments in Equity Securities Generally:** Alternative Investments may hold investments in equity securities and equity security-related derivatives. Investments in equity securities of small or medium-sized market capitalization companies will have more limited marketability than the securities of larger companies. In addition, securities of smaller companies may have greater price volatility. For example, investment in equity securities may arise in connection with an Alternative Investment's debt investment opportunities and may be accompanied by "equity-kickers" or warrants, as well as in the form of equity investments in Platform Investments, to the extent that any such Platform Investment is allocated to Apollo Clients (such as an Alternative Investment) and not Apollo in accordance with Apollo's policies and procedures. An Alternative Investment may choose to short the equity of an issuer when another technique is not available, most notably a bond or some other derivative. In addition, an Alternative Investment may be forced to accept equity in certain circumstances. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Alternative Investment may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Alternative Investment's expectations or if equity markets generally move in a single direction and the Alternative Investment has not hedged against such a general move. The Alternative Investment also may be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of private placements, registering restricted securities for public resale. In addition, equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates and general economic environments. Holders of equity securities may be wiped out or substantially reduced in value in a bankruptcy proceeding or corporate restructuring.

**Effect of Fees and Expenses on Returns.** Each of the Alternative Investments in which the Sub-Fund invests generally (i) pays (or requires its limited partners to pay) its respective manager management fees and carried interest; and (ii) bears certain costs and expenses, in each case, which will be substantial and will be borne by the Sub-Fund (and thus, ultimately, the Investors) who participate indirectly in such Alternative Investment through the Sub-Fund. Those operating expenses and costs are in addition to those of the Sub-Fund described in this Sub-Fund Supplement. Moreover, the Sub-Fund may invest in Alternative Investments (that charge management fees and carried interest) and that themselves (directly or indirectly) invest in private investment funds (or other investment vehicles) that also charge fees and carried interest. Such investments that bear management fees, carried interest, other fees, expenses and costs will be made in the Investment Manager's and Sub-Investment Manager's sole discretion. Such fees and expenses are expected to materially reduce the actual returns to Investors, although the impact of such fees and expenses on investment returns may be reduced by time and dollar discounts associated with the initial acquisition of funds acquired through secondary transactions. Fees and expenses of the Sub-Fund and the Alternative Investments in which the Sub-Fund invests will generally be paid regardless of whether the Sub-Fund or the Alternative Investment produce positive investment returns. In addition, in connection with certain investment opportunities for Alternative Investments, co-investors (including committed co-investment vehicles) may not bear their share of broken deal expenses (including, without limitation, commitment fees, legal, tax, accounting, travel and entertainment, advisory, consulting and printing expenses and any liquidated damages, reverse termination fees or similar payments) for unconsummated transactions, and in such instances such costs and expenses may be borne by the Investors.

**Portfolio Fund Portfolio Companies.** The Sub-Fund will make substantial investments in Apollo's seed, venture, growth and other strategies through its investments in Apollo Funds and will also participate in various investment strategies through investments in Third-Party Funds. The investments made by such Alternative Investments and their respective portfolio companies have substantial risks. Relative to more mature companies, emerging companies often have not yet developed comprehensive legal, regulatory, financial audit, control and similar compliance capabilities. This will make it more difficult for the general partner of an Alternative Investment to conduct diligence upon prospective portfolio companies and to monitor companies that have entered such Alternative Investment's portfolio. It enhances the risks that otherwise successful portfolio companies will experience adverse consequences due to unintended violations of legal, regulatory or similar obligations. It also enhances the risks that Portfolio Companies or a Portfolio Fund will experience adverse consequences due to intentional wrongdoing by portfolio company personnel or third parties.

There often will be little or no publicly available information regarding the status and prospects of an Alternative Investment's portfolio companies. Many investment decisions by the general partner of an Alternative Investment will be dependent upon the ability of its members and agents to obtain relevant information from non-public sources, and such general partner often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond such general partner's control. Typically, although a member of an Alternative Investment's general partner may serve on a portfolio company's board of directors, each portfolio company will be managed by its own officers (who generally will not be affiliated with any Alternative Investment or any Alternative Investment's general partner). The Alternative Investments may hold minority positions in portfolio companies or acquire securities that are subordinated vis-a-vis other securities as to economic, management or other attributes. An Alternative Investment's portfolio companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. The portfolio companies of an Alternative Investment may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms. Each Alternative Investment's capital is limited and may not be adequate to protect such Alternative Investment from dilution in multiple rounds of portfolio company.

**Risks of Investment in Private Credit Portfolio Funds.** The Sub-Fund may invest in Alternative Investments that invest in debt instruments or convertible debt securities in connection with investments in equity or equity-related securities (including as additional investments) or in debt investments which could take into account leverage incurred in connection with such investments, comparable to equity or equity-related securities. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured.

Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. Certain debt instruments in which the Sub-Fund may indirectly invest may have speculative characteristics. A secured debt investment is subject to the same risks as the underlying asset securing the debt.

There are no restrictions on the credit quality of the investments that the Sub-Fund or its Alternative Investments may make. Rating agencies rate debt securities based upon their assessment of the likelihood of the receipt of principal and interest payments. Rating agencies do not consider the risks of fluctuations in market value or other factors that may influence the value of debt securities. Therefore, the credit rating assigned to a particular instrument in which any Alternative Investment invests may not fully reflect the true risks of an investment in such instrument. Credit rating agencies may change their methods of evaluating credit risk and determining ratings. These changes may occur quickly and often. While any Alternative Investment may give some consideration to ratings, ratings may not be indicative of the actual credit risk of the Sub-Fund's indirect investments in rated instruments.

Generally, investments in speculative securities offer a higher return potential than higher-rated securities, but involve greater volatility of price and greater risk of loss of income and principal. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

**Risks of Investment in Private Equity and Private Equity Portfolio Funds.** The Sub-Fund may hold investments in Alternative Investments that invest in private companies through bespoke, privately negotiated transactions, including buyout, venture capital and growth equity investments, or may make investments in the same companies other than through Apollo Funds, Third-Party Funds and/or Co-Investments. Alternative Investments will hold investments in equity securities and may hold investments in equity security related derivatives, such as cash-settled equity swaps. Investments in equity securities of small- or medium-size market capitalization companies will have more limited marketability than the securities of larger companies. In addition, securities of smaller companies may have greater price volatility. Such Alternative Investments may use investments in equity security-related derivatives to obtain leveraged and/or synthetic exposure to target companies. Equity security-related derivatives may be less liquid than direct investments in equity securities, and such underlying Alternative Investments may be limited in its ability to exit an equity security-related derivatives investment quickly or prior to an agreed upon maturity date. In addition, equity security-related derivatives typically do not convey voting rights in the underlying securities, and Alternative Investment therefore may not be in a position to exercise control over or vote their respective interests in the investment. An Alternative Investment may choose to short the equity of an issuer when another technique is not available, most notably a bond or some other derivative. In addition, an Alternative Investment may be forced to accept equity in certain circumstances. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. Alternative Investment will also hold investments in equity securities of smaller portfolio companies which may have even greater price volatility, including venture or growth stage companies. Those companies involve higher risks in some respect than do investments in larger companies. For example, prices of small-capitalization companies are often more volatile than prices of large-capitalization companies and the risk of bankruptcy or insolvency of many smaller companies is higher than for larger, "blue-chip" companies. In addition, there may be fewer investors for smaller companies, making an investment in those companies highly illiquid. Some small companies have limited product lines, distribution channels and financial managerial resources. Some of the companies in which the Alternative Investment invest may have product lines that have, in whole or in part, only recently been introduced to market or that may still be in research or development stage. Such companies may also be dependent on personnel with limited experience. Such Alternative Investment will also invest in minority, non-controlling, equity interests in portfolio companies. As a result, the Alternative Investment may have a limited ability to exert influence over such portfolio companies and may not have the opportunity to evaluate or select the specific underlying investments made by such investment. As a condition of making non-controlling investments in portfolio companies, Alternative Investment may seek to obtain shareholder rights to protect such Alternative Investments' investment, but it may not necessarily pursue or to obtain such rights in many cases. If an Alternative Investment does not have a controlling position or other shareholder rights to protect its interests, it is possible that a portfolio company could take actions that negatively impact the value of such Alternative Investment's investment or that prevents such Alternative Investment from disposing of its investment in the portfolio company. The Sub-Investment Manager expects that, in connection with the non-control investments of Alternative Investments, the existing managers of many portfolio companies will retain autonomy over the day-to-day operations of such portfolio companies and will generally retain a majority stake. In such cases, the Alternative Investment will rely on the existing management and board of directors or similar body of such portfolio companies, which may include representation of other investors with whom the Alternative Investment is not affiliated and whose interests may conflict with the interests of the Alternative Investment (and, therefore,

the Sub-Fund). In holding non-controlling interests, Alternative Investment may have a limited ability to create additional value by effecting changes in the strategy and operations of these entities or to protect its positions in such entities or to create or take advantage of exit opportunities.

**Risks of Investment in Real Assets and Real Asset Portfolio Funds.** The Sub-Fund may hold investments in Alternative Investments that invest in a broad category of investments in infrastructure, real estate, including non-performing loans related thereto, energy, agriculture and other natural resources united by a component of current yield and an expected insulation of the underlying assets against the effects of inflation, or may make investments in the same assets other than through Apollo Funds, Third-Party Funds and/or Co-Investments. Real estate historically has experienced significant fluctuations and cycles in performance that may result in reductions in the value of real estate investments made by such Alternative Investments. Revenues and cash flows may be adversely affected by changes in market conditions, government regulation, competition from other properties, changes in the supply and demand, changes in interest rates, changes in real estate tax rates and other adverse factors that are beyond the Sub-Fund's and the respective Alternative Investments' control. In addition to general economic conditions, the commercial real estate markets are also affected by a number of other factors which may significantly impact the value of commercial real estate investments, including interest rates and credit spreads, levels of prevailing inflation, the availability of financing, the returns from alternative investments as compared to real estate and changes in planning, environmental, commercial lease, and tax laws and practices. In particular, commercial property values are dependent on current rental values and occupancy rates, prospective rental growth, lease lengths, tenant creditworthiness and solvency, and investment yields (which are, in turn, a function of interest rates, the market appetite for property investments in general and with reference to the specific property in question) and on the nature, location and physical condition of the property concerned. Rental revenues and commercial real estate values are also affected by factors specific to each local market in which the property is located, including the supply of available space, demand for commercial real estate and competition from other available space. Portfolio funds that make infrastructure investments will be subject to additional risks. In many instances, the making or acquisition of infrastructure investments involves an ongoing commitment to a municipal, state or federal government, quasi-government, industry, self-regulatory or other relevant regulatory authority, body or agency. The nature of these obligations exposes the owners of infrastructure investments to a higher level of regulatory control than typically imposed on other businesses. Such regulatory agencies may impose conditions on the construction, operations and activities of an infrastructure asset as a condition to granting their approval or to satisfy regulatory requirements, which may limit the ability of the Alternative Investments to dispose of the assets at opportune times. Additionally, since many infrastructure investments relate to basic, everyday services and face limited competition, Regulatory Agencies may be influenced by political considerations and may make decisions that adversely affect an infrastructure investment's performance.

**Default and Recovery Rates and Other Debt Securities:** There are varying sources of statistical default and recovery rate data for loans and other debt securities and numerous methods for measuring default and recovery rates. The historical performance of the credit market or the leveraged loan market is not indicative of future results. However, in certain market conditions, the availability of these other sources of financing (principally high yield bond transactions), bridge loan commitments have been and may be drawn upon more regularly. Since these commitments were not regularly drawn upon in the past, there is little history for investors to rely upon in evaluating investments in bridge loans. Bridge loans often have shorter maturities than the permanent financing by which they are expected to be replaced. Borrowers and lenders typically agree to shorter maturities based on the anticipation that the bridge loans will be replaced with other forms of financing within such shorter time period. However, the source and timing of such replacement financing may be uncertain and can be affected by, among other things, market conditions and the financial condition of the borrower at the maturity date of the bridge. If the borrower is unable to obtain replacement financing and repay the bridge loan at maturity, the terms of the bridge loan may provide for the bridge loan to be converted to a longer term loan (with maturities similar to that of a bond). If bridge loans are not repaid (or cannot be disposed of on favourable terms) on the dates projected by the Alternative Investment, there may be an adverse effect upon the ability of the Alternative Investment to manage the assets of the



Alternative Investment in accordance with its models and projections or an adverse effect upon the Alternative Investment's performance and ability to make distributions.

***Reliance on Portfolio Managers.*** The Sub-Fund expects to invest in Third-Party Funds as well as Apollo Funds and other Apollo Clients. The Sub-Fund will not have an active role in their management or in the management of their portfolio investments and, therefore, will not have the opportunity to evaluate the specific investments made by any Alternative Investments after the Sub-Fund's date of investment, including with respect to Apollo Funds. The returns of the Sub-Fund could also depend on the performance of these unrelated sponsors and could be adversely affected by their poor performance. Moreover, the Sub-Fund will likely not be able to dispose of its investment in any Alternative Investments in any circumstance, even upon poor performance. Additionally, the Sub-Fund will generally not be in a position to change any Portfolio Manager's approach. Similarly, the Board of Directors, the Investment Manager and the Sub-Investment Manager will typically not negotiate any terms with respect to investments in Apollo Clients and is subject to a conflict that those terms be as advantageous to Apollo as possible. See "*Additional Conflicts of Interest related to the Sub-Fund—Underlying Apollo Funds*" below. The Board of Directors, the Investment Manager and the Sub-Investment Manager may not always receive full information from Portfolio Managers because, with respect to Portfolio Managers that are not affiliated with Apollo, certain of this information may be considered proprietary. The lack of access to information may make it more difficult for the Board of Directors, the Investment Manager and the Sub-Investment Manager to select and evaluate potential investments.

***Investments with Less Established Portfolio Managers.*** The Sub-Fund may, indirectly, invest a portion of its assets (through investments in Alternative Investments) in Alternative Investments managed by less established Portfolio Managers. Investments related to such Portfolio Managers may involve greater risks than are generally associated with investments with more established sponsors. Less established Portfolio Managers tend to have fewer resources, and therefore, are often more vulnerable to failure. Such Portfolio Managers also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In addition, less mature sponsors could be deemed to be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any sponsor related to an Alternative Investment's investment, the Sub-Fund may suffer a partial or total loss of capital invested in such investment. There can be no assurance that any such losses will be offset by gains (if any) realized on the Sub-Fund's other assets.

***Investments in Later-Stage Companies.*** The Sub-Fund may also invest a portion of its assets (through investments in Alternative Investments) in private, later-stage companies. These companies typically have modest revenues and may or may not be profitable. They may require additional capital, at high valuations, to develop products and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Further, the products and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Although the Alternative Investment may be represented on the board of directors of a late-stage company in which the Alternative Investment invests, such company will be managed by its own officers (who generally will not be affiliated with the Alternative Investment or Apollo). These portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

In addition to investing in less established, early- or later-stage companies, an Alternative Investment in which the Sub-Fund invests may form new businesses. Unlike investing in an existing company where start-up risks are generally shared with third parties who also have vested interests in such company (including the company's founders, existing managers or existing equity holders), in the case where an Alternative Investment forms a new business, all such risks are generally borne by the Alternative Investment. In addition, newly formed businesses face risks similar to those affecting less established or early-stage companies as described in the Prospectus and this Sub-Fund Supplement, and may experience unexpected operational, developmental or financial issues that cannot be adequately resolved. There is no assurance that such new business ventures will become successful.

Some of the portfolio investments expected to be made by the Alternative Investments should be considered highly speculative and may result in the loss of the Sub-Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on the Sub-Fund's other investments.

**Existing and Potential Investments Subject to Bankruptcy Laws.** The Sub-Fund may make investments (through investments in Alternative Investments) in restructurings that involve portfolio companies that are experiencing or are expected to experience severe financial difficulties. These financial difficulties may never be overcome and may lead to uncertain outcomes, including causing such portfolio company to become subject to bankruptcy proceedings. See "*Nature of Bankruptcy Proceedings*" in the Prospectus. Such investments could, in certain circumstances, subject the Sub-Fund to certain additional potential liabilities that may exceed the value of the Sub-Fund's original investment therein. In addition, under certain circumstances, payments to the Sub-Fund and distributions by the Sub-Fund to its Investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. Furthermore, investments in restructurings may be adversely affected by statutes related to, among other things, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

The possibility of litigation between the participants in a reorganization is another consideration that makes any evaluation of the outcome of an investment uncertain. Such uncertainties may also be increased by legal and other factors that limit the ability of a Portfolio Manager to obtain reliable and timely information concerning material developments affecting an obligor, or which lengthen a reorganization or liquidation proceeding.

Such investments could also be subject to applicable bankruptcy law and fraudulent conveyance laws, which may vary from jurisdiction to jurisdiction, if the securities relating to such investments were issued with the intent of hindering, delaying or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such securities. If such investments constitute debt and such debt is used for a buyout of shareholders, this risk is greater than if the debt proceeds are used for day-to-day operations or organic growth. Under certain circumstances, payments to the Sub-Fund or an Alternative Investment and distributions by the Sub-Fund or Alternative Investment to its investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Such debt may also be disallowed or subordinated to the claims of other creditors if the Alternative Investment is found to have engaged in other inequitable conduct resulting in harm to other parties. An Alternative Investment's investment may be treated as equity if it is deemed to be a contribution to capital, or if the Alternative Investment attempts to control the outcome of the business affairs of a company prior to its filing under the applicable bankruptcy laws. While the Alternative Investment will attempt to avoid taking the types of action that would lead to such liability, there can be no assurance that such claims will not be asserted or that the Alternative Investment will be able to defend against them successfully.

**Lack of Control over the Portfolio Funds.** Given that the Sub-Fund will generally be a passive investor in any Alternative Investment and will not have a role in the management of the Alternative Investments, the returns of the investments in the Sub-Fund will primarily depend on the performance of these unrelated manager teams. The Sub-Fund's control over the investment policies of the Alternative Investments will be limited and an Investor's access to information concerning an Alternative Investments' investments and other matters will be limited. Also, information about manager teams may be limited. As a result, the Board of Directors, the Investment Manager and the Sub-Investment Manager may not be in a position to protect the value of the Sub-Fund's investment in the Alternative Investments. In addition, the portfolio managers of such Alternative Investments may have economic or business interests or goals that are inconsistent with those of the Sub-Fund. Further, the Alternative Investments generally do not permit redemptions and/or withdrawals.

Investors in the Sub-Fund will not be members, shareholders, limited partners or direct investors in the Alternative Investments and will have no rights as such, including no right to attend or participate in investor meetings, no right to direct communication from or with any Alternative Investment, no direct voting rights or direct interest in any Alternative Investment, and no standing or recourse against the of the Alternative Investments, their respective investment advisors and general partners, portfolio manager or any of their respective affiliates or employees.

**Anchor Investments in Apollo Clients.** The Sub-Fund or Alternative Investments in which it invests may invest in other Apollo Clients, including (i) newly formed Apollo Clients established for a particular investment, strategy, sector or Platform Investment and (ii) in circumstances where the Sub-Fund or such Alternative Investment may serve as the initial, "anchor" or only investor in such Apollo Client (any Apollo Clients into which the Sub-Fund or such Alternative Investment serves as an "anchor" investor, an "**Apollo Anchor Client**" and, any such anchor investment, being "**Anchor Capital**"). This could also be the case where Apollo is incubating a new strategy or seeking to build a track record in order to market to other prospective investors. The Sub-Fund or such Alternative Investment will be directly or indirectly subject to the terms of the governing documents of the Apollo Client in which it invests, and such terms will control with respect to such investment without any corresponding application of the terms and conditions as between the Sub-Fund and Apollo, such as the governing documents of the Sub-Fund, as amended from time to time (even if such terms are inconsistent). Apollo Clients into which the Sub-Fund or any such Alternative Investment invests may, in turn, invest in other Apollo Clients or portfolio companies of Apollo Clients. Such activity may subject the Sub-Fund to additional risks. For example, the Sub-Fund may bear an additional layer of expenses as a result of investing into such Anchor Clients, as well as its *pro rata* share of the expenses of such Apollo Clients, which could adversely affect the Sub-Fund's returns. While Anchor Investors typically seek discounts on management fees and/or carried interest, as previously stated herein, Apollo is not incentivized to seek such discounts for the Sub-Fund. The returns of the Sub-Fund will depend in part on the performance of the team managing the Apollo Client and could be substantially adversely affected by the unfavourable performance of such team.

**Allocation of Investment Opportunities.** Apollo provides investment management services to other Apollo Clients, and Apollo and/or such Apollo Clients could have one or more investment strategies that overlap or conflict with those of any Alternative Investment. The employment by Apollo of conflicting strategies for other Apollo Clients could adversely affect the prices and availability of the securities and other assets in which any Alternative Investment invests.

As a general matter, the Sub-Fund will only participate in investment opportunities that the Investment Manager or Sub-Investment Manager determines in its sole discretion to allocate to the Sub-Fund, which could be alongside other Apollo Clients and in certain instances alongside Apollo affiliates (such as Syndication Entities, being the Sub-Fund, other Apollo Clients, friends and family members of employees of the Apollo Group (including their respective family offices), Apollo itself, co-investors and/or other third parties in certain circumstances), subject to and in accordance with Apollo's allocation policies and procedures, in effect from time to time. Notwithstanding the foregoing, it is not anticipated that the Sub-Fund will be treated as an Apollo Client for purposes of Apollo's allocation policies and procedures. If participation in specific investment opportunities is appropriate for both the Sub-Fund and one or more other Apollo Clients (or Apollo itself, such as an Apollo-sponsored SPAC), participation in such opportunities will be allocated pursuant to Apollo's allocation policies and procedures. There can be no assurance, however, that the application of such policies will result in the allocation of a specific investment opportunity to the Sub-Fund or that the Sub-Fund will participate in all investment opportunities falling within its investment objective. Such considerations can result in allocations of certain investments among the Sub-Fund and other Apollo Clients on other than a *pari passu* basis and, in some cases, to a newly formed Apollo Client (or an Apollo-sponsored SPAC) established for a particular investment. In the past, the application of such policies has resulted in the allocation by Apollo of certain investment opportunities relating to the alternative investment management business to (i) Apollo (or an Apollo-sponsored SPAC) rather than to Apollo Clients or (ii) a newly formed Apollo Client created for a particular investment opportunity, and Apollo expects to allocate such opportunities in a similar manner in the future. As Apollo continues to seek additional sourcing channels for investment opportunities for the Sub-Fund and other Apollo Clients (including Apollo Clients that are Portfolio Funds), as well as Apollo, it is also anticipated that there will be opportunities for investments in various companies or businesses, including

among others financial services companies and investment advisory/management businesses, that would be allocated to Apollo (and not Apollo Clients, including the Sub-Fund) as part of developing investment sourcing opportunities for the platform, including as part of such underlying investment, a commitment to fund or otherwise contemporaneously participate in such sourcing opportunities by Apollo Clients, including the Sub-Fund (such investments, "**Platform Investments**"). Any fees, costs and expenses arising from or in connection with the discovery, evaluation, investigation, development and consummation of potential Platform Investments or joint ventures (including joint ventures formed in connection with Platform Investments) will be considered Operating Expenses and will be borne by the Sub-Fund in accordance with Apollo's expense allocation procedures. In addition, for any such Platform Investments or joint ventures, to the extent the Sub-Fund participates in one or more investment opportunities sourced by such platform (irrespective of whether any such investment is consummated), any fees earned by Apollo in respect of such Platform Investment or joint venture, including management fees or other incentive compensation arrangements, will be treated as Other Fees and not be applied to reduce management fees. One or more Apollo Funds could participate in Platform Investments, including multiple Apollo Funds in the same Platform Investment. None of the Investors will have an interest in investments made by such other Apollo Clients solely by reason of their investment in the Sub-Fund. In addition, to the extent that the participation of the Sub-Fund (or any Parallel Fund or the investors in such Parallel Fund) in an investment opportunity that is otherwise suitable for the Sub-Fund and other Apollo Clients would cause the investment to become subject to requirements and restrictions of the Alternative Investment Fund Managers Directive ("**AIFMD**") that could have an adverse impact on any or all participating investors, Apollo may determine to exclude the Sub-Fund (or such Parallel Fund or the investors in such Parallel Fund), from participating in the investment opportunity.

To the extent that the participation of the Sub-Fund or any investor in the Sub-Fund in an investment opportunity that is otherwise suitable for the Sub-Fund and other Apollo Clients would cause the investment to become subject to requirements and restrictions of a law, rule or regulation that could have an adverse impact on any participating investor in such investment opportunity, Apollo may determine to modify some or all of the terms of such investment opportunity or to exclude the Sub-Fund or any such investor in the Sub-Fund from participating in such investment opportunity.

**Investments in Certain Apollo Clients.** The Sub-Fund may provide seed capital to or "incubate" newly formed Apollo Clients, invest in other Apollo Clients where the Investment Manager or Sub-Investment Manager determines that investing in such Apollo Client would enable the Sub-Fund to access desirable investment opportunities, including in circumstances where the Sub-Fund is the only pool of capital available to seed a new strategy, asset or management team, in which case the Sub-Fund could bear start-up risk and an incrementally greater expense burden. Such investment activity may subject the Sub-Fund to additional risks. Furthermore, the Sub-Fund may invest in Apollo Funds that, in turn, are providing seed capital to newly formed Apollo Clients or are investing in Apollo Clients to enable such Apollo Funds to access investment opportunities. The Sub-Fund will bear fees as a result of any such investment, as well as its *pro rata* share of the expenses of such Apollo Client, which could adversely affect the Sub-Fund's returns. A decision for the Sub-Fund to withdraw or redeem from an Apollo Client that is open-ended could be impacted by the desire of Apollo to minimize overall redemptions from such Apollo Client. In some circumstances, an Apollo Client that has received significant redemption or withdrawal requests may suspend or limit redemptions or withdrawals, including redemptions or withdrawals by the Sub-Fund, potentially obligating the Sub-Fund to limit or suspend redemptions from the Sub-Fund. The Sub-Fund will not have an active role in the day-to-day management of another Apollo Client or have the opportunity to evaluate the specific investments made by another Apollo Client before they are made. The returns of the Sub-Fund will depend in part on the performance of the team managing the Apollo Client and could be substantially adversely affected by the unfavourable performance of such team. Similarly, an Apollo Client may invest on the basis of certain short-term market considerations. As a result, the turnover rate with such Apollo Client may be significant, potentially involving substantial brokerage commissions, fees and other transactions costs. The Sub-Fund will have no control over such turnover. Because an Apollo Client, in particular one seeded by the Sub-Fund, may be operated by a newly formed Apollo team without a significant track record, such investment may be subject to more significant risks

than would be the case if the Sub-Fund invested with a more "seasoned" team with a longer track record.

**Termination of the Sub-Fund's Interest in a Portfolio Fund.** An Alternative Investment may, among other things, terminate the Sub-Fund's interest in that Alternative Investment and cause the Sub-Fund to forfeit some or all of its interest therein if the Sub-Fund fails to satisfy any capital call by that Alternative Investment or if the general partner of that Alternative Investment determines that the continued participation of the Sub-Fund in such Alternative Investment would have a material adverse effect on such Alternative Investment or its assets. The Sub-Fund will have little or no control in the remedies an Alternative Investment exercises against the Sub-Fund, which could have a material adverse effect on the Sub-Fund.

**Sub-Fund Defaults.** If borrowings by the Sub-Fund are inadequate to cover the Sub-Fund's funding obligations to the Alternative Investments, the Sub-Fund may be unable to pay its obligations when due. As a result, the Sub-Fund may be subjected to significant penalties that could materially adversely affect the returns to the Investors.

**Illiquid Direct Investments:** The Apollo Funds and/or the Third-Party Funds may use cash on hand or liquidate assets in order to make a direct investment. Such direct investments may be illiquid and difficult to value. Risks associated with portfolio companies of the Alternative Investments will generally also apply to such direct investments.

**Borrower and Revolver Seller Fraud; Breach of Covenant.** Alternative Investments may acquire funded and unfunded revolving credit facilities ("**Revolvers**") having structural, covenant and other contractual terms providing adequate downside protection, but there can be no assurance that such features and terms will achieve their desired effect and potential investors should regard an investment as being speculative and having a high degree of risk. Of paramount concern in acquiring a Revolver is the possibility of material misrepresentation or omission on the part of the Revolver seller, the borrowers thereunder (the "**Portfolio Borrower**") or other credit support providers, or breach of covenant by any such parties. Such inaccuracy or incompleteness or breach of covenants may adversely affect the valuation of the collateral underlying the loans or the ability of the Revolver lenders to perfect or effectuate a lien on the collateral securing the loan or the Alternative Investment's ability to otherwise realize on or avoid losses in respect of such investment. The AIFM, the Investment Manager, the Sub-Investment Manager or any Affiliate thereof will rely upon the accuracy and completeness of representations made by any such parties to the extent reasonable, but cannot guarantee such accuracy or completeness.

**Investments in Bank Loans and Participations.** The Sub-Fund may, indirectly through Alternative Investments, invest in bank loans and participations. The special risks associated with these obligations include: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) environmental liabilities that may arise with respect to collateral securing the obligations; (iii) adverse consequences resulting from participating in such instruments with other institutions with lower credit quality; (iv) limitations on the ability of the Alternative Investment, the Sub-Fund, the AIFM, the Investment Manager, the Sub-Investment Manager or any Affiliate thereof to directly enforce any of their respective rights with respect to participations and (v) generation of income that is subject to U.S. federal income taxation as income effectively connected to a U.S. trade or business. The Alternative Investment, will attempt to balance the magnitude of these risks against the potential investment gain prior to entering into each such investment. Successful claims by third parties arising from these and other risks, absent bad faith, may be borne by the Alternative Investment.

Bank loans generally are transferable among financial institutions and other entities. However, they do not presently have the liquidity of conventional debt securities and are often subject to restrictions on resale. For example, third party approval is often required for the assignment of interests in bank loans. Due to the illiquidity of bank loans, an Alternative Investment may not be able to dispose of its investments in bank loans in a timely fashion and at a fair price, which could adversely affect the performance of the Alternative Investment. With respect to bank loans acquired as participations by an Alternative Investment, because the holder of a participation generally has no contractual relationship with a borrower, the Alternative Investment will have to rely upon a third party to pursue appropriate remedies against a borrower in the event of a default. As a result, the Alternative Investment may be subject to delays, expenses and risks that are

greater than those that would be involved if it could enforce its rights directly against a borrower or through the agent. Bank loans acquired as participations also involve the risk that the Alternative Investment may be regarded as a creditor of a third party rather than a creditor of the borrower. In such a case, the Alternative Investment would be subject to the risk that a selling participant may become insolvent.

A borrower of a bank loan, in some cases, may prepay the bank loan. Prepayments could adversely affect the Alternative Investment's interest income to the extent that the Alternative Investment is unable to reinvest promptly payments in bank loans or if such prepayments were made during a period of declining interest rates.

The Sub-Fund may, through Alternative Investments, invest in broadly syndicated loans indirectly through such Alternative Investment(s) acquiring participation interests in all or a portion of a loan. Participations in a loan will result in a contractual relationship between the Alternative Investment and the institution participating out (such institution, the "**Underlying Lender**"), or selling, the relevant portion of the loan and not with the Portfolio Borrower under the loan. Participation interests will only give the Alternative Investment the right to receive payments of principal and interest from the Underlying Lender, and not directly from the Portfolio Borrower. The Underlying Lender will generally retain all voting and consent rights, and the Alternative Investment will typically have limited or no consent rights with respect to amendments of the underlying credit documents or other related matters. The Underlying Lender may have economic or business interests or goals that are inconsistent with those of the Alternative Investment and may vote in a manner which is detrimental to the Alternative Investment's interests. The Underlying Lender may also require the Alternative Investment to post collateral with it in order to secure the Alternative Investment's portion of the funding obligation under such loan. However, in the event that the Underlying Lender becomes insolvent and is subject to bankruptcy proceedings, the collateral posted by the Alternative Investment may become subject to claims in the bankruptcy and the Alternative Investment's position may be that of a general unsecured creditor. In addition, the Alternative Investment's interest in any Revolver may be compromised due to the insolvency of the Underlying Lender or any other loan participant's failure to make payments to the Underlying Lender to fund a Revolver. The Alternative Investment would also not have direct contractual recourse to the Underlying Lender and recovery would be dependent upon the grantor performing its contractual obligations under the participation, the failure of which may not be easily remediable. Further, independent action by the grantor could have a negative effect on recoveries.

It is possible that the Alternative Investment will not realize its investment objectives by selling Revolver positions in advance of their anticipated maturities. However, if it should need to sell Revolver positions or other investments it holds as a result of a restructuring, in some cases, the Alternative Investment may be legally, contractually or otherwise prohibited from selling such investments for a period of time or otherwise be restricted from disposing of them, and illiquidity may also result from the absence of an established market for certain investments. The realizable value of a highly illiquid investment, at any given time, may be less than its intrinsic value. In addition, certain types of investments held by the Alternative Investment may require a substantial length of time to liquidate. Any Alternative Investment should not be expected to be able to realize their investment objectives, as applicable, by sale or other disposition of Revolver positions or other investments they hold as a result of a restructuring.

**Time Required for Maturity of Investments.** An Alternative Investment may, in connection with collateral held by the Alternative Investment acquire non-marketable common or preferred equity securities and other illiquid assets with equity participation features, which, to the extent that they have value at all, will likely not have realizable value for a significant period of time. Accordingly, certain investments may need to be disposed of in the event the Alternative Investment needed to liquidate certain assets for less than such assets potential value.

**No Amortization Requirements.** Revolvers have no mandatory amortization requirements. The absence of amortization of any debt over the life of the investment may increase the risk that the issuer will not be able to repay or refinance the loans held by an Alternative Investment when it matures.

**Extension Risk.** Revolvers are generally the shortest maturity obligation in a company's capital structure and are often the first tranche of a company's debt targeted for refinancing. Incumbent Revolver lenders are typically the primary syndication targets for a maturity extension, partially due to the inherent challenges a company faces in obtaining new Revolver capital. The ability for an Alternative Investment to exit an existing position in a Revolver refinancing will be more challenging when the company is underperforming and its credit profile is weakened. In some circumstances, an Alternative Investment may be required to participate in a maturity extension if it is deemed to be positive for the Revolver relative to the alternatives. Maturity extensions are typically accompanied by capacity reductions, amendment fees, and other economic or covenant enhancements, although these are case specific. Maturity extensions may result in lower diversity, and increase concentration risk. In addition, an extension increases the likelihood that the ability of the Portfolio Borrower to repay the principal of the loan is dependent upon a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

**Funding Revolver Prior To Restructuring.** Revolvers can generally be drawn by the Portfolio Borrower at any time prior to their maturity. Companies preparing to enter a court-sponsored bankruptcy proceeding or negotiate an out-of-court restructuring often fully fund their Revolvers. This is often done to provide additional cash liquidity and strengthen the company's negotiating position. Amounts funded under a Revolver become an obligation of the company and its bankruptcy estate. The discount received in the Revolver purchase price may limit the loss-given-default associated with recoveries in a restructuring. Recovery proceeds in a bankruptcy can be realized over variable time periods.

**Operational Requirements.** Revolver lenders can be required to advance funds upon request by a company. Borrowing notices can be submitted for same-day or next business day draw under a base-rate borrowing and a three business day notice for Eurocurrency borrowings. An Alternative Investment will be required to satisfy these obligations from the assets of the Alternative Investment when notice is received. Lenders who do not fund upon receipt of a borrowing notice may lose their voting rights and the right to interest and fees under the credit agreement governing a Revolver. Portfolio Borrowers may pursue Revolver lenders who do not fund their obligations for damages. This liability is principally the cost of obtaining replacement financing but in some cases may include consequential damages.

An Alternative Investment may be required to balance borrowing and repayment requests for the Alternative Investment from a number of Portfolio Borrowers on a weekly or other basis. The frequency and unpredictability of funding increases the potential for human error in the administration of the Alternative Investment.

**Funding Variability.** Data on average Revolver utilization is not reported by an individual company and is not available across the market. Prediction of Revolver utilization is inherently subjective and may not take into account changes in credit quality and changes in cash flow, including working capital fluctuation and acquisition activity. While higher than expected utilization increases the current income of the Alternative Investment, it can also lower returns to the extent that the Alternative Investment must satisfy borrowing requests and will increase the Alternative Investment's exposure to Portfolio Borrower defaults.

**Approval Rights.** Most credit agreements provide the borrower with negative consent rights over lender transfers of their Revolvers. Many sponsor-backed and corporate obligors will deny requests to transfer their Revolvers from investment and commercial banks to non-bank holders. This is partially due to concerns over the funding reliability of non-bank holders, who are unrated and otherwise do not have a relationship with the company. It may also be due to concerns about allowing persons that may be affiliated with competitors to have a creditor's information and other rights. These concerns may negatively affect the ability of an Alternative Investment to be approved as the transferee of an interest in Revolvers. To the extent such rights are not granted, an Alternative Investment may decide instead to acquire participation interests in a syndicated loan. Once a transfer is approved by the Portfolio Borrower, an Alternative Investment may obtain traditional voting and lender information rights. However, Portfolio Borrower reluctance to approve transfers may also affect an Alternative Investment's ability to liquidate its position in a Revolver should it need to.

Administrative agent banks also have approval rights over assignments of Revolvers due to their role in advancing swingline and letter of credit borrowings on behalf of the Revolver lenders, therefore assuming counterparty credit risk. While agent banks have generally been comfortable with Apollo and Apollo Clients owning Revolvers, there is no assurance this will be the case in the future. Also, such approval rights increase the illiquidity of Revolvers and can negatively impact the closing time period of secondary trades conducted to create the portfolio.

**Default and Concentration Risk.** The risk that payments to an Alternative Investment could be adversely affected by borrower defaults will increase to the extent that the investment is concentrated in any one borrower, industry, or region. To the extent that a default occurs with respect to any investment and an Alternative Investment sells or otherwise disposes of such investment, the proceeds of such sale or disposition are likely to be less than the unpaid principal and interest thereon. In addition, an Alternative Investment may incur additional expenses to the extent it seeks recoveries upon the default of an investment or participates in the restructuring of an investment. Even in the absence of a default with respect to any of the investments, the potential volatility and lack of price liquidity at any time will vary and may vary substantially from par or from the price at which such investments were initially purchased and from the principal amount of such investments. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition of such investments at any time, or that the proceeds of any such sale or disposition would be sufficient to pay a corresponding redemption amount on the Alternative Investment. Moreover, there can be no assurance as to the timing of any recoveries in respect of defaulted obligations.

**Non-Performing Nature of Loans.** The Sub-Fund may invest in Alternative Investments that invest in loans, which carries certain risks. There can be no assurance as to the amount and timing of payments with respect to the loans, the loans could become non-performing and possibly go into default, and the obligor and/or relevant guarantor could enter into bankruptcy or liquidation. Although the Alternative Investment will attempt to manage risks of investing in loans, there can be no assurance that the Alternative Investment's investments will increase in value or that the Alternative Investment (and therefore the Sub-Fund) will not incur significant losses. Investors should be prepared to lose all or substantially all of their investment in the Sub-Fund.

**Investments in Apollo Clients:** The Sub-Fund may invest in Alternative Investments that may invest in other Apollo Clients, including (i) asset-backed securities investments issued by, related to or that otherwise constitute Apollo Clients, (ii) Platform Investments and joint ventures (including joint ventures formed in connection with Platform Investments, even in circumstances where the Alternative Investment is not invested in the relevant Platform Investment), (iii) newly-formed Apollo Clients established for a particular investment and (iv) in circumstances where the Alternative Investment may serve as the initial or "anchor" investor in such Apollo Client. The Sub-Fund will be indirectly subject to the terms of the governing documents of the Apollo Client in which the Alternative Investment invests, and such terms will control with respect to such investment without any corresponding application of the terms and conditions as between the Sub-Fund and Apollo, such as the Prospectus, this Sub-Fund Supplement and the Articles (even if such terms are inconsistent). Apollo Clients into which the Alternative Investment invests may, in turn, invest in other Apollo Clients or portfolio companies of Apollo Clients. Such activity may subject the Sub-Fund or such Alternative Investment to additional risks. For example, the Sub-Fund could bear an additional layer of fees and incentive compensation (which will not reduce management fees paid by the Sub-Fund or such Alternative Investment and will be retained by, and be for the benefit of, Apollo or any of their respective affiliates or employees) as a result of investing into such Apollo Clients, as well as its *pro rata* share of the expenses of such Apollo Clients, which could adversely affect the Sub-Fund's returns. In some circumstances, an Alternative Investment that has received significant withdrawal and/or redemption requests may suspend or limit withdrawals and/or redemptions, including withdrawals and/or redemptions by the Sub-Fund. The Sub-Fund will generally not have an active role in the day-to-day management of an Apollo Client, Platform Investment or joint venture or have the opportunity to evaluate the specific investments made thereby before they are made. The returns of the Sub-Fund will depend in part on the performance of the team managing the Apollo Client and could be substantially adversely affected by the unfavourable performance of such team. Similarly, an Apollo Client may invest on the basis of certain short-term market considerations. As a result, the turnover rate with the Apollo Client may be significant, potentially involving substantial brokerage commissions, fees and other transaction costs. The Sub-Fund will have no control over such



turnover. Because an Alternative Investment, including any Platform Investment or joint venture may be operated by a newly-formed management team without a significant track record, an investment may be subject to more significant risks than would be the case if the Sub-Fund invested with a more "seasoned" team with a longer track record.

**Senior Loans Risk.** Senior secured loans are usually rated below investment grade or may also be unrated. As a result, the risks associated with senior secured loans are similar to the risks of below investment grade fixed income instruments, although senior secured loans are senior and secured in contrast to other below investment grade fixed income instruments, which are often subordinated or unsecured. Investment in senior secured loans rated below investment grade is considered speculative because of the credit risk of their issuers. Such companies are more likely than investment grade issuers to default on their payments of interest and principal owed an Alternative Investment, and such defaults could have a material adverse effect on an Alternative Investment's performance. An economic downturn would generally lead to a higher non-payment rate, and a senior secured loan may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a senior secured loan may decline in value or become illiquid, which would adversely affect the senior secured loan's value. Senior secured loans are subject to a number of risks described elsewhere in this Sub-Fund Supplement, including liquidity risk and the risk of investing in below investment grade fixed income instruments.

There may be less readily available and reliable information about most senior secured loans than is the case for many other types of securities, including securities issued in transactions registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or registered under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). As a result an Alternative Investment will rely primarily on their own evaluation of a borrower's credit quality rather than on any available independent sources. Therefore, an Alternative Investment will be particularly dependent on the analytical abilities of the Alternative Investment.

In general, the secondary trading market for senior secured loans is not well developed. No active trading market may exist for certain senior secured loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that an Alternative Investment may not be able to sell senior secured loans quickly or at a fair price. To the extent that a secondary market does exist for certain senior secured loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

**Subordinated Loans or Securities.** Certain of the Sub-Fund's investments may (through investments in Alternative Investments) consist of loans or securities, or interests in pools of securities that are subordinated or may be subordinated in right of payment and ranked junior to other securities issued by, or loans made to obligors. If an obligor experiences financial difficulty, holders of its more senior securities will be entitled to payments in priority to the Alternative Investment. Some of the Sub-Fund's asset-backed investments (through investments in Alternative Investments) may also have structural features that divert payments of interest and/or principal to more senior classes of loans or securities backed by the same assets when loss rates or delinquency exceeds certain levels. This may interrupt the income the Sub-Fund receives from its investments, which may lead to the Sub-Fund having less income to distribute to Investors.

In addition, many of the obligors are highly leveraged and many of the Sub-Fund's indirect investments will be in securities which are unrated or rated below investment grade. Such investments are subject to additional risks, including an increased risk of default during periods of economic downturn, the possibility that the obligor may not be able to meet its debt payments and limited secondary market support, among other risks.

**Adjustments to Terms of Investments.** The terms and conditions of the loan agreements and related assignments may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement must include a majority or a supermajority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders. Consequently, the terms and conditions of the payment obligation arising from loan agreements could be modified, amended or waived in a manner contrary to the preferences of an Alternative Investment the Sub-Fund has invested in, if a sufficient number of the other lenders concurred with such modification, amendment or waiver. There can be no assurance that any obligations

arising from a loan agreement will maintain the terms and conditions to which an Alternative Investment originally agreed. Because an Alternative Investment may invest through participation interests, it is possible that the Alternative Investment may not be entitled to vote on any such adjustment of terms of such agreements.

The exercise of remedies may also be subject to the vote of a specified percentage of the lenders thereunder. An Alternative Investment will have the authority to cause the Sub-Fund to consent to certain amendments, waivers or modifications to the investments requested by obligors or the lead agents for loan syndication agreements. An Alternative Investment may, in accordance with its investment management standards, cause the Sub-Fund to extend or defer the maturity, adjust the outstanding balance of any investment, reduce or forgive interest or fees, release material collateral or guarantees, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. An Alternative Investment will make such determinations in accordance with its investment management standards. Any amendment, waiver or modification of an investment could adversely impact the Sub-Fund's investment returns.

**Loans to Private Companies.** Loans to private and middle market companies involve a number of particular risks that may not exist in the case of large public companies, including:

- these companies may have limited financial resources and limited access to additional financing, which may increase the risk of their defaulting on their obligations, leaving creditors such as an Alternative Investment dependent on any guarantees or collateral they may have obtained;
- these companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- there may not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality;
- these companies are more likely to depend on the management talents and efforts of a small group of persons; as a result, the death, disability, resignation, liquidation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations;
- these companies have less predictable operating results than large businesses and may require substantial additional capital to support their operations, maintain their competitive position or expand their financial operations;
- these companies may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity; and
- these companies may use privately negotiated documentation not based on any particular industry standard (e.g., the Loan Market Association or Loan Syndicate Trading Association).

**Asset-Sourcing.** The leveraged loan market is a highly specialized and, in certain jurisdictions, is still a developing market. The consistency of available and suitable investments in leveraged loans, both in the case of new leveraged loans and in the secondary market, could be a risk. The lack of availability from time to time of assets for purchase by an Alternative Investment the Sub-Fund has invested in may delay such Alternative Investment's ability to achieve its target portfolio size, composition or rate of return in its projected timeframe or to make investments thereafter, both of which circumstances could materially adversely affect the Alternative Investment's (and therefore the Sub-Fund's) investment performance.

Factors that may affect an Alternative Investment's ability to source suitable investments include, among other things, the following: (i) developments in the market for leveraged loans or other general market events, which may include changes in interest rates or credit spreads or other

events which may adversely affect the price of securities; (ii) whether individually or collectively, competition for investment opportunities and the inability of the Alternative Investment to acquire securities at favourable yields (including, if the Alternative Investment's competitors have greater access to financial, technical and marketing resources than the Alternative Investment, a lower cost of funds than the Alternative Investment and access to funding sources that are not available to the Alternative Investment); (iii) the inability of the Alternative Investment to reinvest the proceeds from the sale or repayment of any of their assets in suitable target investments on a timely basis, whether at prices that the Alternative Investment believes are appropriate or at all; and (iv) the inability of the Alternative Investment to secure debt financing or refinancing of the Alternative Investment's portfolio on a timely basis, whether on a basis that is satisfactory to the Alternative Investment or at all.

Moreover, in the context of sourcing investment opportunities, certain private equity sponsors unaffiliated with Apollo who control borrowers may be reluctant to consent to having an Alternative Investment act as lender under a Revolver because of the Alternative Investment's affiliation with Apollo and other Apollo Clients.

**Sub-Fund's Income.** The Sub-Fund's income may at times be variable. For example, there may be times when the Alternative Investments the Sub-Fund has invested in hold instruments that are junior to other instruments and as a result of limited cash flow, such Alternative Investments receives little or no income. A wide range of factors may adversely affect an obligor's ability to make repayments, including adverse changes in the financial condition of such obligor or the industries or regions in which it operates, the obligor's exposure to counterparty risk; systemic risk in the financial system and settlement; changes in law or taxation; changes in governmental regulations or other policies; natural disasters; terrorism; social unrest, civil disturbances; or general economic conditions. Default rates tend to accelerate during economic downturns, which would in turn affect cash flow to the Sub-Fund's Alternative Investments. Any defaults will have a negative impact on the value of the Sub-Fund's Alternative Investments and may reduce the return that the Sub-Fund receives from its investments in certain circumstances. While some amount of annual defaults is expected to occur, defaults in or declines in the value of an Alternative Investment's investments in excess of these expected amounts may result in breaches of covenants under the Alternative Investment's financing arrangements, triggering credit enhancement requirements or accelerated repayment provisions and, if not cured within the relevant grace periods, permitting the finance provider to enforce its security over all the assets of the Alternative Investment. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of an obligor, holders of debt instruments ranking senior to the Alternative Investment's investments would typically be entitled to receive payment in full before Alternative Investment receives any distributions in respect of its investments. After repaying the senior creditors, such obligor may not have any remaining assets to repay its obligations to the Alternative Investment and, in the case of debt ranking equally with the loans or debt securities in which the Alternative Investment invests, the Alternative Investment would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant investee company. Each jurisdiction in which a Alternative Investment invests has its own insolvency laws. As a result, investments in similarly situated investee companies in different jurisdictions may well confer different rights in the event of insolvency.

**Loan Origination:** The Sub-Fund may invest in Alternative Investments that may seek to originate loans, including, but not limited to, secured and unsecured notes, senior and second lien loans, mezzanine loans, and other similar investments. The Alternative Investment may subsequently offer such investments for sale to third parties, which could include Apollo Clients; provided, that there is no assurance that the Alternative Investment will complete the sale of such an investment. Further, the decision by any Apollo Client to accept or reject the offer may be made by a party independent of the Investment Manager and Sub-Investment Manager, such as independent directors of such Apollo Client or an advisory or credit committee composed of individuals who are not affiliated with Apollo. In determining the target amount to allocate to such an investment, the Alternative Investment may take into consideration the fact that it may sell, assign or offer participations in such investment to the third parties described above. If the Alternative Investment is unable to sell, assign or successfully close transactions for the loans that it originates, the Alternative Investment will be forced to hold its interest in such loans for an

indeterminate period of time. This could result in the Alternative Investment investments being over-concentrated in certain borrowers.

**Loan Origination Regulation:** Alternative Investments the Sub-Fund invests in may engage in originating, lending and/or servicing loans, and may therefore be subject to regulation, borrower disclosure requirements, limits on fees and interest rates on some loans, lender licensing requirements and other regulatory requirements in the conduct of its business as they pertain to such transactions. Such Alternative Investments may also be subject to consumer disclosures and substantive requirements on consumer loan terms and other regulatory requirements applicable to consumer lending that are administered by applicable regulatory authorities, which are designed to protect borrowers.

**Investments in Structured Products.** The Sub-Fund may invest in Alternative Investments that may invest in securities backed by, or representing interests in, certain underlying instruments ("**Structured Products**"). The cash flow on the underlying instruments may be apportioned among the Structured Products to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to the Structured Products is dependent on the extent of the cash flow on the underlying instruments. The Alternative Investments may invest in Structured Products that represent derived investment positions based on relationships among different markets or asset classes.

The performance of Structured Products will be affected by a variety of factors, including its priority in the capital structure of the issuer, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

The risks associated with Structured Products involve the risks of loss of principal due to market movement. In addition, investments in Structured Products may be illiquid in nature, with no readily available secondary market. Because they are linked to their underlying markets or securities, investments in Structured Products generally are subject to greater volatility than an investment directly in the underlying market or security. Total return on a Structured Product is derived by linking the return to one or more characteristics of the underlying instrument. Because certain Structured Products of the type in which an Alternative Investment may invest may involve no credit enhancement, the credit risk of those Structured Products generally would be equivalent to that of the underlying instruments. An Alternative Investment may invest in a class of Structured Products that is either subordinated or unsubordinated to the right of payment of another class. Subordinated Structured Products typically have higher yields and present greater risks than unsubordinated Structured Products.

Certain issuers of Structured Products may be subject to law or regulation in the jurisdiction in which it has its registered office and/or head office and, as a result, the Alternative Investment's investments in these Structured Products may be limited by the restrictions contained in such law or regulation. Structured Products are typically sold in private placement transactions, and there currently is no active trading market for Structured Products. As a result, certain Structured Products in which the Alternative Investment invests may be deemed illiquid and subject to its limitation on illiquid investments.

**Collateralized Loan Obligations (CLO).** The Sub-Fund may be indirectly exposed to Collateralized Loan Obligations ("**CLO**") securities through its investments in Alternative Investments which are subject to credit, liquidity and interest rate risks. CLO securities are generally illiquid and dealer marks may not represent prices where assets can actually be purchased or sold in the market from time to time. Accordingly, the mark-to-market value of CLOs may be volatile and the value of the investment in CLOs could likewise be volatile. The value of the CLO securities generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the underlying collateral, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Consequently, holders of CLO securities must rely solely on distributions on the collateral or proceeds thereof for payment in respect thereof. If distributions

on the collateral are insufficient to make payments on the CLO securities, no other assets will be available for payment of the deficiency and following realization of the CLO securities, the obligations of such issuer to pay such deficiency generally will be extinguished. Collateral often consists primarily of loans, but may consist of high yield debt or other securities, which often are rated below investment grade (or of equivalent credit quality). High yield debt securities generally are unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. The lower ratings of high yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest. Such investments may be speculative.

CLO issuers may acquire interests in loans and other debt obligations by way of sale, assignment or participation. The purchaser of an assignment typically becomes a lender under the credit agreement with respect to the loan or debt obligation; however, its rights can be more restricted than those of the assigning institution. In purchasing participations, a CLO issuer will usually have a contractual relationship only with the selling institution, and not the borrower. The CLO issuer generally will have neither the right directly to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor have the right to object to certain changes to the loan agreement agreed to by the selling institution. The CLO issuer may not directly benefit from the collateral supporting the related loan and may be subject to any rights of set-off the borrower has against the selling institution. In addition, in the event of the insolvency of the selling institution, under applicable law, the CLO issuer may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the loan. Consequently, the CLO may be subject to the credit risk of the selling institution as well as of the borrower.

**Asset-Backed Securities ("ABS") Investments.** The Sub-Fund may invest in Alternative Investments that have an investment program which include a significant amount of ABS investments in a range of asset classes that will subject them to further risks, including, among others, credit risk, liquidity risk, interest rate and other market risk, operational risk, structural risk, sponsor risk, monoline wrapper risk and other legal risk. Some, but not all, of these additional asset classes and certain related risks are described below.

The investment characteristics of ABS differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that the principal may be prepaid at any time because the underlying loans or other assets generally may be prepaid at any time. ABS are not secured by an interest in the related collateral. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of a number of state and federal consumer loan laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Most issuers of ABS backed by automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related ABS. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the ABS may not have a proper security interest in all of the obligations backing such ABS. Therefore, there is a possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities. The risk of investing in ABS is ultimately dependent upon payment of underlying loans by the debtor.

The collateral supporting ABS is of shorter maturity than certain other types of loans and is less likely to experience substantial prepayments. ABS are often backed by pools of any variety of assets, including, for example, real property leases, mobile home loans and aircraft leases, which represent the obligations of a number of different parties and use credit enhancement techniques such as letters of credit, guarantees or preference rights. The value of an ABS is affected by changes in the market's perception of the asset backing the security and the creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement.

In addition, investments in subordinated ABS involve greater credit risk of default than the senior classes of the issue or series. Default risks may be further pronounced in the case of ABS secured

by, or evidencing an interest in, a relatively small or less diverse pool of underlying loans. Certain subordinated securities absorb all losses from default before any other class of securities is at risk, particularly if such securities have been issued with little or no credit enhancement equity. Such securities, therefore, possess some of the attributes typically associated with equity investments.

There may also be no established, liquid secondary market for many of the ABS that the Alternative Investments may purchase. The lack of such an established, liquid secondary market may have an adverse effect on the market value of such ABS and the applicable Alternative Investment's ability to sell them. Further, ABS may be subject to certain transfer restrictions that may further restrict liquidity. Finally, the applicable Alternative Investment may engage in enforcement actions, litigation and settlement discussions that may expose such Alternative Investment to additional expenses, legal proceedings and restrict its trading activities. There is no assurance that any of these enforcement actions or other activist efforts by an Alternative Investment will prove successful.

**Solvency II and Securitizations.** Article 254 of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 ("**Solvency II Delegated Act**") sets forth generally (subject to the exceptions in article 255) a risk retention requirement in securitizations, whereby the originator, sponsors or original lender shall retain, on an ongoing basis, a material net economic interest which in any event shall not be less than 5%. Such commitment must be explicitly disclosed in the documentation governing the relevant instruments. Such net economic interest shall be measured at the time of origination and shall not be subject to any credit risk mitigation or any short positions or any other form of hedging and shall not be sold. In accordance with article 135(2)(a) of Solvency II, such requirement needs to be met in order for an insurance or reinsurance undertaking to be allowed to invest in securitization instruments generally issued after 1 January 2011. Further to article 135(2)(b) of Solvency II, article 256 of the Solvency II Delegated Act establishes qualitative requirements for investments by insurance and reinsurance undertakings in securitizations, including to conduct adequate due diligence, internal monitoring and reporting procedures, stress testing and proper understanding of the instruments, and article 257 establishes the procedures and consequences (including higher capital demands) applicable when the securitizations no longer meet the relevant requirements. There is the risk that certain ABS investments which might be acquired by the Sub-Fund indirectly by its investment in the Alternative Investment are subject to such requirements and do not meet or fully meet such requirements, including due to lack of or insufficient disclosure, in the opinion of the relevant regulators or otherwise, in the relevant prospectus and investors reports or the relevant originator, sponsor or original lender failing to meet the relevant disclosure or retention obligations which it has assumed upfront. Each investor should make itself aware of all these provisions and make its own investigation and analysis as to the impact thereof to its legal and financial position.

**Lower Credit Quality Securities.** The Sub-Fund may, indirectly, through its investments in Alternative Investments invest in investments that may be deemed by rating companies to have substantial vulnerability to default in payment of interest and/or principal. The Sub-Fund may, indirectly, invest in investments that may be unrated. Lower-rated and unrated securities in which the Sub-Fund may be, indirectly, invested have large uncertainties or major risk exposures to adverse conditions, and are considered to be predominantly speculative. Generally, such securities offer a higher return potential than higher-rated securities, but involve greater volatility of price and greater risk of loss of income and principal.

The market values of certain of these securities (such as subordinated securities) also tend to be more sensitive to changes in economic conditions than higher rated securities. Declining real estate values, in particular, will increase the risk of loss upon default, and may lead to a downgrading of the securities by rating agencies. The value of such securities may also be affected by changes in the market's perception of the entity issuing or guaranteeing them, or by changes in government regulations and tax policies.

In general, the ratings of nationally recognized rating organizations represent the opinions of these agencies as to the quality of securities that they rate. These ratings may be used by an Alternative Investment as initial criteria for the selection of portfolio securities. Such ratings, however, are relative and subjective; they are not absolute standards of quality and do not

evaluate the market value risk of the securities. It is also possible that a rating agency might not change its rating of a particular issue on a timely basis to reflect subsequent events.

**Commercial Mortgage-Backed Securities (CMBS).** Certain of the Alternative Investments in which the Sub-Fund may invest may in turn invest in commercial mortgage-backed securities ("CMBS") and other mortgage-backed securities, including subordinated tranches of such securities. The value of CMBS will be influenced by factors affecting the value of the underlying real estate portfolio, and by the terms and payment histories of such CMBS.

Some or all of the CMBS contemplated to be acquired by such Alternative Investments may not be rated, or may be rated lower than investment-grade securities, by one or more nationally recognized statistical rating organizations. Lower-rated or unrated CMBS, or "B-pieces," have speculative characteristics and can involve substantial financial risks as a result. The prices of lower credit quality securities have been found to be less sensitive to interest rate changes than more highly rated investments, but more sensitive to adverse economic or real estate market conditions or individual issuer concerns. Securities rated lower than "B" by the rating organizations can be regarded as having extremely poor prospects of ever attaining any real investment standing and may be in default. Existing credit support and the owner's equity in the property may be insufficient to protect the Alternative Investment and the Sub-Fund from loss. As an investor in subordinated CMBS in particular, the applicable Alternative Investment will be first in line among debt holders to bear the risk of loss from delinquencies and defaults experienced on the collateral.

Certain of the Alternative Investments may acquire subordinated tranches of CMBS issuances. In general, subordinated tranches of CMBS are entitled to receive repayment of principal only after all principal payments have been made on more senior tranches and also have subordinated rights as to receipt of interest distributions. Such subordinated tranches are subject to a greater risk of non-payment than are senior tranches of CMBS or CMBS backed by third-party credit enhancement. In addition, an active secondary market for such subordinated securities is not as well developed as the market for certain other mortgage-backed securities. Accordingly, such subordinated CMBS may have limited marketability and there can be no assurance that a more efficient secondary market will develop.

The value of CMBS and other mortgage-backed securities in which such Alternative Investments may invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise, the value of such securities will decline. In addition, to the extent that the mortgage loans which underlie specific mortgage-backed securities are prepayable, the value of such mortgage securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline.

Mortgage loans on commercial properties underlying mortgage-backed securities ("MBS") often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity and repayment of the loan principal, and thus, often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default. Many commercial mortgage loans underlying MBS are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related MBS are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of MBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks, and governmental disclosure requirements with respect to the condition of the property may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related MBS. Revenues from the assets underlying such MBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain

insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court-appointed receiver to control collateral cash flow.

**Residential Mortgage Backed Securities (RMBS).** Certain of the Alternative Investments in which the Sub-Fund may invest may in turn invest certain of its assets in residential mortgage-backed securities ("**RMBS**") and become holders of RMBS. Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized and the securities issued in such securitization may be guaranteed or credit enhanced. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

At any one time, a portfolio of RMBS may be backed by residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few countries, states or regions. As a result, the residential mortgage loans may be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations. In addition, the residential mortgage loans may include so-called "**Jumbo**" mortgage loans, having original principal balances that are higher than is generally the case for residential mortgage loans. As a result, such portfolio of RMBS may experience increased losses.

Each underlying residential mortgage loan in an issue of RMBS may have a balloon payment due on its maturity date. Balloon residential mortgage loans involve a greater risk to a lender than self-amortizing loans, because the ability of a borrower to pay such amount will normally depend on its ability to obtain refinancing of the related mortgage loan or sell the related mortgaged property at a price sufficient to permit the borrower to make the balloon payment, which will depend on a number of factors prevailing at the time such refinancing or sale is required, including the strength of the residential real estate markets, tax laws, the financial situation and operating history of the underlying property, interest rates and general economic conditions. If the borrower is unable to make such balloon payment, the related issue of RMBS may experience losses.

Prepayments on the underlying residential mortgage loans in an issue of RMBS will be influenced by the prepayment provisions of the related mortgage notes and may also be affected by a variety of economic, geographic and other factors, including the difference between the interest rates on the underlying residential mortgage loans (giving consideration to the cost of refinancing) and prevailing mortgage rates and the availability of refinancing. In general, if prevailing interest rates fall significantly below the interest rates on the related residential mortgage loans, the rate of prepayment on the underlying residential mortgage loans would be expected to increase. Conversely, if prevailing interest rates rise to a level significantly above the interest rates on the related mortgages, the rate of prepayment would be expected to decrease. Prepayments could reduce the yield received on the related issue of RMBS.

Residential mortgage loans in an issue of RMBS may be subject to various laws, public policies and principles of equity that protect consumers, which among other things may regulate interest rates and other charges, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit information and regulate debt collection practices. Violation of certain provisions of these laws, public policies and principles may limit the servicer's ability to collect all or part of the principal of or interest on a residential mortgage loan, entitle the borrower to a refund of amounts previously paid by it, or subject the servicer to damages and sanctions. Any such violation could result also in cash flow delays and losses on the related issue of RMBS.



RMBS may have structural characteristics that distinguish them from other asset-backed securities. The rate of interest payable on RMBS may be set or effectively capped at the weighted average net coupon of the underlying mortgage loans themselves. As a result of this cap, the return to investors is dependent on the relative timing and rate of delinquencies and prepayments of mortgage loans bearing a higher rate of interest. In general, early prepayments will have a greater impact on the yield to investors. Applicable laws may also affect the return to investors by capping the interest rates payable by certain mortgagors. Certain RMBS may provide for the payment of only interest for a stated period of time.

In addition, structural and legal risks of RMBS include the possibility that, in a bankruptcy or similar proceeding involving the originator or the servicer (often the same entity or affiliates), the assets of the issuer could be treated as never having been truly sold by the originator to the issuer and could be substantively consolidated with those of the originator, or the transfer of such assets to the issuer could be voided as a fraudulent transfer. Challenges based on such doctrines could result also in cash flow delays and losses on the related issue of RMBS.

Reorganizations can be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. The AIFM, the Investment Manager, the Sub-Investment Manager or any Affiliate thereof, the Alternative Investment and the Sub-Fund may be named as defendants in civil proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne indirectly by the Sub-Fund and would reduce net assets.

It is not expected that the RMBS will be guaranteed or insured by any governmental agency or instrumentality or by any other person. Distributions on RMBS will depend solely upon the amount and timing of payments and other collections on the related underlying mortgage loans.

**Consumer Loans.** Investments in consumer loans may be subject to particular risks related to non-performance. Secured consumer loans may involve collateral that is too highly leveraged, or limited by rehabilitation needs or poor management. Nonperforming consumer loans may also involve loan modifications that could reduce the loan's principal or interest rate, among other options. Consumer bankruptcy may also render a consumer loan partially or fully uncollectable. Additionally, there may be a limited market for the sale of consumer loans, or the collateral of defaulted consumer loans. A limited secondary market could prevent the recovery of adequate value for these assets.

**Debt Investments.** The Sub-Fund may invest in Alternative Investments that make investments in debt instruments or convertible debt securities in connection with investments in equity or equity-related securities or may make debt investments that have an expected return comparable to equity or equity-related securities. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including, investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions.

It is likely that many of the debt instruments in which the Sub-Fund may, indirectly, invest may have speculative characteristics. The Alternative Investments in which the Sub-Fund may invest may have few or no restrictions on the credit quality of the investments they may hold. Generally, such instruments offer a higher return potential than higher-rated securities, but involve greater volatility of price and greater risk of loss of income and principal. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the

ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

**Investments in Distressed Securities and Restructurings; Bankruptcy.** The Sub-Fund may, indirectly, invest in obligations or securities that are rated below investment grade by recognized rating services such as Moody's and Standard & Poor's. Securities rated below investment grade and unrated securities generally offer a higher current yield than that available from higher grade issues but typically involve greater risk. Securities rated below investment grade and unrated securities are typically subject to adverse changes in general economic conditions, changes in the financial condition of their issuers and price fluctuation in response to changes in interest rates. During periods of economic downturn or rising interest rates, issuers of securities rated below investment grade and unrated securities may experience financial stress that could adversely affect their ability to make payments of principal and interest and increase the possibility of default. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the values and liquidity of securities rated below investment grade and unrated securities, especially in a market characterized by a low volume of trading. In addition, the secondary market for high-yield securities, which is concentrated in relatively few market makers, may not be as liquid as the secondary market for more highly rated securities. As a result, an Alternative Investment in which the Sub-Fund has invested could find it more difficult to sell these securities or may be able to sell the securities held by the Alternative Investment only at prices lower than if such securities were widely traded.

The Sub-Fund may invest in Alternative Investments may make investments, in restructurings or otherwise, that involve issuers that are experiencing, or are expected to experience, severe financial difficulties. These financial difficulties may never be overcome and may lead to uncertain outcomes, including causing such issuer to become subject to bankruptcy proceedings. There are a number of significant risks inherent in the bankruptcy process. The bankruptcy courts have broad discretion to control the terms of a reorganization, and political factors may be of significant importance in high profile bankruptcies or bankruptcies in particular jurisdictions and, while creditors are generally given an opportunity to object to significant actions, there can be no assurance that a bankruptcy court in the exercise of its broad powers would not approve actions that would be contrary to the interests of the Alternative Investment the Sub-Fund has invested in. For example, in order to protect net operating losses of an obligor in bankruptcy, a bankruptcy court might take any number of actions, including prohibiting or limiting the transfer of claims held by certain classes of creditors. Such a prohibition could have a material adverse effect on the value of certain investments made by an Alternative Investment the Sub-Fund has invested in. For example, the Alternative Investment might be prohibited from liquidating investments which are declining in value.

In addition, investments in issuers that are experiencing, or are expected to experience, severe financial difficulties could, in certain circumstances, subject an Alternative Investment the Sub-Fund has invested in to certain additional potential liabilities that may exceed the value of the Alternative Investment's original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Alternative Investment and distributions by the Alternative Investment to the Sub-Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability, and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

The possibility of litigation between the participants in a reorganization is another consideration that makes any evaluation of the outcome of an investment uncertain. Such uncertainties may also be increased by legal and other factors that limit the ability of an Alternative Investment to be able to obtain reliable and timely information concerning material developments affecting an obligor, or which lengthen a reorganization or liquidation proceeding.

Such investments could also be subject to bankruptcy laws and fraudulent conveyance laws, which may vary from jurisdiction to jurisdiction, if the securities relating to such investments were issued with the intent of hindering, delaying or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such securities. If such investments constitute debt and such debt is used for a buyout of shareholders, this risk is greater than if the debt proceeds are used for day-to-day operations or organic growth. Under certain circumstances, payments to the Alternative Investment and distributions by the Alternative Investment to the Sub-Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Such debt may also be disallowed or subordinated to the claims of other creditors if the Alternative Investment is found to have engaged in other inequitable conduct resulting in harm to other parties. The Alternative Investment's investment may be treated as equity if it is deemed to be a contribution to capital, or if the Alternative Investment attempts to control the outcome of the business affairs of a company prior to its filing under the applicable bankruptcy laws. There can be no assurance that such claims will not be asserted or that the Alternative Investment will be able to defend against them successfully.

**Creditors' Rights.** An Alternative Investment's investments and the collateral underlying those investments may be subject to various laws for the protection of creditors in the jurisdictions of the investments concerned. Such differences in law may also adversely affect the rights of an Alternative Investment as a lender with respect to other creditors. Additionally, an Alternative Investment, as a creditor, may experience less favourable treatment under different insolvency regimes than those that apply in the EU, including in cases where an Alternative Investment seeks to enforce any security it may hold as a creditor.

**Nature of Bankruptcy Proceedings.** In addition to the risks described above there are a number of additional risks when investing in companies involved in bankruptcy proceedings. First, many events in a bankruptcy are the product of contested matters and adversarial proceedings that are beyond the control of the creditors. Second, a bankruptcy filing may have adverse and permanent effects on a company. For instance, the company may lose its market position and key employees and otherwise may be incapable of restoring itself as a viable entity. Further, if the proceeding is converted to a liquidation, the liquidation value of the company may not equal the liquidation value that was believed to exist at the time of the investment. Third, the duration of a bankruptcy proceeding is difficult to predict. A creditor's return on investments can be adversely impacted by delays while a plan of reorganization is negotiated, approved by the creditors and confirmed by the bankruptcy court, up until it ultimately becomes effective. Fourth, the administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor's estate prior to any return to creditors. Fifth, creditors can lose their ranking and priority if they exercise "domination and control" over a debtor and other creditors can demonstrate that they have been harmed by such actions, especially in the case of investments made prior to the commencement of bankruptcy proceedings. If an Alternative Investment purchases creditor claims subsequent to the commencement of a bankruptcy case, such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller that may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser. Sixth, certain claims, such as claims for taxes, may have priority by law over the claims of certain creditors. Finally, if an Alternative Investment seeks representation on creditors' committees, it may owe certain obligations generally to all creditors similarly situated that the committee represents, and it may be subject to various trading or confidentiality restrictions.

**Lender Liability and Equitable Subordination.** Some jurisdictions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "**Lender Liability**"). Generally, Lender Liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to a borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of the Sub-Fund's investments in Alternative Investments, the Sub-Fund and/or any Alternative Investment could be subject to allegations of Lender Liability.

In addition, under the legal principles applicable in certain jurisdictions that in some cases form the basis for Lender Liability claims, if a lender or bondholder (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors, or (iv) uses its influence as a shareholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors. The Sub-Fund does not expect any of its Alternative Investments to engage in conduct that would form the basis for a successful cause of action based upon the foregoing. However, because of the nature of certain of the Sub-Fund's investments in Alternative Investments, the Sub-Fund and/or its Alternative Investments may be subject to claims from creditors of an obligor that debt obligations of which are held by an Alternative Investment should be subordinated in such a manner.

Similar liability may be imposed by other jurisdictions upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above.

**Subdivision of Debt Obligations.** Alternative Investments will be permitted, from time to time, to subdivide a debt obligation into two or more tranches, each of which has different terms from the original obligation with respect to interest and principal repayment, seniority and subordination, default remedies, rights to collateral and other matters. The owner of the original obligation, which could have been acquired directly from a borrower in a negotiated transaction or in the secondary market, can retain an interest in one or more tranches and elect to dispose of any such interests, including in related-party transactions between Apollo Clients. The subdivision or "tranching" of debt obligations typically will be undertaken when Apollo determines that it can achieve competitive advantages or other benefits. For example, a borrower would be expected to favor a lender that is prepared to negotiate a single, consolidated credit arrangement, instead of having to negotiate senior and subordinated loans and/or secured and unsecured loans with multiple lenders. Tranching can also facilitate access to debt obligations or other securities having specific features that suit the differing risk and return parameters of different Apollo Clients on a more customized basis than is available in the market at a particular time. Participation by an Alternative Investment the Sub-Fund has invested in these tranching activities, either as a creator/seller of tranches to, or as a purchaser from, other Apollo Clients will give rise to a variety of potential conflicts of interest with Apollo and other Apollo Clients. See also "*Risk Factors—Terms of Tranches*," "*Exercise of Rights and Remedies*" and "*Bankruptcy and Other Distress Situations*" below.

**Terms of Tranches.** The terms of the tranches, including pricing terms and other terms, including inter-creditor rights and obligations between or among the holders of the different tranches, typically will not be the result of any arm's-length negotiations. Apollo will endeavor to ascertain and adhere to prevailing market practices at the time that the terms of the tranches are established. However, for any particular terms, there can be no assurance that a prevailing market practice exists or can be readily ascertained or that it will be adopted if there are circumstances that cause Apollo to conclude that it is not appropriate in a particular case.

**Exercise of Rights and Remedies.** Once different tranches have been allocated among Apollo Clients, a variety of situations could arise in which the holders of a particular tranche will have the opportunity to enforce rights or remedies relating to the borrower, or to vote on or consent to waivers, amendments or other changes. In general, if the relevant documents give holders of one tranche a right to take action, Apollo expects that under most circumstances, it will take such action in the manner that it believes to be in the best interests of such holders, without regard to the consequences for holders of other tranches, including Apollo Clients. A decision on any of these matters on behalf of holders of one tranche could have an adverse effect on the expected return for holders of other tranches. In these circumstances, Apollo could consider whether there are alternative measures that could fairly reconcile the competing interests of its clients, but there can be no assurance that such alternative measures will be available. As a result, Apollo could be required to take, or not take, an action that will place the interests of one Apollo Client ahead of another. Alternatively, if an Alternative Investment the Sub-Fund has invested in is the owner of a tranche in which unaffiliated investors also own a material interest, and other Apollo Clients own an interest in a different tranche, in order to mitigate conflict with such other Apollo Clients,

Apollo could elect to take a passive approach in which it allows the unaffiliated holders to guide the action to be taken or not taken.

**Bankruptcy and Other Distress Situations.** As highlighted in "*—Risk Factors—Nature of Bankruptcy Proceedings*", when a debtor with different classes of outstanding debt becomes bankrupt or experiences severe financial distress, a resolution of the situation often requires adversarial judicial proceedings or contentious negotiations. If this were to occur with respect to a debtor for which Apollo Clients hold different tranches of debt or other securities, it generally will not be feasible for Apollo to advocate effectively for the interests of all of its clients to the extent that there are conflicting or competing interests among holders of different tranches. As a threshold matter, Apollo expects that in a bankruptcy or other distressed situation, it will generally consider whether it is necessary or appropriate to arrange for separate legal counsel to be engaged on behalf of each separate tranche in order to analyze and identify the available rights, remedies, potential claims and legal strategies for seeking to maximize the recovery potentially available to the tranche, unless the outcome for a particular tranche is clear and certain. It is anticipated that, where feasible, an effort will be made to fashion a compromise solution. Any such effort to reach a compromise solution could result in one Apollo Client experiencing a worse outcome than they might have achieved in the absence of Apollo's conflicting loyalties. In certain circumstances, Apollo could seek to mitigate the conflict by delegating certain decision-making responsibilities on behalf of one or other Apollo Clients to unaffiliated third parties, or by seeking to dispose in whole or in part of one or more tranches. Alternatively, Apollo can seek to accommodate the competing interests of Apollo Clients by assigning different teams of Apollo investment professionals, supported by separate legal counsel and other advisors, to act independently of each other in representing different tranches. There can be no assurance that any of these measures will be implemented, feasible or effective in any particular situation, and it is possible that the outcome for an Alternative Investment the Sub-Fund has invested in will be less favourable than might otherwise have been the case if Apollo had not had duties to Apollo Clients holding other tranches.

While Apollo anticipates that, over time, the overall benefits of permitting multiple clients, including an Alternative Investment the Sub-Fund has invested in, to participate in different tranches will outweigh the potential disadvantages in particular circumstances, there is no way to predict whether these net benefits will ultimately be achieved. Moreover, Apollo's own interests will influence how conflicts between clients in these situations will be resolved. For example, Apollo will be perceived to have an incentive to favor the interests of Apollo Clients that invest primarily in more subordinated classes of debt, since Apollo's compensation from such clients is generally higher than the compensation earned from clients that invest primarily in more senior debt. While Apollo's policies and procedures for addressing the conflicts between its clients in these situations are intended to resolve the conflicts in an impartial manner, there can be no assurance that Apollo's own interests will not influence its conduct.

**Participation Interests.** An Alternative Investment the Sub-Fund has invested in may purchase participation interests in debt instruments which do not entitle the holder thereof to direct rights against the obligor. Participations held by an Alternative Investment in a seller's portion of a debt instrument typically result in a contractual relationship only with such seller, not with the obligor. The Alternative Investment has the right to receive payments of principal, interest and any fees to which it is entitled only from the seller and only upon receipt by such seller of such payments from the obligor. In connection with purchasing participations, the Alternative Investment generally will have no right to enforce compliance by the obligor with the terms of the related loan agreement, nor any rights of set-off against the obligor and the Alternative Investment may not directly benefit from the collateral supporting the debt instrument in which it has purchased the participation. As a result, the Alternative Investment will assume the credit risk of both the obligor and the seller selling the participation. In the event of the insolvency of such seller, the Alternative Investment may be treated as a general creditor of such seller and may not benefit from any set-off between such seller and the obligor. When the Alternative Investment holds a participation in a debt instrument it may not have the right to vote to waive enforcement of any restrictive covenant breached by an obligor or, if the Alternative Investment does not vote as requested by the seller, it may be subject to repurchase of the participation at par. Sellers voting in connection with a potential waiver of a restrictive covenant may have interests different from those of the Alternative Investment, and such selling institutions may not consider the interests of the Alternative Investment in connection with their votes.

**Assignments.** An Alternative Investment the Sub-Fund has invested may also purchase assignments, which are arrangements whereby a creditor assigns an interest in a loan to the Alternative Investment. The purchaser of an assignment typically succeeds to all the rights and obligations of the assignor of the loan and becomes a lender under the loan agreement and other operative agreements relating to the investment. Assignments are, however, arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assignor of the loan. In contrast to the rights of the Alternative Investment as an owner of a participation, the Alternative Investment, as an assignee, will generally have the right to receive directly from the obligor all payments of principal, interest and any fees to which it is entitled. In some assignments, the obligor may have the right to continue to make payments to the assignor with respect to the assigned portion of the loan. In such a case, the assignor would be obligated to receive such payments as agent for the Alternative Investment and to promptly pay over to the Alternative Investment such amounts as are received. As a purchaser of an assignment, the Alternative Investment typically will have the same voting rights as other lenders under the applicable loan agreement and will have the right to vote to waive enforcement of breaches of covenants. The Alternative Investment will also have the same rights as other lenders to enforce compliance by the obligor with the terms of the loan agreement, to set-off claims against the obligor and to have recourse to collateral supporting the investment. As a result, the Alternative Investment may not bear the credit risk of the assignor and the insolvency of an assignor of a loan should have little effect on the ability of the Alternative Investment to continue to receive payments of principal, interest or fees from the obligor. The Alternative Investment will, however, assume the credit risk of the obligor.

**Security Risk.** Certain investments such as trade claims or consumer receivables may not be secured over underlying assets. Investments may be secured by mortgages, charges, pledges, liens or other security interests. Depending on the jurisdiction in which such security interests are created, enforcement of such securities can be a complicated and difficult process. For example, enforcement of security interests in certain jurisdictions can require a court order and a sale of the secured property through public bidding or auction. In addition, some courts may delay, upon the obligor's application, the enforcement of a security if the obligor can show that it has a valid reason for requesting such delay, such as showing that the default was caused by temporary hardships. For example, some jurisdictions grant courts the power to declare security interest arrangements to be void if they deem the security interest to be excessive.

**Prepayment Risk.** The frequency at which prepayments (including voluntary prepayments by obligors and accelerations due to defaults) occur on bonds and loans will be affected by a variety of factors including the prevailing level of interest rates and spreads, as well as economic, demographic, tax, social, legal and other factors. Generally, obligors tend to prepay their fixed-rate obligations when prevailing interest rates fall below the coupon rates on their obligations. Similarly, floating rate issuers and borrowers tend to prepay their obligations when spreads narrow.

In general, "premium" securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments. Since many fixed-rate obligations will be premium instruments when interest rates and/or spreads are low, such debt instruments and asset-backed instruments may be adversely affected by changes in prepayments in any interest rate environment.

The adverse effects of prepayments may impact the Sub-Fund's Alternative Investments' portfolios in two ways. First, particular investments may experience outright losses, as in the case of an interest-only instrument in an environment of faster actual or anticipated prepayments. Second, particular investments may underperform relative to hedges that the Alternative Investment may have constructed for these investments, resulting in a loss to the Sub-Fund's overall portfolio. In particular, prepayments (at par) may limit the potential upside of many instruments to their principal or par amounts, whereas their corresponding hedges often have the potential for unlimited loss.

**Regulatory Capital Trades.** An Alternative Investment or the issuers of financial instruments that it holds may utilize regulatory capital trades by taking on the risks associated with potential bank losses in exchange for a fee. After engaging in such a trade, in the event of a default, the

Alternative Investment or such issuers could lose some or all of their investments. The risk remains the same even if the bank involved in the relevant trade is insured.

**Credit Linked Notes.** An Alternative Investment may utilize notes the performance of which are linked to the credit performance of a reference portfolio of certain loan-related claims on corporate and similar entities that are specified from time to time ("**CLNs**"). CLNs may be speculative, may not be principal protected, and note holders may lose some or all of their initial investments. CLNs may not be rated by any credit agency and are subject not only to note holders' credit risk exposure, but also to the credit risk of the issuer, whose credit ratings and credit spreads may adversely affect the market value of such CLNs.

**Structured Finance Obligations.** Structured finance obligations may be subject to prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk (which may be exacerbated if the interest rate payable on a structured finance obligation changes based on multiples of changes in interest rates or inversely to changes in interest rates). In addition, certain structured finance obligations (particularly subordinated collateralized bond obligations) may provide that non-payment of interest is not an event of default in certain circumstances and the holders of the securities will therefore not have available to them any associated default remedies. The price of a structured finance obligation, if required to be sold, may be subject to certain market and liquidity risks for securities of its type at the time of sale.

**Limited Liquidity.** There are liquidity risks associated with the expected loan investments of Alternative Investments. Due to certain characteristics of such investments, including the typically private, unique and bespoke nature of a loan agreement, the investments will not generally be as easily purchased or sold as publicly traded securities, and historically the trading volume in the loan market has been small relative to, for example, the corporate or high yield bond markets. Historically, investors in or lenders of corporate loans in Europe have been predominantly banks although the range of investors for such loans has broadened in recent years to include money managers, insurance companies, arbitrageurs, hedge funds, distressed investors, mutual funds and portfolio managers of trusts or special purpose companies issuing collateralized bond and loan obligations. Despite this broadening of the investor base for corporate loans in Europe, secondary market liquidity is expected to remain extremely low.

**Spread Widening Risks.** For reasons not necessarily attributable to any of the risks set forth herein and/or in the Prospectus (for example, supply/demand imbalances or other market forces), the prices of the debt instruments and other securities in which the Sub-Fund invests indirectly through Alternative Investments may decline substantially. In particular, purchasing debt instruments or other assets at what may appear to be "undervalued" or "discounted" levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk. Additionally, the perceived discount in pricing from previous environments described herein may still not reflect the true value of the assets underlying debt instruments in which such Alternative Investments invests.

**Financial Market and Interest Rate Fluctuations.** General fluctuations in the market prices of securities and interest rates may affect the value of the investments held by Alternative Investments. Volatility and instability in the securities markets may also increase the risks inherent in the Alternative Investments' investments. The ability of companies or businesses in which the Sub-Fund may, indirectly through Alternative Investments, invest to refinance debt securities may depend on their ability to sell new securities in the high yield debt or bank financing markets, which in recent months have been extraordinarily difficult to access at favourable rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

**Private Debt Terms.** A private debt investment may have a contractual return that is not paid entirely in cash, but rather partially or wholly in-kind or as an accreting liquidation preference, thus lengthening the time before cash is received, and increasing the risk exposure to the underlying portfolio company. While the Sub-Fund expects each Alternative Investment to intend to achieve targeted returns for a given investment, including private debt, other factors, such as overall economic conditions, the competitive environment and the availability of potential purchasers of the securities, may shorten or lengthen the Alternative Investment's holding period and some investments may take several additional years from the initial investment date to achieve a realization. In some cases, the Alternative Investment may be prohibited by contract from selling certain securities for a period of time. If the Alternative Investment is required to liquidate all or a portion of its portfolio positions quickly, then the Alternative Investment may realize significantly less than the value at which the Alternative Investment previously recorded those investments.

**Confidential Information.** As a holder of loans, an Alternative Investment may be entitled to receive material, non-public information regarding borrowers which may limit the ability of Apollo's funds and accounts, under applicable securities laws, to trade in the public securities of such borrowers, including the borrowers' high yield bonds. It is anticipated that, to avoid such restriction, an Alternative Investment may elect not to receive such non-public information. In situations where the Alternative Investment decides to receive such information, it may seek to discontinue receiving non-public information concerning the borrower under a loan when it is disclosed by such borrower that the borrower will issue high yield bonds in the near future. As a result, the Alternative Investment, at times, may receive less information regarding such a borrower than is available to the other investors in such borrower's loan, which may result in the Alternative Investment taking actions or refusing to take actions in a manner different than had it received such non-public information.

**Loan Origination Risks.** The Sub-Fund may invest (through investments in Alternative Investments) in originating loans. In making loans, the Alternative Investments will compete with a broad spectrum of lenders, some of which may be willing to lend money on better terms (from a borrower's standpoint) than the Alternative Investments. Increased competition for, or a diminution in the available supply of, qualifying loans may result in lower yields on such loans, which could reduce returns to the Sub-Fund.

In addition, loan origination involves a number of particular risks that may not exist in the case of secondary debt purchases, including:

When originating loans, the Alternative Investments will generally have to rely more on their own resources to conduct due diligence of the borrower, which will likely be more limited than the diligence conducted for a broadly syndicated transaction involving an underwriter;

Loan origination may involve additional regulatory risks given the requirement to hold a license for certain types of lending in some jurisdictions. An Alternative Investment will review and take advice on the loan origination regulations in each relevant country and seek to ensure that the its investments are compliant with such regulations. However, the scope of these regulatory requirements (and certain permitted exemptions) vary from jurisdiction to jurisdiction and may change from time to time; and

The borrowers may in some circumstances be higher credit risks who could not obtain debt financing in the syndicated markets.

In addition to the above, originating loans to private and middle-market companies involves risks that may not exist in the case of large, more established and/or publicly-traded companies, including:

- these companies may have limited financial resources and limited access to additional financing, which may increase the risk of their defaulting on their obligations, leaving creditors, such as an Alternative Investment, dependent on any guarantees or collateral that they may have obtained;



- these companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render such companies more vulnerable to competition and market conditions, as well as general economic downturns;
- there will not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality;
- these companies are more likely to depend on the management talents and efforts of a small group of persons; as a result, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations;
- these companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance their expansion or maintain their competitive position; and
- Although the Alternative Investments will attempt to manage risks of investing in loans, there can be no assurance that the Sub-Fund's investments will increase in value or that the Sub-Fund will not incur significant losses. Investors should be prepared to lose all or substantially all of their investment in the Sub-Fund.

An Alternative Investment may offer such originated loans or instruments for sale to third parties. Such third parties could include Affiliates of the AIFM, the Investment Manager, the Sub-Investment Manager or an Apollo Client. There is no assurance that such third parties will complete the sale of such an investment. The decision to accept or reject such an offer by an Affiliate of the AIFM, the Investment Manager, the Sub-Investment Manager or an Apollo Client may or may not be made by a party independent of the AIFM, the Investment Manager, the Sub-Investment Manager or any Affiliate thereof, such as independent directors or an advisory or credit committee composed of individuals that are not affiliated with Apollo. When considering the target amount to allocate to such an investment, the Alternative Investments may take into consideration the fact that the Alternative Investment may sell, assign or offer participations in such investment to the third parties. If the Alternative Investment is unable to arrange to sell, assign or successfully close transactions for the loans that the Alternative Investments originates, the Alternative Investment will be forced to hold its interest in such loans for an indeterminate period of time. This could result in the investments being over-concentrated in certain borrowers.

**Investment Grade Debt Securities.** The Sub-Fund may, indirectly through Alternative Investments, invest in investment grade debt securities which are investment grade rated obligations that have credit ratings that are intended to reflect (but will not necessarily reflect) relatively less credit and liquidity risk than high-yield debt securities, mezzanine debt securities or other debt instruments that are not rated investment grade. Risks of investment grade debt securities may include (among others): (i) market place volatility resulting from changes in prevailing interest rates, (ii) the absence, in many instances, of collateral security, (iii) the operation of mandatory sinking fund or call/redemption provisions during periods of declining interest rates that could cause the Alternative Investment to reinvest premature redemption proceeds in lower-yielding debt obligations and (iv) the declining creditworthiness and the greater potential for insolvency of the issuer of such investment debt securities during periods of rising credit spreads and/or interest rates and/or economic downturn.

**General Government/Municipal Bonds Risks.** The Sub-Fund may, indirectly through Alternative Investments, invest in municipal bonds which are subject to interest rate, credit and market risk. The ability of an issuer to make payments could be affected by litigation, legislation or other political events or the bankruptcy of the issuer. Lower-rated municipal bonds are subject to greater credit and market risk than higher quality municipal bonds. The market prices of residual interest bonds may be highly sensitive to changes in market rates and may decrease significantly when market rates increase.

**Other Municipal Securities Risks.** Municipal securities risks include the ability of the issuer to repay the obligation, the relative lack of information about certain issuers of municipal

securities, and the possibility of future legislative changes which could affect the market for and value of municipal securities. These risks include:

- General Obligation Bonds Risks. The full faith, credit and taxing power of the municipality that issues a general obligation bond secures payment of interest and repayment of principal. Timely payments depend on the issuer's credit quality, ability to raise tax revenues and ability to maintain an adequate tax base.
- Revenue Bonds Risks. Payments of interest and principal on revenue bonds are made only from the revenues generated by a particular facility, class of facilities or the proceeds of a special tax or other revenue source. These payments depend on the money earned by the particular facility or class of facilities, or the amount of revenues derived from another source.
- Private Activity Bonds Risks. Municipalities and other public authorities issue private activity bonds to finance development of industrial facilities for use by a private enterprise. The private enterprise pays the principal and interest on the bond, and the issuer does not pledge its full faith, credit and taxing power for repayment. If the private enterprise defaults on its payments, the Sub-Fund indirectly through the relevant Alternative Investment may not receive any income or get its money back from the investment.
- Moral Obligation Bonds Risks. Moral obligation bonds are generally issued by special purpose public authorities of a state or municipality. If the issuer is unable to meet its obligations, repayment of these bonds becomes a moral commitment, but not a legal obligation, of the state or municipality.
- Structured Settlement Securities Risks. Structured settlement securities depend on settlement payments from non-municipal entities, including public and private companies and therefore bear risks associated with such settlement payments.
- Municipal Notes Risks. Municipal notes are shorter term municipal debt obligations. They may provide interim financing in anticipation of, and are secured by, tax collection, bond sales or revenue receipts. If there is a shortfall in the anticipated proceeds, the notes may not be fully repaid and the Sub-Fund indirectly through the relevant Alternative Investment may lose money.
- Municipal Lease Obligations Risks. In a municipal lease obligation, the issuer agrees to make payments when due on the lease obligation. The issuer will generally appropriate municipal funds for that purpose, but is not obligated to do so. Although the issuer does not pledge its unlimited taxing power for payment of the lease obligation, the lease obligation is secured by the leased property. However, if the issuer does not fulfil its payment obligation it may be difficult to sell the property and the proceeds of a sale may not cover the Sub-Fund's indirectly through the relevant Alternative Investment losses.

**Securities Lending Risk.** In the event of bankruptcy or other default of a borrower of portfolio securities, an Alternative Investment could experience both delays in liquidating the loan collateral or recovering the loaned securities and losses including (a) possible decline in the value of the collateral or in the value of the securities loaned during the period which the Alternative Investment seeks to enforce its rights thereto, (b) possible sub-normal levels of income and lack of access to income during this period, and (c) expenses of enforcing its rights. In an effort to reduce these risks, an Alternative Investment will monitor the creditworthiness of the firms to which the Alternative Investment lends securities.

**Stripped Debt Securities Risk.** An Alternative Investment may purchase stripped bonds, which are securities created by separating bonds into their principal and interest components and selling each piece separately. The yield to maturity on a stripped debt security is extremely sensitive not only to changes in prevailing interest rates but also to the rate of principal payments (including prepayments) on the underlying assets. A rapid rate of principal prepayments may have a measurably adverse effect on the Alternative Investment's yields to

maturity to the extent that they invest in bonds that pay interest only. If the assets underlying the interest only bond experience greater than anticipated prepayments of principal, the Alternative Investment may fail to recoup fully their initial investments in these securities. Conversely, bonds which pay principal only tend to increase in value if prepayments are greater than anticipated and decline if prepayments are slower than anticipated. The secondary market for stripped securities may be more volatile and less liquid than that for other debt securities, potentially limiting the Alternative Investment's ability to buy or sell those securities at any particular time.

**Ratings Generally.** The Sub-Fund may, indirectly through its investment in Alternative Investments, invest in instruments that are unrated or in instruments that are in fact rated. In general, the ratings of nationally recognized rating organizations represent the opinions of these agencies as to the quality of securities that they rate. These ratings may be used as an Alternative Investment as initial criteria for the selection of portfolio securities. Such ratings, however, are relative and subjective; they only evaluate the credit risk with respect to payment of principal and interest. Such ratings are not absolute standards of quality and do not evaluate the market value risk of the securities. It is also possible that a rating agency might not change its rating of a particular issue to timely reflect subsequent events. Further, with respect to mortgage-backed securities, such ratings do not represent any assessment of the likelihood that future prepayment experience will differ from prepayment assumptions or historical prepayment rates. Hence, such ratings will not address the possibility that prepayment rates higher or lower than anticipated by an Investor may cause such Investor to experience a lower than anticipated yield.

**Risks Associated with Investments in Loans to Mid-Market Companies.** The Sub-Fund intends to invest, indirectly through investments in Alternative Investments, in loans to mid-market companies, which may be associated with additional risks compared with loans to larger companies.

Such additional risks may include the following:

- (a) mid-market companies may have limited financial resources and may therefore be unable to meet their obligations, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Alternative Investment realizing any guarantees they may have obtained in connection with their investment;
- (b) mid-market companies may have shorter operating histories, narrower product lines and smaller market shares than large businesses, making them more vulnerable to competitors' actions, market conditions and general economic downturns;
- (c) mid-market companies may depend on the management skills of a small group of persons; accordingly the resignation or termination of one or more of these persons could have a material adverse impact on the Alternative Investment's investment in any such company;
- (d) little public information may be available about certain mid-market companies and Apollo may be unable to uncover all material information about these companies, which may prevent it from making a fully informed investment decision and cause the Alternative Investment to lose money on their investments;
- (e) mid-market companies have less predictable operating results than large businesses and may require substantial additional capital to support their operations, maintain their competitive position or expand their financial operations;
- (f) mid-market companies may have difficulty accessing the capital markets to meet future capital needs; and
- (g) mid-market companies may use privately negotiated documentation not based on any particular industry standard (e.g., the Loan Market Association or Loan Syndicate Trading Association).

**Acquisition of Portfolios of Investments.** An Alternative Investment may purchase entire portfolios or substantial portions of portfolios from market participants in need of liquidity or suffering from adverse valuations. The Alternative Investment may be required to bid on such

portfolios in a very short time frame and may not be able to perform normal due diligence on the portfolio. Such a portfolio may contain instruments or complex arrangements of multiple instruments that are difficult to understand or evaluate. Such a portfolio may suffer further deterioration after purchase by the Alternative Investment before it is possible to ameliorate such risk. As a consequence, there is substantial risk that the relevant portfolio manager will not be able to adequately evaluate particular risks or that market movements or other adverse developments will cause the Alternative Investment to incur substantial losses on such transactions.

**Index-related Risks.** An Alternative Investment may utilize a variety of indices, index-related products or other broad market indicators to make investments or pursue hedging strategies. Several economic and market factors, many of which are beyond the control of the Alternative Investment, will influence the value of the underlying products of this nature comprising the various indices, including: (i) the value of any indices at any time; (ii) the volatility (frequency and magnitude of changes in value) of any indices; (iii) interest and yield rates in the particular credit markets; (iv) geopolitical conditions and economic, financial, political and regulatory or judicial events that affect the products of this nature underlying the indices, or credit markets generally, and that may affect the final value of the indices; (v) the time remaining to the maturity of the underlying products of this nature comprising the various indices; (vi) a variety of economic, financial, political, regulatory or judicial events; and (vii) the creditworthiness of the underlying products of this nature comprising the various indices.

Some or all of these factors will influence the price fluctuations of the underlying products of this nature in such indices. For example, the Alternative Investment may sell its interests coupled to any such indices at a substantial discount from the original purchase price if at the time of sale, the value of any such index is at or below its initial value or if market conditions result in a divergence of such interests and indices.

The publishers of the indices can add, delete or substitute the products of this nature underlying each of the indices, and can make other methodological changes required by certain events relating to the underlying products of this nature that could change the value of the indices. Any such changes could adversely affect the value of the underlying products of this nature. The publishers of the indices may discontinue or suspend calculation or publication of any index at any time. In these circumstances, the Alternative Investment will have the sole discretion to substitute a successor index that is comparable to the discontinued index. In addition, the publishers of the indices have limited operating histories upon which an evaluation of likely performance may be based, and past performance may not be indicative of the future performance of the publishers of the indices.

As an investor, the Sub-Fund will not have voting or similar rights to receive any distributions or any other rights with respect to the products of this nature that underlie the indices.

The Sub-Fund and/or an Alternative Investment may carry out hedging activities related to the products of this nature linked to the indices or their components, including trading in indices and their tranches and trading in the products of this nature underlying the indices and options contracts on the indices. The Sub-Fund and/or Alternative Investment may also trade in the products of this nature underlying the indices and other financial instruments related to the indices on a regular basis as part of its general business.

**Fraud.** Of concern in investments in loans is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of an Alternative Investment to perfect or effectuate a lien on any collateral securing the loan. An Alternative Investment will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to an Alternative Investment may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

**Lack of Diversification.** While diversification is an objective of the Sub-Fund and its Alternative Investments' investment strategies, the primary purpose of the Sub-Fund is to invest in existing

and future Apollo Funds, Direct Investments and Third-Party Funds selected by Apollo, and there is no assurance as to the degree of diversification that will actually be achieved. To the extent two or more Alternative Investments have overlapping portfolios, it is possible that the overall portfolio of investments of the Sub-Fund could be concentrated. A loss with respect to such investments could have a significant adverse impact on the Sub-Fund's capital. Moreover, because it is not reasonable to expect all of the Sub-Fund's investments to perform well or even return capital, for the Sub-Fund to achieve above-average returns, one or a few of its investments must perform very well. There are no assurances that this will be the case. To the extent that the Sub-Fund or any Alternative Investment invests in more than one investment partnering with a single operational management team or other joint venture partner (such as in the case of Direct Investments, including Platform Investments, as described in the Prospectus under "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Allocation of Investment Opportunities*"), such concentration will be more pronounced.

Because Apollo has developed expertise in certain core industries, the Sub-Fund's investments via Alternative Investments' investments could be concentrated in one or more of such industries. Concentration of investments in an industry, sector, security or geographic region will make the Alternative Investments' investments more susceptible to fluctuations in value resulting from adverse economic and business conditions in those industries, sectors, securities or geographic regions. The risk of loss on the Alternative Investments' investments is likely to be increased as a result of such concentration. If the Sub-Fund, indirectly, co-invests with private equity, credit or real asset funds, including other Apollo Clients (including Alternative Investments), a Sub-Fund investor that is invested in such other fund could have exposure to a portfolio company through more than one investment vehicle. Further, the portfolio manager of an Alternative Investment may determine that there are exceptions to the aforementioned limitations (i) for payments made under, or required by, any non-recourse carve-out guarantees, completion guarantees, equity commitment letters, environmental indemnities, hedging guarantees or guarantees made in order to facilitate or finance investments, including in respect of customary key principal, "bad acts" or other performance-related matters, or (ii) in the event an Alternative Investment has procured the binding commitment of one or more persons, including other Apollo Clients and/or co-investors, to acquire a portion of the Alternative Investment's investment.

Additionally, the securities in which the Sub-Fund, indirectly, or any Alternative Investment may invest may be among the most junior levels of a portfolio company's capital structure and, therefore, relative to other investors in the portfolio company (which other investors could include Apollo, Athene (including Athene affiliates or subsidiaries invested in certain Alternative Investments in which the Sub-Fund may, indirectly, invest (collectively, "**Athene Limited Partners**")) or other Apollo Clients), may be subject to the greatest risk of loss, including, in certain circumstances, as a result of events not related directly to the portfolio company itself. Further, in circumstances where the Board of Directors or portfolio manager of such Alternative Investment intends to refinance all or a portion of the capital invested in an investment, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of the Sub-Fund indirectly or such Alternative Investment having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

The Sub-Fund's investments could also include indirect investments in assets based in, or companies that conduct all or a large portion of their operations in countries outside, North America, Europe and other developed nations, which countries could have a short history as market economies. Loans to companies or investments in assets or companies in such countries could entail a higher risk than loans to companies or investments in assets or companies with operations or assets wholly or substantially within North America, Europe or other developed nations. Particular risks associated with investments in assets based in, or companies that conduct all or a large portion of their operations in countries outside, North America, Europe and other developed nations include changes in exchange control regulations, political and social instability, government expropriation, imposition of unanticipated taxes, illiquid markets and limited information, high transaction costs, limited government supervision of exchanges, brokers and companies, complex or undeveloped insolvency laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

**Risk of Loss Due to the Bankruptcy or Failure of Counterparties.** Alternative Investments are subject to the risk of the insolvency of their respective counterparties (broker dealers, futures commission merchants, banks, other financial institutions, exchanges or clearinghouses).

Alternative Investments' assets could be lost or impounded during a counterparty's bankruptcy or insolvency proceedings and a substantial portion or all of a Alternative Investment's assets could become unavailable to it either permanently or for a matter of years. Were any such bankruptcy or insolvency to occur, the relevant portfolio manager might decide to liquidate, suspend, limit or otherwise alter the Alternative Investment's trading, perhaps causing the Alternative Investment to miss significant profit opportunities. Even if the Alternative Investment does not lose any of its assets on deposit with a bankrupt or insolvent counterparty, the disruption of the Alternative Investment's trading resulting from such counterparty's inability to continue to function in such capacity could result in material losses to the Alternative Investment. Open positions held by the Alternative Investment may not be closed out merely because an insolvent counterparty to the Alternative Investment is unable to execute transactions and may result in substantial losses which the Alternative Investment is powerless to prevent.

There are increased risks in an Alternative Investment dealing with certain brokers and unregulated trading counterparties, including the risk that an Alternative Investment's assets may not benefit from the protection afforded to "customer funds" deposited with regulated brokers and dealers. An Alternative Investment may be required to post margin for its trading activities with counterparties who are not required to segregate customer funds. In the case of a counterparty's bankruptcy or inability to satisfy substantial deficiencies in other customer accounts, the Alternative Investment may recover, even with respect to property specifically traceable to it, only a *pro rata* share of all property available for distribution to all of such counterparty's customers.

The Lehman Brothers bankruptcies in September 2008 led to widespread chaos in the global financial markets, as well as significant outright losses as numerous market participants found themselves in the position of being general creditors of Lehman Brothers even with respect to assets which they had deposited with Lehman Brothers. The effects of the Lehman Brothers bankruptcies, as well as the ensuing events, led to a dramatic contraction in credit (including even inter-bank lending) and steep monetary losses in the financial sector. The ramifications of the Lehman Brothers bankruptcies are unlikely to be resolved for a number of years, but could be adverse to the prospects for the Sub-Fund and/or Alternative Investments and/or private investment vehicles in general. Moreover, the Lehman Brothers bankruptcies have demonstrated the systemic risks of any comparable failure. It is not possible to predict if or when one or more such failures might occur. Were this to happen, the results could be materially adverse to the Sub-Fund and/or Alternative Investments.

While the Refco, Inc. ("**Refco**") and MF Global, Inc. ("**MF Global**") bankruptcies did not have the same widespread systemic consequences as the Lehman Brothers bankruptcies, they demonstrate a number of systemic risks in trading through commodity brokers. It appears that many clients of both Refco and MF Global believed that their funds on deposit to support their trading had the benefit of customer protected "segregation" when this was not, in fact, the case.

The Refco bankruptcy demonstrated that a significant portion of customer accounts on deposit with CFTC-regulated futures brokers are, as a matter of practice, maintained in "unregulated" rather than "regulated" accounts at the futures brokers. The futures brokers do not have to maintain "net capital" with respect to amounts on deposit in unregulated accounts. However, amounts in unregulated accounts are not subject to "customer protection" in the event of the futures broker's bankruptcy — in which case such amounts become simply unsecured debts of the futures brokers.

**Expedited Transactions.** Investment analyses and decisions by a portfolio manager will often be undertaken on an expedited basis in order for an Alternative Investment to take advantage of investment opportunities. For example, an Alternative Investment may seek to purchase entire portfolios or substantial portions of portfolios from market participants in need of liquidity or suffering from adverse valuations, and an Alternative Investment may be required to bid on such portfolios in a very short time frame. In such cases, the information available to the relevant portfolio manager at the time of an investment decision may be limited, and the relevant portfolio manager may not have access to the detailed information necessary for a full evaluation of the

investment opportunity. As a consequence, there is substantial risk that the relevant portfolio manager will not be able to adequately evaluate particular risks or that market movements or other adverse developments will cause an Alternative Investment to incur substantial losses on such transactions. In addition, the relevant portfolio manager may rely upon independent consultants or advisors in connection with the evaluation of proposed investments. There can be no assurance that these consultants or advisors will accurately evaluate such investments.

**Currency Value Fluctuations.** The Sub-Fund expects that its investments will be primarily denominated in the Sub-Fund's base currency. The Sub-Fund may also invest, however, in securities denominated in other currencies. Even though the Sub-Fund may hedge any currency investments, investments that are denominated in currencies other than the base currency are subject to the risk from an investor's perspective that the value of the currency may change in relation to the base currency. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

**Default and Recovery Rates and Other Debt Securities.** There are varying sources of statistical default and recovery rate data for loans and other debt securities and numerous methods for measuring default and recovery rates. The historical performance of the credit market or the leveraged loan market is not indicative of future results.

However, in certain market conditions, the availability of these other sources of financing (principally high yield bond transactions), bridge loan commitments have been and may be drawn upon more regularly. Since these commitments were not regularly drawn upon in the past, there is little history for investors to rely upon in evaluating investments in bridge loans. Bridge loans often have shorter maturities than the permanent financing by which they are expected to be replaced. Borrowers and lenders typically agree to shorter maturities based on the anticipation that the bridge loans will be replaced with other forms of financing within such shorter time period. However, the source and timing of such replacement financing may be uncertain and can be affected by, among other things, market conditions and the financial condition of the borrower at the maturity date of the bridge. If the borrower is unable to obtain replacement financing and repay the bridge loan at maturity, the terms of the bridge loan may provide for the bridge loan to be converted to a longer term loan (with maturities similar to that of a bond). If bridge loans are not repaid (or cannot be disposed of on favourable terms) on the dates projected by the Alternative Investment, there may be an adverse effect upon the ability of the Alternative Investment to manage the assets of the Alternative Investment in accordance with its models and projections or an adverse effect upon the Alternative Investment's performance and ability to make distributions.

**Idiosyncratic Investment Approach.** Alternative Investments may have broad and unfettered investment authority, and may trade in any type of security, issuer or group of related issuers, country, region and sector that it believes will help the Alternative Investment achieve their investment objectives. Additionally, the strategies that the Alternative Investment may pursue are not limited to the strategies described herein; furthermore, such strategies may change and evolve materially over time. Although the Investment Manager and/or Sub-Investment Manager will maintain internal risk guidelines, such guidelines may be subject to change over time and the Sub-Fund may pursue investment strategies not described herein or may make investment decisions that fall outside such guidelines. The Investment Manager and/or Sub-Investment Manager will opportunistically implement whatever strategies, techniques and discretionary approaches, as well as such other investment tactics, as it believes from time to time may be suited to prevailing market conditions. The Investment Manager and/or Sub-Investment Manager may utilize such position size, duration, leverage (if any) and other portfolio management techniques as it believes are appropriate for the Sub-Fund. Prospective investors must recognize that in investing in the Sub-Fund, they are placing their capital indirectly under the full discretionary management of the Investment Manager and/or Sub-Investment Manager and authorizing the Investment Manager and/or Sub-Investment Manager indirectly to trade for the Sub-Fund using whatever strategies in such manner as the Investment Manager and/or Sub-Investment Manager may determine. Any of these new investment strategies, techniques, discretionary approaches and investment tactics may not be thoroughly tested before being employed and may have operational or other shortcomings that could result in unsuccessful

investments and, ultimately, losses to the Sub-Fund. In addition, any new investment strategy, technique and tactic developed by the Sub-Fund may be more speculative than earlier investment strategies, techniques and tactics and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Sub-Fund. Investors will not generally be informed of any changes in the Investment Manager and/or Sub-Investment Manager's strategies, techniques, discretionary approach and tactics. There can be no assurance that the Investment Manager and/or Sub-Investment Manager will be successful in applying its approach and there is material risk that an investor may suffer significant impairment or total loss of its capital.

**High-Yield Securities.** The Sub-Fund may, indirectly through Alternative Investments, invest in high-yield securities. Such securities are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. In addition, the Sub-Fund may, indirectly through Alternative Investments, invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities that react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

**Interest Rate Risk:** Changes in interest rates can affect the value of the Sub-Fund's, indirect through Alternative Investments, investments in fixed income instruments. Increases in interest rates may cause the value of the Sub-Fund's indirect through Alternative Investments, investments to decline. The Sub-Fund's Alternative Investments may experience increased interest rate risk to the extent they invests, if at all, in lower-rated instruments, debt instruments with longer maturities, debt instruments paying no interest (such as zero coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments.

**Investments in Loans Secured by Real Estate.** The Sub-Fund may, indirectly through Alternative Investments, invest in loans secured by real estate and may, as a result of default, foreclosure or otherwise, such Alternative Investments may hold real estate assets it was not otherwise expecting to hold. Special risks associated with such investments include changes in the general economic climate or local conditions (such as an oversupply of space or a reduction in demand for space), competition based on rental rates, attractiveness and location of the properties, changes in the financial condition of tenants, and changes in operating costs. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing and potential liability under changing environmental and other laws. Of particular concern may be those environmental risks provided by mortgaged properties that are, or have been, the site of manufacturing, industrial or disposal activity. Such environmental risks may give rise to a diminution in the value of property (including real property securing any portfolio investment) or liability for clean-up costs or other remedial actions, which liability could exceed the value of such property or the principal balance of the related Alternative Investment's investment. In certain circumstances, a lender may choose not to foreclose on contaminated property rather than risk incurring liability for remedial actions.

**Investments in Bridge Loans.** An Alternative Investment may commit to provide bridge loans to borrowers seeking, among other things, to facilitate acquisitions, including leveraged buyouts. Bridge loans are frequently made because, for timing or market reasons, longer term financing is not available at the time the funds are needed, which is often at the time of the closing of an acquisition. In the past, these commitments were not frequently drawn upon due to the availability of other sources of financing. In such instances, the borrower may never require funding of the loan, which may permit an Alternative Investment to earn associated fees with such commitments without ever needing to deploy the associated capital to fund the loan. In such event, the unused



capital may be subject to recycling or reinvestment in accordance with the terms of the Alternative Investment.

**CDO Securities.** Collateralized debt obligation ("**CDO**") securities generally are limited-recourse obligations of the issuer thereof payable solely from the underlying securities of such issuer or proceeds thereof. Consequently, holders of CDO securities must rely solely on distributions on the underlying securities or proceeds thereof for payment in respect thereof. If distributions on the underlying securities are insufficient to make payments on the CDO securities, no other assets will be available for payment of the deficiency and following realization of the underlying assets, the obligations of such issuer to pay such deficiency will be extinguished. Such underlying securities may consist of high-yield debt securities, loans, structured finance securities and other debt instruments, generally rated below investment-grade (or of equivalent credit quality) except for structured finance securities. High-yield debt securities are generally unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. The lower rating of high-yield debt securities and below investment-grade loans reflects a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal or interest. Such investments may be speculative.

Issuers of CDO securities may acquire interests in loans and other debt obligations by way of sale, assignment or participation. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution.

The underlying securities of an issuer of CDO securities may bear interest at a fixed rate while the CDO securities issued by such issuer may bear interest at a floating rate (or the reverse may be true). As a result, there could be a floating/fixed rate or basis mismatch between such CDO securities and underlying securities. In addition, there may be a timing mismatch between the CDO securities and underlying securities that bear interest at a floating rate, as the interest rate on such floating rate underlying securities may adjust more frequently or less frequently, on different dates and based on different indices, than the interest rates on the CDO securities. As a result of such mismatches, an increase or decrease in the level of the floating rate indices could adversely impact the ability of the issuers thereof to make payments on the CDO securities.

There is no established, liquid secondary market for many of the CDO securities that the Alternative Investments may purchase, and the lack of such an established, liquid secondary market may have an adverse effect on the market value of such CDO securities and the applicable Alternative Investment's ability to dispose of them. Such illiquidity may adversely affect the price and timing of the applicable Alternative Investment's liquidation of CDO securities, including the liquidation of CDO securities following the occurrence of an event of default under the indenture or in connection with a redemption of the notes.

**The Equity Securities Issued by CDOs and CLOs.** A portion of the assets of the Alternative Investments in which the Sub-Fund may, indirectly, invest may consist of equity securities issued by any one or more CDOs or CLOs. These equity securities are subject to substantial risks including the following:

**Leveraged investment.** CDO or CLO equity tranches represent leveraged investments in the underlying collateral held by the CDO or CLO issuer. This leverage will increase the cash flow available in respect of the amount invested by the holders as compared with the cash flow that would be available in respect of a comparable investment in a non-leveraged transaction. Such increased cash flow will directly affect the yield on the CDO or CLO equity tranches. However, the use of leverage also creates risk for the holders because the leverage increases their exposure to losses with respect to the collateral. As a result, the occurrence of defaults with respect to only a small portion of the collateral could result in the substantial or complete loss of the investment in the CDO or CLO equity tranches. Due to the existence of leverage, changes in the market value of the CDO or CLO equity tranches could be greater than the changes in the values of the underlying collateral of the relevant issuer, which itself may be subject to, among other things, credit and liquidity risk. Although the use of leverage creates an opportunity for increased returns on the CDO or CLO equity tranches, it increases substantially the likelihood

that the holders of the CDO or CLO equity tranches could lose their entire investment if the pool of collateral held by such CDO or CLO entity is adversely affected.

**Limited sources for dividends and other distributions on CDO or CLO equity.** The CDO or CLO equity tranches represent equity interests in the relevant CDO/CLO issuer only. Like other securities issued by CDOs or CLOs, they are payable solely from and to the extent of the available proceeds from the collateral held by the issuer. The CDO or CLO equity tranches are part of the issued share capital of the issuer and are not secured. Except for the issuer, no person is obligated to pay dividends or any other amounts with respect to the CDO or CLO equity tranches. Consequently, holders of the CDO or CLO equity tranches must rely solely upon distributions on the collateral. If distributions on such collateral are insufficient to pay required fees and expenses, to make payments on the debt securities of the issuer or to pay dividends or other distributions on the CDO or CLO equity tranches, all in accordance with the applicable priority of payments, no other assets of the CDO/CLO issuer or any other person will be available for the payment of the deficiency. Once all proceeds of the collateral have been applied, no funds will be available for payment of dividends or other distributions on the CDO or CLO equity tranches. Therefore, whether holders of the CDO or CLO equity tranches receive a return equivalent to the repayment of the purchase price paid for the CDO or CLO equity tranches and any additional return thereon will depend upon the aggregate amount of dividends and other distributions paid on the CDO or CLO equity tranches prior to any final redemption date and the amount of available funds on the final redemption date available for distribution to holders of the CDO or CLO equity tranches.

**Subordination of the CDO or CLO equity tranches.** Payments of principal of, and interest on, debt issued by CDOs and CLOs, and dividends and other distributions on CDO or CLO equity tranches, are subject to priority of payments. CDO or CLO equity tranches are subordinated to the prior payment of all obligations under debt securities. Further, in the event of default under any debt securities issued by a CDO or CLO, holders of the CDO or CLO equity tranches generally have no right to determine the remedies to be exercised. To the extent that any elimination, deferral or reduction in payments on debt securities occurs, such elimination will be borne first by the CDO or CLO equity tranches and then by the debt securities in reverse order of seniority. Thus, the greatest risk of loss relating to defaults on the collateral held by CDOs and CLOs is borne by the CDO or CLO equity tranches. To the extent that a default occurs with respect to any collateral and such collateral is sold or otherwise disposed of, it is likely that the proceeds of such sale or other disposition will be less than the unpaid principal and interest on such collateral. Excess funds available for distribution to the CDO or CLO equity tranches will be reduced by losses occurring on the collateral, and returns on the CDO or CLO equity tranches will be adversely affected.

**Legal status of the CDO or CLO equity tranches.** The CDO or CLO equity tranches will rank behind all of the creditors, whether secured or unsecured and known or unknown, of the issuer, including the holders of all the classes of debt securities issued by the CDO/CLO issuer.

Payments in respect of such CDO or CLO equity tranches are subject to certain requirements imposed by the relevant jurisdiction of a CDO/CLO issuer. All payments to holders of CDO or CLO equity, other than payments made on the final redemption date, will be paid as dividends in accordance with the corporate law of the issuer. Therefore, any amounts paid as dividends or other distributions on CDO or CLO equity will be payable only if the issuer has sufficient distributable profits and/or share premium and meets any other application restrictions imposed on the issuer. In addition, such distributions (including any distribution upon redemption of equity securities) will be payable only to the extent that the issuer is and remains solvent after such distributions are paid.

To the extent the requirements under applicable law described in the preceding paragraph are not met, amounts otherwise payable to the holders of the CDO or CLO equity are generally held until, in the case of a distribution by way of dividend, the next succeeding payment date on which such requirements are met and, in the case of any payment on redemption of the CDO or CLO equity, the next succeeding day on which commercial banks in the relevant jurisdictions are open for normal business on which such requirements are met.

**Yield, maturity, distributions and other performance considerations.** The amount of distributions on the CDO or CLO equity tranches will be affected by, among other things, the

timing of purchases of collateral, the rates of repayment of or distributions on the collateral, the timing of reinvestment in substitute collateral and the interest rates available at the time of reinvestment. The longer the period of time before reinvestment of cash in collateral, the greater the adverse impact may be on the aggregate interest collected, thereby lowering yields and otherwise affecting performance of the CDO or CLO equity tranches. The amount of distributions on CDO or CLO equity tranches may also be affected by rates of delinquencies and defaults on and liquidations of the collateral, sales of collateral and purchases of collateral having different payment characteristics. The yield and other measures of performance may be adversely affected to the extent that the issuer incurs any significant unexpected expenses.

**Synthetic CDOs.** Certain of the Alternative Investments in which the Sub-Fund may invest may in turn hold, and invest in, synthetic CDOs or similar assets. Synthetic CDOs enter into credit default swaps and total return swaps that entail the risks described above. In addition, synthetic CDOs are subject to a number of risks, including the following:

- The individual reference obligations referenced in the credit default swaps may be static. Therefore, no additions, removals, substitutions or modifications to the credit default swap portfolio will be effected in response to any changes in the market conditions applicable to the reference obligations.
- The underlying CDOs that invest in credit default swaps rely on the creditworthiness of the credit default swap counterparty. Consequently, in addition to relying upon the creditworthiness of the reference entities, the issuer is also relying upon the creditworthiness of the credit default swap counterparty to perform its obligations under the credit default swaps and of the issuers of or obligors with respect to the other eligible investments.
- Under the credit default swaps, the issuer has a contractual relationship only with the credit default swap counterparty. Consequently, the issuer has no legal or beneficial interest in any reference obligation or any other obligation of any reference entity. The issuer has no right directly to enforce compliance by the obligor under any reference obligation with the terms thereof, does not have any rights of set-off against such obligor, does not have any voting rights with respect to such reference obligation, does not directly benefit from any collateral supporting such reference obligation and does not have the benefit of the remedies that would normally be available to a holder of such reference obligation.

**Subprime Mortgage Loans Backing RMBS Held by CDOs are Subject to Additional Risks.** Asset-backed CDOs in which certain of the Alternative Investments in which the Sub-Fund may, invest may in turn acquire and hold equity in RMBS, including primarily RMBS backed by collateral pools of subprime residential mortgage loans. "Subprime" mortgage loans refer to mortgage loans that have been originated using underwriting standards that are less restrictive than the underwriting requirements used as standards for other first and junior lien mortgage loan purchase programs. These lower standards include mortgage loans made to borrowers having imperfect or impaired credit histories (including outstanding judgments or prior bankruptcies), mortgage loans where the amount of the loan at origination is 80% or more of the value of the mortgaged property, mortgage loans made to borrowers with low credit scores, mortgage loans made to borrowers who have other debt that represents a large portion of their income and mortgage loans made to borrowers whose income is not required to be disclosed or verified.

Additionally, some of the mortgage loans backing the RMBS held by CDOs the Alternative Investments may acquire may be "non-conforming loans" and may not be eligible for purchase by relevant purchasers due to either credit characteristics of the related mortgagor or documentation standards in connection with the underwriting of the related mortgage loan that do not meet the underwriting guidelines for "A" credit mortgagors for relevant purchasers. These credit characteristics include mortgagors whose creditworthiness and repayment ability do not satisfy such purchasers' underwriting guidelines and mortgagors who may have a record of credit write-offs, outstanding judgments, prior bankruptcies and other credit items that do not satisfy such purchasers' underwriting guidelines. These documentation standards may include mortgagors who provide limited or no documentation in connection with the underwriting of the

related mortgage loan. In addition, certain mortgage loans may fail to conform to the underwriting standards of the related originators.

Due to economic and market conditions, including increased interest rates and lower home prices, as well as aggressive lending practices, subprime, as well as Alt-A, mortgage loans have in recent periods experienced unprecedented increased rates of delinquency, foreclosure, bankruptcy and loss, and they are likely to continue to experience rates that are higher, and that may be substantially higher, than those experienced by mortgage loans underwritten in a more traditional manner. "**Alt-A**" mortgage loans refer to mortgage loans with a risk profile that falls between prime and subprime mortgages and that have been originated using underwriting standards that are slightly higher than the underwriting requirements used as standards for subprime mortgage loans. Thus, because of the higher delinquency rates and losses associated with subprime mortgage loans, the performance of RMBS backed by collateral pools with a significant subprime component could be correspondingly adversely affected, which, in turn, would adversely affect the performance of CDOs containing such RMBS in their collateral pools.

**SIVs.** Certain of the Alternative Investments in which the Sub-Fund may invest may in turn invest in one or more securities issued by structured investment vehicles ("**SIVs**") or may invest in assets acquired from SIVs. SIVs generally issue one or more classes of debt securities, including medium term notes, Euro notes and commercial paper of various degrees of seniority. The securities issued by SIVs are often backed by ABS, RMBS, CMBS, CLO or CDO securities or other asset types of the kind discussed herein and, accordingly, are subject to the risk factors inherent in the types of assets backing the securities of the SIVs. SIVs may have swap counterparties or liquidity providers that provide hedging, liquidity or other credit support or enhancement. These features of SIVs make them subject to counterparty and performance risks similar to those discussed herein with respect to other derivatives. In light of recent market volatility, many SIVs have experienced defaults on their securities, liquidity events such as the inability to issue commercial paper in the markets that required liquidity providers to advance funds to the SIVs, covenant defaults with respect to portfolio composition, ratings or other limitations, payment or other events of default or other events. In addition, many SIVs have undertaken debt restructurings through exchange offers or other means. Certain of the Alternative Investments in which the Sub-Fund may, indirectly, invest may in turn invest in debt or equity securities of original or restructured SIVs or may participate in auction or foreclosures of the assets of SIVs. In addition to the risks relating to the underlying assets of a SIV, the structure and securities issued by a SIV may introduce certain other risks such as credit, market, liquidity, downgrade, hedge or liquidity counterparty, interest or currency, redemption, prepayment, the effects of leverage and other risks inherent in structured vehicles. The Investment Manager, the Sub-Investment Manager and its Affiliates may have certain conflicts of interest in connection with certain SIVs insofar as Apollo Clients managed by the Investment Manager, the Sub-Investment Manager or its Affiliates may from time to time buy, sell or hold securities issues by SIVs that are not of the same priority as those acquired by the applicable Alternative Investment, and the Investment Manager, Sub-Investment Manager or their Affiliates may be engaged to conduct an auction or bid in a foreclosure on SIV assets.

**Developments in the Structured Credit Markets and Their Broader Impact.** Declines in the market value of ABS and MBS, especially those backed by subprime mortgages, were associated with significant market events resulting in the financial crisis of the late 2000s and the subsequent regulatory and market responses to the financial crisis. Increasing credit and valuation problems in the subprime mortgage market generated extreme volatility and illiquidity in the markets for portfolio companies directly or indirectly exposed to subprime mortgage loans. This volatility and illiquidity extended to the global credit and equity markets generally, and, in particular, to the high yield bond and loan markets, exacerbated by, among other things, uncertainty regarding the extent of problems in the mortgage industry and the degree of exposure of financial institutions and others, decreased risk tolerance by investors and significantly tightened availability of credit. Except for agency RMBS, and despite modest increases in non-agency RMBS issuance, the market for RMBS has not significantly recovered (relative to the pre-financial crisis market) from these conditions and it is difficult to predict if or when the non-agency RMBS market will recover from such conditions. If the structured credit markets continue to face uncertainty or to deteriorate, then certain of the Alternative Investments in which the Sub-Fund may invest may in turn not be presented with sufficient investment opportunities in ABS and MBS, which may prevent the applicable Alternative Investment from successfully executing investment strategies in such

investments. Moreover, further uncertainty or deterioration in the structured credit markets could result in further declines in the market values of or increased uncertainty with respect to such investments made or considered by the applicable Alternative Investment, which could require the applicable Alternative Investment to dispose of such investments at a loss while such adverse market conditions prevail.

**Use of Derivatives and Other Specialized Techniques – Generally.** The Sub-Fund may engage in a variety of over the counter ("OTC") and other derivative transactions as part of its hedging or investment strategy, including total return swaps ("TRS") on individual or baskets of assets, interest rate swaps, credit default swaps, repurchase agreements, forward contracts, purchases and sales of commodity futures, put and call options, floors, collars or other similar arrangements and derivative transactions. Both the U.S. Commodity Futures Trading Commission (the "CFTC") and EU Regulation No 648/2012, as amended, on over-the-counter derivatives, central counterparties and trade repositories (also known as "EMIR"), currently require the clearing of certain derivatives by relevant entities other than certain specified "end users" in relation to the CFTC and "non-financial counterparties below the clearing threshold" in relation to EMIR. Additional products are expected to be required to be cleared in the future. Clearinghouse collateral requirements may differ from and be greater than the collateral terms negotiated with derivatives counterparties in the over-the-counter market. This may increase the Sub-Fund's cost in entering into these products and impact the Sub-Fund's ability to pursue certain investment strategies. For swaps that are cleared through a clearinghouse, the Sub-Fund will face the clearinghouse as legal counterparty and will be subject to clearinghouse performance and credit risk. It is anticipated that the Sub-Fund may constitute "end users" (or non-financial counterparties below the clearing threshold in relation to EMIR) and will therefore be eligible to elect an exemption from the clearing requirements described above.

The swap markets with respect to non-cleared swaps are "principals' markets," in which performance with respect to a swap contract is the responsibility only of the counterparty to the contract, and not of any exchange or clearinghouse. As a result, the Sub-Fund and its investments will be subject to counterparty risk relating to the inability or refusal of a counterparty to perform such uncleared derivatives contracts (although under EMIR, the implementation of certain risk mitigation techniques may be required). If a counterparty's creditworthiness declines, the value of derivatives contracts with such counterparty can be expected to decline, potentially resulting in significant losses to the Sub-Fund or any of its investments. If a default, an event of default, termination event or other similar condition or event were to occur with respect to the Sub-Fund or any of the investments under any derivative instruments, the relevant derivative counterparty may generally terminate all transactions with the Sub-Fund or such investments potentially resulting in significant losses to the Sub-Fund or such investment, as the case may be. Suitable hedging or other derivative instruments may not continue to be available at a reasonable cost.

Participants in the swap and other derivative markets are generally not required to make continuous markets in the derivative instruments in which they trade. Participants could also refuse to quote prices for derivatives contracts or could quote prices with an unusually wide spread. Disruptions can also occur in any market in which the Sub-Fund or any of their issuers trades due to unusually high trading volume, political intervention or other factors. A reduction or absence of price transparency or liquidity could increase the margin requirement under the relevant transactions and may result in significant losses or loss of liquidity to the Sub-Fund and their issuers. There is no limitation on daily price movements on these instruments. The imposition of controls by governmental authorities might also limit such trading to less than that which the Investment Manager or Sub-Investment Manager would otherwise recommend, to the possible detriment of the Sub-Fund. Market illiquidity or disruption could result in significant losses to the Sub-Fund.

Derivative instruments may also embed varying degrees of leverage. Accordingly, the leverage offered by trading in derivative instruments may magnify the gains and losses experienced by the Sub-Fund or the relevant investment. Thus, like other leveraged investments, a derivatives trade may result in losses in excess of the amount invested. Any increase in the amount of leverage applied will increase the risk of loss due to the amount of additional leverage applied. Also, swap agreements tend to shift the investment exposure from one type of investment to another. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Sub-Fund or the relevant investment. A significant factor in the performance of

swap agreements is the change in the specific factors that determine the amounts of payments due to and from the Sub-Fund or the relevant investment. If a swap agreement calls for payments by the Sub-Fund or the relevant investment, the Sub-Fund or such investment must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses to the Sub-Fund or such investment.

In addition to any EMIR related obligations to which the Sub-Fund may be subject to, counterparties to the Sub-Fund or the relevant investment may be subject to capital and other requirements as a "swap dealer" or "major swap participant" which may increase their costs of doing business, a portion of which increase may be passed on to the Sub-Fund or the relevant investment. Persons deemed to be swap dealers or major swap participants are likely to be subject to a number of regulatory requirements, such as specific recordkeeping, back-office and reporting requirements, margin collection requirements for swaps that are not cleared, capital requirements, disclosure obligations, specific compliance obligations and special obligations to governmental entities. While it is unlikely that the Sub-Fund or the relevant investment would be subject to these requirements, the requirements will likely apply to many of the Sub-Fund or the relevant investment's counterparties which may increase the cost of trading swaps through increased fees to offset the counterparties' trading and compliance costs. On the other hand, the Sub-Fund and its issuers may trade in certain swaps or derivative instruments with unregistered and unregulated entities, and therefore may not benefit from protections afforded to counterparties of registered and regulated swap entities.

Pursuant to certain exemptions from the CFTC regulations, the Investment Manager and Sub-Investment Manager does not expect to be required to register, nor will it be registered, with the CFTC or the National Futures Association. In the event that the Investment Manager or Sub-Investment Manager cannot avail itself of the relevant exemptions under the CFTC regulations, the Investment Manager or Sub-Investment Manager will be required to register with the CFTC. Failure to register may result in severe penalties and could have a material adverse effect on the Sub-Fund.

Speculative position limits are not currently applicable to swap transactions, although the Sub-Fund's swap counterparties may limit the size or duration of positions available to the Sub-Fund as a consequence of credit or other considerations. Position limits are the maximum amounts of net long or net short positions that any one person or entity may own or control in a particular financial instrument. In addition, pursuant to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") the CFTC has sought to implement regulations for federal speculative position limits in 25 core commodity futures and option contracts and their economically equivalent futures, options and swaps as well as aggregation rules and exemptions therefrom. In addition, the Dodd-Frank Act requires the U.S. Securities and Exchange Commission (the "**SEC**") to set position limits on security-based swaps. Other position limits may be in place with respect to certain exchange-traded derivatives. It is possible that trading decisions may have to be modified and that positions held may have to be liquidated in order to avoid exceeding such limits. Such modification or liquidation, if required, could adversely affect the Sub-Fund's operations and profitability.

The Dodd-Frank Act and related CFTC and SEC rules (certain of which have not yet been released or finalized) also impose other significant new regulations on the derivatives markets, including the registration of and regulations on persons deemed to be swap dealers or major swap participants. Such regulated swap entities are subject to a number of regulatory requirements which may result in such counterparties increasing the Sub-Fund's and its issuers' cost of trading derivatives instruments through increased fees or spreads to offset the compliance costs and requirements.

Pursuant to the Dodd-Frank Act, the CFTC and other prudential regulators have finalized margin requirements for uncleared over-the-counter derivatives. Although the regulations include limited exemptions from margin requirements for so-called "nonfinancial end-users," the Sub-Fund may not be able to rely on such exemptions. It is anticipated, however, that the Sub-Fund will constitute "end-users" and therefore will be exempt from the margin requirements described above. Uncertainty remains regarding the application of post-financial crisis swaps legislation (including the Dodd-Frank Act and the regulations adopted thereunder) and, consequently, the full impact

that such legislation ultimately will have on the Sub-Fund and its issuers' derivative instruments is not fully known to date.

The investment techniques related to derivative instruments are highly specialized and may be considered speculative. Such techniques often involve forecasts and complex judgments regarding relative price movements and other economic developments. The success or failure of these investment techniques may turn on small changes in exogenous factors not within the control of issuers, the Board of Directors, the Investment Manager, the Sub-Investment Manager or any of the Sub-Fund's investments. For all the foregoing reasons, while the Sub-Fund may benefit from the use of derivatives and related techniques, such instruments can expose the Sub-Fund and their investments to significant risk of loss and may result in a poorer overall performance for the Sub-Fund than if it had not entered into such transactions.

**Use of Derivatives and Other Specialized Techniques – Options.** The Sub-Fund may buy or sell (write) both call options and put options (either exchange-traded or over-the-counter in principal-to-principal transactions), and when it writes options it may do so on a "covered" or an "uncovered" basis. The risk of writing a call is theoretically unlimited unless the call option is "covered." A call option is "covered" when the writer owns the underlying assets in at least the amount of which the call option applies. The Sub-Fund options transactions may be part of a hedging tactic (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the Sub-Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances. When the Sub-Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of the Sub-Fund investment in the option (including commissions). When the Sub-Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price.

**Total Return Swaps.** The Sub-Fund may enter into TRS. A TRS agreement is a two-party contract under which an agreement is made to exchange returns from predetermined investments or instruments. TRS allow investors to gain exposure to an underlying credit instrument without actually owning the credit instrument. In these swaps, the total return (interest, fixed fees and capital gains/losses on an underlying credit instrument) is paid to an investor in exchange for a floating rate payment. A TRS may be a leveraged investment in the underlying credit instrument. Because swap maturities may not correspond with the maturities of the credit instruments underlying the swap, swaps may be renewed as they mature. However, there is a limited number of providers of such swaps, and there is no assurance the initial swap providers will choose to renew the swaps, and, if they do not renew, that the Sub-Fund would be able to obtain suitable replacement providers. TRS are subject to risks related to changes in interest rates, credit spreads, credit quality and expected recovery rates of the underlying credit instrument as well as renewal risks.

**Synthetic Investment Instruments.** The Sub-Fund may utilize customized derivative instruments, such as TRS, to receive synthetically the economic attributes associated with an investment in a security or financial instrument or a basket of securities or financial instruments. There may be circumstances in which the Investment Manager or Sub-Investment Manager would conclude that the best or only means by which the Sub-Fund could make a desirable investment is through the use of such derivative structures. The Sub-Fund may be exposed to certain risks should the Investment Manager or Sub-Investment Manager use derivatives as a means to implement synthetically its investment strategies. If the Sub-Fund enters into a derivative instrument whereby it agrees to receive the economic return of an individual security or financial instrument or a basket of securities or financial instruments, it will typically contract to receive such returns for a predetermined period of time. During such period, the Sub-Fund may not have the ability to increase or decrease its exposure. In addition, such customized derivative instruments are expected to be highly illiquid and it is possible that the Sub-Fund will not be able to terminate such derivative instruments prior to their expiration date or that the penalties associated with such a termination might impact the Sub-Fund performance in a materially adverse manner. In the event the Sub-Fund seeks to participate through the use of such synthetic derivative instruments, the Sub-Fund may not acquire any voting interests or other shareholder

rights that would be acquired with a direct investment in the underlying securities or financial instruments. Accordingly, the Sub-Fund may not be able to participate in matters submitted to a vote of the shareholders. In addition, the Sub-Fund may not receive all of the information and reports to shareholders that the Sub-Fund would receive with a direct investment. Further, the Sub-Fund will pay the counterparty to any such customized derivative instrument structuring fees and ongoing transaction fees, which will reduce the investment performance of the Sub-Fund.

**Investments in Convertible Securities:** Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Sub-Fund is called for redemption, the Sub-Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Sub-Fund ability to achieve its investment objective.

**Repurchase and Reverse Repurchase Agreements:** The Sub-Fund may enter into repurchase and reverse repurchase agreements. Under a repurchase agreement, the Sub-Fund "sells" financial instruments and agrees to repurchase them at a specified date and price. Repurchase agreements may involve the risk that the market value of the financial instruments purchased with the proceeds of the repurchase agreement by the Sub-Fund may decline below the price of the financial instruments the Sub-Fund has sold but is obligated to repurchase. In the event the buyer of financial instruments under a repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce the obligation of the Sub-Fund to repurchase the financial instruments and the Sub-Fund use of the proceeds of the repurchase agreement may effectively be restricted pending such decision. To the extent that, in the meantime, the value of the financial instruments that the Sub-Fund has purchased has decreased, the Sub-Fund could experience a loss. In a reverse repurchase transaction, the Sub-Fund "buys" financial instruments issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such financial instruments at a negotiated price. The use of repurchase and reverse repurchase agreements by the Sub-Fund involves certain risks. For example, if the seller of financial instruments to the Sub-Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying financial instruments, as a result of its bankruptcy or otherwise, the Sub-Fund will seek to dispose of such financial instruments, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization



under applicable bankruptcy or other laws, the Sub-Fund ability to dispose of the underlying financial instruments may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Sub-Fund may not be able to substantiate its interest in the underlying financial instruments. Finally, if a seller defaults on its obligation to repurchase financial instruments under a reverse repurchase agreement, the Sub-Fund may suffer a loss to the extent that it is forced to liquidate the purchased financial instruments in the market, and proceeds from the sale of the underlying financial instruments are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

**Counterparty Risk:** A number of the markets in which the Sub-Fund or any of its investments may effect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Sub-Fund or such Portfolio Company to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Sub-Fund or such Portfolio Company to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Sub-Fund has concentrated its transactions with a single or small group of counterparties. The Sub-Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of the Sub-Fund to transact business with any one or number of counterparties, the potential lack of transparent information to enable meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Sub-Fund.

**Creditors' Rights:** Alternative Investments' investments and the collateral underlying those investments will be subject to various laws for the protection of creditors in the jurisdictions of the investments concerned. Such differences in law may also adversely affect the rights of the Alternative Investment as a lender with respect to other creditors. Additionally, the Alternative Investment, as a creditor, may experience less favourable treatment under different insolvency regimes than those that apply in the United States, including in cases where the Alternative Investment seeks to enforce any security it may hold as a creditor.

**Investment in the Energy Industry:** Investments in the energy sector may be subject to a variety of risks, not all of which can be foreseen or quantified. Such risks may include, but are not limited to: (i) the risk that the technology employed in an energy project will not be effective or efficient; (ii) uncertainty about the availability or efficacy of energy sales agreements or fuel supply agreements that may be entered into in connection with a project; (iii) risks that regulations affecting the energy industry will change in a manner detrimental to the industry; (iv) environmental liability risks related to energy properties and projects; (v) risks of equipment failures, fuel interruptions, loss of sale and supply contracts or fuel contracts, decreases or escalations in power contract or fuel contract prices, bankruptcy of key customers or suppliers, tort liability in excess of insurance coverage, inability to obtain desirable amounts of insurance at economic rates, acts of God and other catastrophes; (vi) uncertainty about the extent, quality and availability of oil and gas reserves; (vii) the risk that interest rates may increase, making it difficult or impossible to obtain project financing or impairing the cash flow of leveraged projects; and (viii) the risk of changes in values of companies in the energy sector whose operations are affected by changes in prices and supplies of energy fuels (prices and supplies of energy fuels can fluctuate significantly over a short period of time due to changes in international politics, energy conservation, the success of exploration projects, the tax and other regulatory policies of various governments and the economic growth of countries that are large consumers of energy, as well as other factors). The occurrence of events related to the foregoing may have a material adverse effect on the Sub-Fund and its investments.

In addition to the foregoing, certain of the investments in which the Sub-Fund indirectly invests through Alternative Investments may be subject to the risks inherent in acquiring or developing recoverable oil and natural gas reserves, including capital expenditures for the identification and acquisitions of projects, the drilling and completion of wells and the conduct of development and production operations. The presence of unanticipated pressures or irregularities in formations, miscalculations or accidents may cause such activity to be unsuccessful, which may result in losses. Furthermore, successful investment in oil and natural gas properties and other related

facilities and properties requires an assessment of (i) recoverable reserves; (ii) future oil and natural gas prices; (iii) operating and capital costs; (iv) potential environmental and other liabilities; and (v) other factors. Such assessments are necessarily inexact and their accuracy inherently uncertain. Also, the revenues generated by certain of the investments in which the Sub-Fund invests indirectly through Alternative Investments may be dependent on the future prices of and the demand for oil and natural gas. Oil and gas investments may have significant shortfalls in projected cash flow if oil and gas prices decline from levels projected at the time the investment is made. Various factors beyond the control of the Sub-Fund and/or Alternative Investments will affect prices of oil, natural gas and natural gas liquids, including the worldwide supply of oil and natural gas, political instability or armed conflict in oil and natural gas producing regions, the price of foreign imports, the level of consumer demand, the price and availability of alternative fuels, the availability of pipeline capacity and changes in existing government regulation, taxation and price control. Prices for oil and natural gas have fluctuated greatly during the past, and markets for oil, natural gas and natural gas liquids continue to be volatile. Further, to the extent an Alternative Investment invests in or receives energy royalty interests, the Alternative Investment will generally receive revenues from those royalty interests only upon sales of oil, gas and other hydrocarbon production by the underlying property or upon sale of the royalty interests themselves. There can be no assurance that reserves sufficient to provide the expected royalty income will be discovered or produced.

Volatile oil, natural gas and natural gas liquids prices make it difficult to estimate the value of developed properties for acquisition and divestiture (and collateral purposes) and often cause disruption in the market for oil, natural gas and natural gas liquids developed properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects. In addition, estimates of hydrocarbon reserves by qualified engineers are often a key factor in valuing certain oil and gas assets. These estimates are subject to wide variances based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such reserve estimates to be significantly revised from time to time, creating significant changes in the value of any Alternative Investment's portfolio investments.

**Legal and Regulatory Matters in the Energy Sector:** Power generation and transmission, as well as oil, natural gas and coal storage, handling, processing and transportation, are extensively regulated; statutory and regulatory requirements may include those imposed by energy, zoning, environmental, safety, labor and other regulatory or political authorities. Failure to obtain or a delay in the receipt of relevant governmental permits or approvals, including regulatory approvals, could hinder operation of an investment and result in fines or additional costs. Obtaining permits and approvals or complying with ongoing regulatory requirements may be costly and/or time-consuming to obtain. Moreover, the adoption of new laws or regulations, including those with respect to the emission of greenhouse gasses, or changes in the interpretation of existing laws or regulations or changes in the persons charged with political oversight of such laws or regulations, could have a material adverse effect upon the profitability of an Alternative Investment or its portfolio of investments and could necessitate the creation of new business models and the restructuring of investments in order to meet regulatory requirements, which may be costly and/or time-consuming.

**General Risks of Investments in the Utility and Power Industries:** An Alternative Investment may, indirectly, invest in the utility and power sectors. These investments are sensitive to fluctuations in resource availability, energy supply and demand, interest rates, special risks of constructing and operating facilities (including nuclear facilities), lack of control over pricing, merger and acquisition activity, weather conditions (including abnormally mild winter or summer weather and abnormally harsh winter or summer weather), availability and adequacy of pipeline and other transportation facilities, geopolitical conditions in gas or oil producing regions and countries (including the risk of nationalization of the natural gas, oil and related sectors), the ability of members of the Organization of the Petroleum Exporting Countries to agree upon and maintain oil prices and production levels, the price and availability of alternative fuels, international and regional trade contracts, labor contracts, the impact of energy conservation efforts, environmental considerations, public policy initiatives and regulation.

**Regulatory Risks of Investments in the Utility and Power Industries:** Utility and power companies are subject to significant regulation in many aspects of their operations, including how

facilities are constructed, maintained and operated, environmental and safety controls and the prices they may charge for the products and services. There are a variety of risks relating to actions of various governmental agencies and authorities in such industries. Additionally, stricter laws, regulations or enforcement policies could be enacted or pursued in the future, which would likely increase compliance costs and may adversely affect the financial performance of energy companies which may have implications for the companies that support the energy sectors' infrastructure-related requirements.

**Investment in the Communications Industry:** An Alternative Investment's portfolio of investments may include communications companies. Communications companies in the U.S., Europe and other developed and emerging countries undergo continual changes mainly due to evolving levels of governmental regulation or deregulation as well as the rapid development of communication technologies. Competitive pressures within the communications industry are intense, and the securities of communications companies may be subject to significant price volatility. In addition, because the communications industry is subject to rapid and significant changes in technology, the companies in this industry in which the Sub-Fund may, indirectly through Alternative Investments, invest will face competition from technologies being developed or to be developed in the future by others, which may make such companies' products and services obsolete.

**General Airline Industry Risks:** The Sub-Fund may, indirectly through Alternative Investments, invest in aviation assets, including aircraft and related aviation interests such as aircraft leases. The airline business is dependent on the price and availability of aircraft fuel. Continued periods of high aircraft fuel costs, significant disruptions in the supply of aircraft fuel or significant further increases in fuel costs could have a significant negative impact on air carriers' operating results. Union disputes, employee strikes and other labor-related disruptions may adversely affect airlines' operations. The travel industry is materially adversely affected by public health emergencies and pandemics, such as the COVID-19 pandemic, terrorist attacks, and continues to face on-going security concerns and cost burdens associated with security and health, safety and overall sanitation related expenses. Increases in insurance costs or reductions in insurance coverage may adversely impact an airline's operations and financial results. Changes in government regulation could increase airline operating costs and limit their ability to conduct their business. The airline industry is intensely competitive. It is at risk of losses and adverse publicity stemming from any accident involving any aircraft, including aircraft operated by other airlines, and is subject to weather factors and seasonal variations in airline travel, which cause financial results to fluctuate. Any of these factors can affect the value of the Sub-Fund's, indirect, aviation assets.

**Operating and Financial Risks of Aviation Assets:** Aviation assets in which the Sub-Fund invests, indirectly through Alternative Investments, could deteriorate as a result of, among other factors, an adverse development in aviation industry or the lessors' business, a change in competitive environment, an economic downturn or, in the case of aircraft assets, wear and tear, malfunction or breakage. As a result, aviation assets that an Alternative Investment may have expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to continue their operations or to perform additional maintenance or repair, and the lessors may otherwise have a weak financial condition or be experiencing financial distress. In some cases, in addition to the service providers' (including Affiliated Service Providers') ability to maintain the condition of the aviation assets, the success of an Alternative Investment's investment strategy and approach will depend, in part, on the ability of the Alternative Investment to maintain and successfully remarket aviation assets. There can be no assurance that any Alternative Investment will be able to successfully identify and implement its strategy. In addition, an Alternative Investment may cause its aviation assets to bear certain fees, costs and expenses that the Alternative Investment would otherwise bear, including the fees, costs and expenses incurred in developing, investigating, negotiating, structuring or consummating the Alternative Investment's or any other investment in such aviation assets. For example, the Alternative Investment may cause such aviation assets to bear the fees, costs and expenses that are incurred in connection and concurrently with the acquisition of such aviation assets and such other fees, costs and expenses that may otherwise be treated as operating expenses. The payment of such fees, costs and expenses by such aviation assets may reduce the amount of cash that the aviation assets have on hand.

**Reliance on Corporate Management and Financial Reporting:** Many of the strategies implemented by Alternative Investments will rely on the financial information made available by the issuers in which the Alternative Investments invest. Alternative Investments will have no ability to independently verify the financial information disseminated by the issuer in which Alternative Investment invests and is dependent upon the integrity of both the management of these issuers and the financial reporting process in general.

**Broker, Dealer or Custodian Insolvency:** The Sub-Fund's assets may be held in one or more accounts maintained for the Sub-Fund by its prime brokers or at other brokers or with one or more custodians, which may be located in various jurisdictions. Such prime brokers, local brokers and custodians, as brokerage firms, custodians or commercial banks, may be 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 Sub-Fund'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 custodian or any of their respective sub-custodians, agents or affiliates, or a local broker, it is impossible to generalize about the effect of their insolvency on the Sub-Fund 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 Sub-Fund, which could be material.

**Investments in the Insurance Sector:** Alternative Investments may also invest in esoteric asset classes such as the insurance capital markets, which include insurance-linked securities (whereby the performance and return of the investment depend on the results of the underlying policy or instrument), insurance securitizations, catastrophe bonds, life insurance/life annuity combination bonds, structured settlements, insurance reserve financing, mortality/longevity swaps, life settlements, premium finance loans and other similar asset backed securities or instruments. These are specialized asset classes with unique risks, and prospective Investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of their investments in the Sub-Fund. On an opportunistic basis, Alternative Investments may, indirectly, invest in insurance-linked securities, whereby the performance and return of the investment depend on the results of the underlying insurance policy or instrument. An investment by an Alternative Investment in the insurance capital markets involves a high degree of risk, including the risk that the entire amount invested may be lost. Such investments would constitute investing in a relatively new and developing asset class where a significant part of the asset class involves relatively illiquid instruments.

**Investments in Insurance-Linked Securities:** An Alternative Investment may, indirectly, invest in a wide variety of insurance-linked instruments using a number of strategies and investment techniques with significant risk characteristics, including the risks arising from the illiquidity and difficulty in the valuation of such instruments, risk of catastrophic events and other events giving rise to losses under such instruments, volatility of capital markets, the risk of borrowings and short sales, the risk arising from leverage associated with trading in the currencies and over-the-counter derivatives markets, the illiquidity of derivative instruments and the risks of loss from counterparty default. An Alternative Investment may utilize such investment techniques such as option transactions, margin transactions, short sales, leverage and derivatives, which in practice can involve substantial volatility and can, in certain circumstances, substantially increase the risks of an adverse impact on the Alternative Investment's investment portfolio.

**Insurance-Linked Instruments:** Insurance-linked securities are instruments with a significant amount of insurance risk. There are many different types of insurance events, but they are generally characterized by frequency (how often the event occurs) and severity (the costliness of the event when it occurs). The estimated severity and frequency of different insurance risks are based on a vast amount of historical data and actuarial analysis. However, there is no guarantee that the actual insurance losses incurred will turn out to be in line with expectations.

**Illiquidity for Insurance-Linked Instruments:** The markets for investments in insurance-linked instruments have limited liquidity and depth. Although a number of institutions may be actively trading these instruments, the resale of these instruments may be difficult or impossible, and it may require substantial time to enter into or exit a position. Liquidity may also be affected by a number of other factors, such as whether or not a catastrophic event has occurred, or whether or

not a catastrophe season has passed. Investors in insurance-linked instruments must be prepared to hold these instruments for an indefinite period of time.

**Valuation Risk for Insurance-Linked Instruments:** The lack of an actively-traded market in certain of the investments expected to be made by Alternative Investments may create valuation uncertainty. The value of insurance-linked instruments may be expected to exhibit substantial volatility before or after the occurrence of a catastrophic or other triggering event on the security. The market price may also be affected if rated instruments are downgraded by a rating agency, or if the market experiences limited liquidity at any time.

**Catastrophe Risk:** The Sub-Fund may have exposure to losses resulting from natural and man-made disasters and other catastrophic events. Catastrophes can be caused by various events, including hurricanes, earthquakes, hailstorms, explosions, severe winter weather and fires. The incidence and severity of such catastrophes are inherently unpredictable and the Sub-Fund's losses from catastrophes could be substantial. The occurrence of claims from catastrophic events is likely to result in substantial volatility in the Sub-Fund and/or Alternative Investments' financial condition or results of operations for any fiscal quarter or year and could have a material adverse effect on the Sub-Fund or and/or Alternative Investments' ability to write new business. The Investment Manager expects that increases in the values and concentrations of insured property will increase the severity of such occurrences in the future. Although the Investment Manager will attempt to manage the Sub-Fund's exposure to such events, a single catastrophic event could affect multiple geographic regions and lines of business or the frequency or severity of catastrophic events could exceed the Investment Manager's estimates, either of which could have a material adverse effect on the Sub-Fund's financial condition or results of operations.

**Cyclical Fluctuations in Insurance Markets:** The insurance and reinsurance business has historically been a cyclical industry, with significant fluctuations in operating results due to competition, catastrophic events, general economic and social conditions and other factors. This cyclical nature has produced periods characterized by intense price competition due to excess underwriting capacity as well as periods during which shortages of capacity permitted favourable premium levels. In addition, increases in the frequency and severity of losses suffered by reinsurers can significantly affect these cycles. It is difficult to predict the timing of such events with certainty or to estimate the amount of loss that any given event will generate. The Sub-Fund can be expected to be exposed to the effects of such cyclical nature. Moreover, in respect of certain derivatives, there can be significant fluctuations in operating results due to competition, catastrophic events and other factors.

**Due Diligence of Insurance Investments:** The market for insurance-linked instruments is developing and Portfolio Managers will from time to time need to originate investment opportunities that currently do not exist. These opportunities may be sizeable and infrequent and may require lengthy due diligence. Although relevant Portfolio Managers are expected to be able to identify a steady, albeit relatively infrequent, stream of opportunities, there may be prolonged periods of time when any such Portfolio Manager is unable to identify attractive opportunities. This may result in lower re-investment returns than the Portfolio Manager anticipates.

**Claims and Coverage:** As industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to claims and coverage may emerge. These issues may adversely affect the Sub-Fund's, indirect through Alternative Investments, investments in certain insurance-linked instruments and, in some instances, these changes may not become apparent until such instruments are affected by these changes. As a result, the full extent of liability as a result of these changes may not be known for many years following the Sub-Fund's, indirect through Alternative Investments, investment in such instruments.

**Correlation of Insurance Investments with Other Asset Classes:** While insurance related events, such as mortality and natural or man-made catastrophes are uncorrelated to the financial markets, including the global equity and bond markets, insurance-linked securities are nevertheless fundamentally financial instruments and may exhibit a direct or strong positive correlation with other sectors of the financial markets. Therefore, there can be no assurance of low correlation or beneficial pricing.

**Insurance Regulation.** Apollo is subject to insurance holding company system laws and regulations in the U.S. states of domicile of certain insurance companies for which Apollo is (or, with respect to potential future transactions, will be) deemed to be a control person for purposes of such laws. Although the U.S. federal government does not directly regulate the insurance business, federal legislation and administrative policies in several areas, including pension regulation, age and sex discrimination, financial services regulation, securities regulation and federal taxation, can significantly affect the insurance business. Additionally, the Federal Insurance Office (the "**FIO**") within the U.S. Department of the Treasury, while currently not having a general supervisory or regulatory authority over the business of insurance, performs various functions with respect to insurance, including serving as a non-voting member of the Financial Stability Oversight Council ("**FSOC**") and making recommendations to the FSOC regarding non-bank financial companies to be designated as systemically important financial institutions ("**SIFIs**").

In December 2019, the FSOC released final interpretive guidance for designating non-bank SIFIs that incorporates an activities-based approach ("**ABA**") and that provides that the FSOC will pursue entity-specific determinations only if a potential risk or threat cannot be addressed through an ABA. There are currently no such non-bank financial companies designated by FSOC as "systemically significant."

The director of the FIO has also submitted reports to the U.S. Congress on (i) modernization of U.S. insurance regulation (provided in December 2013) and (ii) the U.S. and global reinsurance market (provided in November 2013 and January 2015, respectively). Such reports could ultimately lead to changes in the regulation of insurers and reinsurers in the U.S.

Apollo is also considered the parent or a control person of certain insurance companies or their subsidiaries in other jurisdictions, including Bermuda, the UK, the EU (and its constituents) and Switzerland.

In November 2019, the International Association of Insurance Supervisors (the "**IAIS**"), an organization of insurance regulators with members from 140 countries, adopted the Common Framework for the Supervision of Internationally Active Insurance Groups ("**ComFrame**"). ComFrame will be applicable to entities that meet the IAIS's criteria for internationally active insurance groups (or "**IAIGs**") and are designated as such. Under ComFrame, an IAIG is defined as an insurance group which has (i) premiums written in three or more jurisdictions, with the percentage of gross premiums written outside the home jurisdiction comprising at least 10% of the group's total gross written premiums, and (ii) based on a rolling three-year average, total assets of at least \$50 billion, or gross written premiums of at least \$10 billion. ComFrame includes measures such as group supervision, group capital requirements, uniform standards for insurer corporate governance, enterprise risk management and other control functions, and resolution planning. With respect to the group capital requirements, the IAIS also adopted in November 2019 the risk-based global insurance capital standard ("**ICS**") which is the group capital component of ComFrame. In the event that Apollo is designated an IAIG, Apollo will be subject to the relevant ICS. It is possible that the development of these international standards will have an impact on Apollo's capital position and capital structure in the future.

There is a risk that insurance regulatory agencies in the U.S. and elsewhere will continue to adopt new laws or regulations, change existing laws or regulations or enhance the interpretation or enforcement of existing laws and regulations, all of which could have an adverse effect on Apollo, the Sub-Fund, Alternative Investments and their respective portfolio companies.

**Sovereign Debt:** It is anticipated that the Sub-Fund may, indirectly through Alternative Investments, invest in instruments issued by a government, its agencies, instrumentalities or its central bank ("**Sovereign Debt**"). Sovereign Debt may include securities that Alternative Investment believes are likely to be included in restructurings of the external debt obligations of the issuer in question. The ability of an issuer to make payments on Sovereign Debt, the market value of such debt and the inclusion of Sovereign Debt in future restructurings may be affected by a number of other factors, including such issuer's: (i) balance of trade and access to international financing; (ii) cost of servicing such obligations, which may be affected by changes in international interest rates; and (iii) level of international currency reserves, which may affect the amount of foreign exchange available for external debt payments. Significant ongoing

uncertainties and exposure to adverse conditions may undermine the issuer's ability to make timely payment of interest and principal, and issuers may default on their Sovereign Debt.

**Board Participation.** It is expected that employees, consultants or operating partners of Apollo and its affiliates will serve as directors of portfolio companies. In addition to any duties Apollo employees or such other persons may owe to the Sub-Fund (or any Alternative Investment), as directors of portfolio companies, these Apollo employees or such other persons will also owe duties to the shareholders of the portfolio companies and persons other than the Sub-Fund or Alternative Investment (which, in each case, could include other Apollo Clients who are themselves shareholders of such portfolio company). In general, such positions are often important to the Sub-Fund's investment strategy and may enhance the ability of the Investment Manager, the Sub-Investment Manager or any Portfolio Manager to manage the Sub-Fund's Alternative Investments' investments. However, such positions may have the effect of impairing the ability of the Sub-Fund or Alternative Investment to sell the related investments when, and upon the terms, the Investment Manager and/or Sub-Investment Manager and/or Portfolio Manager may otherwise desire. In addition, such positions may place Apollo employees or such other persons in a position where they must make a decision that is either not in the best interests of the Sub-Fund and/or Alternative Investment or not in the best interests of the shareholders of the portfolio company. Should an Apollo employee make a decision that is not in the best interests of the shareholders of a portfolio company, such decision may subject the Investment Manager and/or Sub-Investment Manager and/or Portfolio Manager and the Sub-Fund to claims they would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In general, the Sub-Fund will indemnify the Board of Directors, the Investment Manager, the Sub-Investment Manager and other Indemnified Parties from such claims. In addition, the interests of Apollo, its affiliates and other Apollo Clients that have invested in a portfolio company with respect to the management, investment decisions or operations of a portfolio company may at times be in direct conflict with those of the Sub-Fund. As a result, in such circumstances, Apollo and its affiliates will face actual or apparent conflicts of interest, in particular in exercising powers of control over, or making decisions with respect to, such portfolio companies. See "*Conflicts of Interest—Capital Structure Conflicts*" in the Prospectus.

**Control Person Liability.** The Sub-Fund is not expected to have an indirect controlling interest in any of its or its Alternative Investments' portfolio companies, however if the Sub-Fund did have such a control interest in one or a number of its or its Alternative Investments' portfolio companies, the fact that the Sub-Fund, the Board of Directors, the Investment Manager or Sub-Investment Manager exercises control or exerts influence (or merely has the ability to exercise control or exert influence) over a company may give rise to risks of liability (including under various theories of parental liability and piercing the corporate veil doctrines) for, among other things, personal injury and/or property or environmental damage claims arising from an accident or other unforeseen event, product defects, employee benefits (including pension and other fringe benefits), failure to supervise management, violation of laws and governmental regulations (including securities laws, anti-trust laws, employment laws, insurance laws, anti-bribery (and other anti-corruption) laws) and other types of liability for which the limited liability characteristic of business ownership and the Sub-Fund itself (and the limited liability structures that may be utilized by the Sub-Fund in connection with its indirect ownership of portfolio companies or otherwise) may be ignored or pierced, as if such limited liability characteristics or structures did not exist for purposes of the application of such laws, rules regulations and court decisions. These risks of liability may arise pursuant to U.S. and non-U.S. laws, rules, regulations, court decisions or otherwise (including the laws, rules, regulations and court decisions that apply in jurisdictions in which portfolio companies or their subsidiaries are organized, headquartered or conduct business). Such liabilities may also arise to the extent that any such laws, rules, regulations or court decisions are interpreted or applied in a manner that imposes liability on all persons that stand to economically benefit (directly or indirectly) from ownership of portfolio companies, even if such persons do not exercise control or otherwise exert influence over such portfolio companies (e.g., Sub-Fund Investors). Lawmakers, regulators and plaintiffs have recently made (and may continue to make) claims along the lines of the foregoing, some of which have been successful. If these liabilities were to arise with respect to the Sub-Fund or its indirectly held portfolio companies, the Sub-Fund might suffer significant losses and incur significant liabilities and obligations. The having or exercise of control or influence over a portfolio company could expose

the assets of the Sub-Fund, its investors, the Board of Directors, the Investment Manager, the Sub-Investment Manager and their respective Affiliates to claims by such portfolio company, its security holders and its creditors and regulatory authorities or other bodies. While the Board of Directors intends to manage the Sub-Fund to minimize exposure to these risks, the possibility of successful claims cannot be precluded, nor can there be any assurance as to whether such laws, rules, regulations or court decisions will be expanded or otherwise applied in a manner that is adverse to portfolio companies, the Investment Manager, the Sub-Investment Manager, the Sub-Fund and its investors. Moreover, it is possible that, when evaluating a potential portfolio investment, the Board of Directors, the Investment Manager or the Sub-Investment Manager may choose not to pursue or consummate such portfolio investment, if any of the foregoing risks may create liabilities or other obligations for any of the Sub-Fund, Board of Directors, the Investment Manager, the Sub-Investment Manager or any of their respective affiliates, portfolio companies, partners or employees.

**Reliance on Portfolio Company Management.** The day-to-day operations of a portfolio company will be the responsibility of such company's management team, which could include representatives of other financial investors with whom the relevant Alternative Investment is not affiliated and whose interests conflict with the interests of the Alternative Investment. In some cases, the Alternative Investment might have limited ability to evaluate the management of such companies based on past performance due to changes in management, lack of operational history or otherwise. Although the Alternative Investment will be responsible for monitoring the performance of portfolio companies and generally seeks to invest in companies operated by capable management, there can be no assurance that an existing management team, or any successor, will be able to successfully operate a portfolio company in accordance with Alternative Investment's strategy for such company. Misconduct by management (or other employees) of a portfolio company could cause significant losses in respect of the relevant investment.

**Excuse or Exclusion of Certain Investors.** Investors in AAA (as defined below) (such investors, "**AAA Investors**") such as the Sub-Fund may not be obligated, may not be permitted or may have agreed with the general partner of AAA (the "**AAA General Partner**") not to contribute capital toward, or not participate (or not fully participate) in, certain investments if, for example, the making of such investments would be illegal, or is otherwise prohibited by statute or regulation, for such investors or would have a material adverse effect on AAA or an issuer. As further described in the limited partnership agreements governing AAA (the "**AAA Partnership Agreements**"), AAA may issue units in classes or series to such AAA Investors, or utilize alternative investment vehicles, in order to facilitate the excuse or exclusion of such AAA Investors.

Specifically, because certain Athene Limited Partners in AAA are regulated by certain state insurance regulators (the "**Athene Regulated Limited Partners**") require applicable regulatory approvals in order to participate in certain Investments, the AAA General Partner may, in its sole discretion, exclude the capital accounts (and corresponding units) attributable to the applicable Athene Regulated Limited Partners from participating in such investments (in whole or in part) until such regulatory approval is received, in accordance with the AAA Partnership Agreements. Such requirement may also restrict, delay or even prevent the Partnership's entitlement to and participation in such Investments (in whole or in part). If an AAA investor, including any Athene Limited Partner, is excused or excluded from an investment, the other investors will participate in respect of an investment to a greater extent they would have otherwise been required to if there had been no excuse or exclusion. Additionally, certain prospective investors are prohibited from participating in investments in their own capital structure and such investors will not contribute any capital or otherwise participate in, and will be excluded from, any such investments, which will result in the other investors will own more than their *pro rata* share of such investments.

The excuse or exclusion of a substantial number of AAA Investors or one or more AAA Investors could limit opportunities for investment diversification, may substantially impair AAA's ability to complete certain investments, and may reduce returns to AAA and, in turn, the Sub-Fund. Depending on the scope of an exclusion right and the manner in which any relevant investments would otherwise be made or held by AAA, it may not be practicable to exclude an AAA Investor from an investment and, accordingly, such investment-related exclusion rights will result in preventing AAA from making such investments. The AAA General Partner will, in good faith, take such considerations into account when considering such exclusion requests. It is possible,



however, that excuse or exclusion rights relating to an investment may have an impact on AAA that is more material than anticipated by the AAA General Partner at the time such excuse or exclusion rights are granted. Alternatively, the profits and losses attributable to such investments may be distributed or allocated only to the AAA Investors for whom participation therein would not be illegal or otherwise prohibited by statute or regulation or that would otherwise not result in any such material adverse effect. To the extent it deems fit, the AAA General Partner may utilize memorandum accounts (or utilize any other tracking mechanism) or otherwise issue a separate class or series of the units for AAA Investors that the AAA General Partner determines should not participate in such investments. Furthermore, the AAA General Partner, in its sole discretion, reserves the right to (without prior notice to or consent from the AAA Conflicts Committee (as defined below) or the AAA Investors) vary its policy with respect to the distribution or allocation of profits and losses attributable to such investments as it deems appropriate for AAA as a whole, in light of, among other things, existing interpretations of, and amendments to, applicable rules and regulations and practical considerations, including administrative burdens and principles of fairness and equity.

Excuse rights will be exercisable only at the time of AAA's initial making of an investment, and will not apply with respect to any investment made or held through an entity that is itself treated as a portfolio company or portfolio fund of AAA. As such, AAA Investors will not be excused from participating in an investment made through an entity treated as a portfolio company or a portfolio fund of AAA, even if such AAA Investors would have had the right to be excused had such investment been made directly by AAA, unless otherwise agreed by the AAA General Partner in its sole discretion. In addition, if an investment initially made through an entity treated as a portfolio company or portfolio fund of AAA is restructured such that it is subsequently held directly by AAA, investors will not have the opportunity to be excused from participation in such investment after such restructuring, unless otherwise agreed by the AAA General Partner in its sole discretion.

By acquiring an interest in AAA, each AAA Investor will be deemed to have acknowledged and agreed that any election (or lack thereof) by an AAA Investor to be excused from an investment pursuant to the AAA Partnership Agreements will generally apply to any follow-on investment in respect of such investment such that if an investor does not elect to be excused from an investment initially, it is expected that an investor's excuse rights otherwise applicable to such investment will be unavailable, and will not apply in respect of follow-on investments relating to such investment, including, without limitation, where a follow-on investment results from decisions in respect of subsequent acquisitions made by management of the relevant portfolio company, or the follow-on investment is made as part of a platform investment, or in the same portfolio company as the initial investment (and therefore is not segregated from the initial investment).

Finally, to the extent that the participation of AAA or any AAA Investors (or any Parallel Vehicle or the investors in such Parallel Vehicle) in an investment opportunity that is otherwise suitable for AAA and other Apollo Clients would cause the investment to become subject to requirements and restrictions of AIFMD or other law, rule or regulation that could have an adverse impact on any or all participating investors, Apollo may determine to exclude AAA or such AAA Investors (or such Parallel Vehicle or the investors in such Parallel Fund), from participating in the investment opportunity. See "*Certain Risks Related to Regulatory Matters—The Alternative Investment Fund Managers Directive*" in the Prospectus.

**Exclusive Arrangements.** It is possible that, from time to time, the Sub-Fund, Apollo, other Apollo Clients or any of their respective affiliates or portfolio companies, could enter into exclusivity, non-competition or other arrangements with one or more joint venture partners, operating partners or other third parties with respect to potential investments in a particular geographic region or with respect to a specific industry or asset type pursuant to which the Sub-Fund, an Alternative Investment or Apollo or any of their respective affiliates, could agree, among other things, not to make investments in such region or with respect to such industry or asset type outside of its arrangement with such person. Similar issues could arise in connection with the disposition of an investment. Accordingly, there could be circumstances in which Apollo or an Apollo Client could source a potential investment opportunity or be presented with an opportunity by a third party, and, as a result of such arrangements with such person, the Sub-Fund or Alternative Investments or its portfolio companies could be precluded from pursuing such investment opportunity.

Such investments will involve risks in connection with such third-party involvement, including the possibility that a third party could have financial difficulties resulting in a negative impact on such investments. Furthermore, a third-party co-investor or manager or operator might have economic or business interests or goals that are inconsistent with those of the Sub-Fund or could be in a position to take (or block) action in a manner contrary to the investment objectives of the Sub-Fund or an Alternative Investment. The Sub-Fund or an Alternative Investment might also in certain circumstances be liable for the actions of such third parties. While the Sub-Fund or an Alternative Investment can seek to obtain indemnities to mitigate such risk, such efforts might not be successful. Investments made with such third parties in joint ventures or other entities could involve arrangements whereby the Sub-Fund or Alternative Investment would bear a disproportionate share of the expenses of the joint venture and/or portfolio entity, as the case may be, including any overhead expenses, management fees or other fees payable to the joint venture partner (or the management team of the joint venture portfolio entity), employee compensation, diligence expenses or other related expenses in connection with backing the joint venture or the build out of the joint venture portfolio entity. Such expenses can be borne directly by the Sub-Fund as Operating Expenses or indirectly as the Sub-Fund bears the start-up and ongoing expenses of the newly formed joint venture portfolio entity.

The compensation paid to joint venture and operating partners, if any, could be comprised of various types of arrangements, including one or more of the following: (i) management or other fees, including, for example, origination fees and development fees payable to the joint venture partner (or the management team of the joint venture portfolio entity); (ii) carried interest distributions and/or other profit sharing arrangements payable to the joint venture partner (or the management team of the joint venture portfolio entity), including profits realized in connection with the disposition of a single asset, the whole joint venture portfolio entity or some combination thereof; and (iii) other types of fees, bonuses and compensation not otherwise specified above. None of the compensation or expenses described above, if any, will be offset against any management fees or carried interest distributions payable to the Investment Manager and Sub-Investment Manager or the Board of Directors in respect of the Sub-Fund. In addition, joint venture and operating partners (and/or their officers, directors, employees or other associated persons), if any, could be permitted to invest in the Sub-Fund, other Apollo Clients or specific transactions (including portfolio companies) on a no-fee/no-carry basis. Members of the management team for a joint venture portfolio entity could include consultants and/or former Apollo employees.

In the event that the Sub-Fund has an indirect non-controlling interest in any such investment, there can be no assurance that minority rights will be available to it or that such rights will provide sufficient protection of the Sub-Fund's interests. The Sub-Fund's investment strategies in certain investments could, but are not expected to, depend on its ability to enter into satisfactory relationships with joint venture or operating partners. There can be no assurance that Apollo's future relationship with any such partner or operator would continue (whether on currently applicable terms or otherwise) with respect to the Sub-Fund or an Alternative Investment or that any relationship with other such persons would be able to be established in the future as desired with respect to any sector or geographic market and on terms favourable to the Sub-Fund or an Alternative Investment.

#### **Additional Conflicts of Interest related to the Sub-Fund**

**Underlying Apollo Funds.** As a general matter, each Apollo Fund will be managed by the corresponding Apollo-affiliated portfolio manager and its respective investment team. Accordingly, the investment team responsible for the management of each underlying Apollo Fund in which the Sub-Fund invests is not expected to be the same set of Apollo investment professionals who are responsible for the management of the Sub-Fund and the Apollo Fund investment team will not prioritize the interests of the Sub-Fund in any circumstance. As such, conflicts could arise with respect to decisions made at the Apollo Fund level that could impact the Sub-Fund, including by the Sub-Fund's investments in other Apollo Funds. For example, an Apollo Fund may be incentivized to hold investments for longer periods of time (instead of making a distribution of cash or securities to the Sub-Fund) in order to maximize management fees or carried interest to the corresponding Apollo-affiliated general partner or portfolio manager at the Apollo Fund level. Similarly, an Apollo-affiliated general partner or portfolio manager could decide to recycle proceeds from an underlying investment in order to make additional investments at such underlying Apollo Fund rather than making a distribution to the Sub-Fund.

Because the Sub-Fund will make numerous investments in other Apollo Funds, Apollo's ability to mitigate conflicts of interests with respect to the Sub-Fund will be subject to greater complexity than otherwise would be the case for a typical commingled fund and such conflicts may not be mitigated or otherwise resolved in a manner that is in the best interest of the Sub-Fund as a whole, given the overlapping duties Apollo owes to other Apollo Clients, including Apollo Clients in which the Sub-Fund invests.

**Other Apollo Funds.** Portfolio companies of underlying Apollo Funds could be in, or come into, competition with other companies in which members or affiliates of the Investment Manager have an interest via different investment funds or other means. Members or affiliates of the Investment Manager could promote the interests of such other companies over the interests of an underlying Apollo Fund, which could have a detrimental effect on the Sub-Fund or an underlying Apollo Fund. Members or affiliates of the Investment Manager could also assist certain of such other companies with their marketing, sales or other activities, which may include introductions to prospective customers that include portfolio companies of an underlying Apollo Fund. In addition, portfolio companies of an underlying Apollo Fund may acquire, or be acquired by, portfolio companies of other investment funds directly or indirectly associated with members or affiliates of the Investment Manager.

**Advisory Boards:** Certain Apollo Clients, on which the Apollo Funds, invest have advisory boards. Members of such advisory boards owe no fiduciary duties to their corresponding Apollo Clients, are under no other obligation to act in the best interests of such Apollo Clients, and may choose to act only in the best interests of the limited partner with which such member is affiliated. Although Apollo has adopted policies and procedures designed to manage conflicts among Apollo Clients, members of the advisory boards or any subcommittee thereof could themselves have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to their advisory boards or subcommittees for consideration or review. For example, in a cross trade situation where Apollo arranges for an Apollo Client to purchase an investment from or sell an investment to another Apollo Client, if an advisory board member has an interest in both Apollo Clients involved in the cross trade, such member could favor one Apollo Client over the other if such member's interests are more aligned with the Apollo Client it favors. In addition, if the member has an interest unrelated to Apollo, it may not act in the best interest of the Apollo Client it represents. While Apollo may adopt policies or procedures to address such conflicts in the future, it has not done so to date, and it may not be possible to eliminate such conflicts. In addition, notwithstanding that the applicable governing documents of any Apollo Fund might suggest that a particular transaction or conflict of interest ought to be submitted to the corresponding advisory board for its review or consent, the corresponding general partner could at any time delegate, entrust or defer one or more functions of such advisory board (including with respect to conflicts of interest, such as transactions between portfolio companies of Apollo, such Apollo Fund or other Apollo Clients, including provision of services, mergers, acquisitions, financings and other financial transactions) to the investors in such Apollo Fund as a whole, or to one or more other independent parties. Such independent parties could include the board of directors (or a subcommittee thereof), or independent directors, of a portfolio company, including, for example, if such portfolio company is publicly traded or if such Apollo Fund does not control such portfolio company, some or all of whom might have been appointed by, or otherwise be associated with, Apollo, or who, even if independent of Apollo, could be incentivized to make determinations in favor of Apollo due to industry connections, Apollo's influence (through such Apollo Fund or otherwise) over the relevant portfolio company or other factors. In any such case, the investors in such Apollo Fund, in their capacity as such, will have no influence over the relevant matter, and investors represented on such Apollo Fund advisory board will have less influence over any such matter than they would had such function not been so delegated, entrusted or deferred.

**AAA Oversight Committee:** Certain Apollo Funds will establish the oversight committees. In particular, Apollo Aligned Alternatives (A), L.P., Apollo Aligned Alternatives (C), L.P., Apollo Aligned Alternatives (FC), L.P., Apollo Aligned Alternatives, L.P., (together referred to as "**AAA**"), will establish an initial oversight committee for the AAA Fund ("**AAA Oversight Committee**"). The general partner of AAA ("**General Partner**") will designate all initial members of the AAA Oversight Committee, including the five independent committee members that will be members that are not the General Partner, and/or the manager (or their affiliates) of AAA ("**Independent Committee Members**"), and will also determine the initial term of each member. At the time of

an investor subscription in AAA, such investor shall acknowledge and agree to the composition of the AAA Oversight Committee and then existing terms of members. The General Partner has the power to remove any AAA Oversight Committee member at any time for any reason or otherwise determine to not allow such member to stand for re-election and may designate a replacement; **provided that** at all times the AAA Oversight Committee will consist of no more than nine persons and the Independent Committee Members will have the right to appoint any independent person to fill any vacancy to ensure the AAA Oversight Committee is comprised of at least a majority of Independent Committee Members. Independent Committee Members could be affiliated with, or controlling members of, an investor in AAA thereby creating a conflict of interest with respect to the level of independence of such Independent Committee Members.

**AAA Conflicts Committee; Conflicts Review Agent.** Certain Apollo Funds will establish the conflict committees and appoint a conflicts review agent. In particular, with respect to AAA, the General Partner is authorized to constitute and cause the appointment of persons to a conflicts committee (the "**AAA Conflicts Committee**"). The AAA Conflicts Committee is expected to be comprised of all of the Independent Committee Members. The AAA Conflicts Committee will be available to advise the General Partner and/or the Board of Directors and to resolve issues involving potential material conflicts of interest. The AAA Conflicts Committee will operate pursuant to policies and procedures, which may be amended at any time by the General Partner (the "**AAA CC Procedures**").

The General Partner is also authorized to select one or more persons (each, a "**Conflicts Review Agent**") who are not affiliated with the general partner of AAA, to consider and, on behalf of the investors of AAA, review and/or approve such matters or potential conflicts of interest as the general partner of AAA may determine, including any principal, agency, agency cross and cross transactions, or matters that could require approval by applicable law, including Section 206(3) of the Advisers Act. The person(s) selected as Conflicts Review Agents may be exculpated and indemnified by AAA in the same manner and to the same extent as the general partner of AAA is so exculpated and indemnified under the AAA's governing documents, and the general partner of AAA will have the authority to agree to reimburse such person(s) for their out-of-pocket expenses and to indemnify them (at the AAA's expense) to the maximum extent permitted by law. The General Partner is authorized to submit such matters to the Conflicts Review Agent for their review and consent, which review and/or consent will be binding on AAA and its partners and will not be obligated to separately seek the review or consent of the investors of AAA or the AAA Conflicts Committee with respect to such matters.

The AAA Conflicts Committee will be authorized to give any approval or consent required or deemed necessary or advisable under the Advisers Act on behalf of the AAA and the investors of AAA, including under Section 205(a) or 206(3) of the Advisers Act. Any approval, consent or ratification given by the AAA Conflicts Committee will be binding on the AAA and the investors of AAA (including the Sub-Fund). The AAA Conflicts Committee, in its sole discretion, may also independently engage, and delegate the responsibility for such determinations to, a Conflicts Review Agent. As a general matter, no approval of the AAA Conflicts Committee will be required for any transaction entered into by the AAA with any member of the Apollo Group that is, as determined by Apollo in its reasonable discretion, (x) entered into in accordance with Apollo's then current internal policies (or successor policies), if such policies are applicable, or (y) on arm's length terms or terms that are not materially less favourable to the AAA than the terms or conditions that could be obtained from a third party with commensurate skill, expertise or experience (to the extent applicable). Without limiting the generality of the foregoing, the terms of any such transaction will be deemed to satisfy the foregoing if: (i) such transaction is expressly permitted or contemplated under the terms of the AAA governing documents; (ii) AAA or the General Partner obtains advice from or the recommendation of a person that is not an affiliate of the General Partner or the manager of AAA with skill, expertise or experience in the applicable subject matter that the terms of such transaction satisfy the foregoing standard; (iii) the General Partner determines in its sole discretion that the such transaction is referenced in the AAA CC Procedures as a transaction that is exempt from approval or non-objection from the AAA Conflicts Committee; or (iv) the terms of such transaction are approved or not objected to by the AAA Conflicts Committee. AAA will bear any fees, costs and expenses related to the AAA Conflicts Committee. No assurance can be given that the AAA Conflicts Committee will resolve each matter in a manner that is in the best interests of AAA. Furthermore, the AAA Conflicts Committee's policies and procedures are likely not to contain all of the approvals and notices that one might

submit to a AAA advisory board and therefore the transactions that would have otherwise given rise to an approval or notice would be engaged in directly or indirectly by the AAA without involvement of the AAA Conflicts Committee. The General Partner and the Independent Committee Members, as the case may be, retain the right to appoint, remove and replace the members of the AAA Conflicts Committee and no investor of AAA will retain such right. Further, the General Partner is incentivized to appoint persons to the AAA Conflicts Committee that it expects will approve transactions that give rise to conflicts of interest (including principal transactions).

In the event that AAA invests in an Apollo Client or an investment where AAA is the sole investor, the General Partner will generally subject any matters or potential conflicts of interest, including any principal, agency, agency cross and cross transactions, or matters that could require approval by applicable law, including Section 206(3) of the Advisers Act, to the foregoing AAA Conflicts Committee procedures. For example, if a portfolio company of the AAA or an Apollo Client in which AAA is the sole investor seeks to obtain financing solely or substantially from another Apollo Client, Apollo and the General Partner will generally subject such transaction to Apollo's existing policies and procedures with respect to such transactions (including the policies and procedures of the AAA Conflicts Committee), which could include approval by the AAA Conflicts Committee or a Conflicts Review Agent, in each case.

**Apollo Commitments:** Apollo and/or its affiliates expect to satisfy a portion Apollo's "sponsor commitment" obligations to certain Apollo Clients (the "**Apollo Commitments**") through the AAA's (or other Apollo Fund's) investment in such Apollo Client. For the avoidance of doubt, all or a substantial portion of the Apollo Commitments are permitted to be satisfied (i) by any Apollo affiliate, including publicly traded or privately owned affiliates of Apollo or other Apollo Funds, including AAA, (ii) by the commitments of employees of Apollo and their estate planning vehicles and charitable foundations to such Apollo Clients (iii) by or through one or more other investment structures, instruments or transactions (including a vehicle, account, account segregation, portfolio, cell, participation, derivative or other contractual or legal arrangement) in which Apollo (or an entity with securities convertible into Apollo) has, directly or indirectly, economic exposure to the performance of the investments, such as AAA; and/or (iv) by the AAA itself. AAA's commitments to the Apollo Clients in respect of the Apollo Commitments will still bear management fees and carried interest in accordance with the terms of the governing documents (notwithstanding that such commitments are in satisfaction of the "sponsor" commitment), and the General Partner will determine, in its discretion, what portion of the Apollo Commitment will be within or outside the each such Apollo Fund's commitment cap (if applicable). Furthermore, the General Partner will determine the extent to which the provisions of the governing documents apply to AAA in the AAA's capacity as an affiliate of the general partner of the applicable Apollo Client (for example, AAA could be precluded from having any voting rights with respect to such Apollo Fund), but, even if it did retain voting rights, the General Partner does not anticipate (nor will it be required to) passing through such vote to the investors of AAA.

To the extent that AAA (or any Apollo Fund) determines it is required by, or facilitates compliance with, the provisions relating to the Apollo Commitments of any underlying Apollo Clients in which AAA (or any Apollo Fund) invests, AAA may allocate the AAA's (or any Apollo Fund's) investments therein among the AAA's (or any Apollo Fund's) capital accounts on an other than *pro rata* basis. AAA (or any Apollo Fund) could also cause AAA to satisfy any "sponsor" commitment to investments other than Apollo Clients.

Investments by Apollo in or alongside AAA (or any Apollo Fund) will be on terms more favourable than those of other investors of AAA (or any Apollo Fund), will constitute a substantial percentage of the AAA (or any Apollo Fund). AAA (or any Apollo Fund) expects to waive all or a portion of the management fees and carried interest payable in respect of commitments made by certain Apollo affiliates and employees who invest in the AAA (or any Apollo Fund), which treatment will not be available to other investors pursuant to "most favored nations" provisions or otherwise.

Further, the Apollo Commitments may give rise to additional reporting and related requirements for certain portfolio companies, including due to (i) the fact that the entity or entities satisfying the Apollo Commitments may be publicly traded or, such as AAA(or any Apollo Fund), may otherwise have third-party investors or counterparties, (ii) the consolidation of such portfolio companies'

financial statements with those of another Apollo Client for its own accounting purposes and (iii) ensuring a proper financial accounting control environment.

Apollo or any of its affiliates is permitted to borrow funds (i) in order to fund or otherwise satisfy the Apollo Commitments or (ii) for working capital needs or for other purposes related to Apollo's businesses, and is permitted to enter into securitization or other financing, structured financing or similar transactions with respect to the Apollo Commitments as discussed above. Any such sponsor commitment entity could also be capitalized through a reinsurance arrangement. In connection therewith, Apollo and/or any of its affiliates would be expected to pledge their interests in any Apollo Client or their economic entitlements related thereto to a lender as collateral, or any such entity's reinsurance arrangement could provide the cedent insurer with the right to recapture its assets under certain conditions. Third-party investors will not have the ability to participate in any such arrangements, and the rates, terms and conditions of any such borrowing or other arrangements may be more favourable than the rates, terms and conditions of any credit facility entered into by the Sub-Fund or available to any such third parties. Apollo may also, in certain circumstances, be incentivized to prematurely harvest investments to service its own debt or other obligations. In addition, in the event of a default, a lender or cedent insurer will engage in customary remedies as provided in the applicable credit or reinsurance documents, including the right to foreclose on or otherwise recapture any posted collateral, which may include Apollo's interests in AAA (or any Apollo Fund), any Apollo Client and/or its and their underlying investments. Any foreclosure or recapture on such collateral would be expected to reduce the alignment of interest between Apollo and third-party investors alongside which it would otherwise invest. To the extent that any borrowing, reinsurance or other transactions result in a transfer of the Apollo Commitments, only the consent of an affiliate of the General Partner acting on behalf of AAA (or any Apollo Fund) or will be required to effect such transaction, and such affiliate would expect to grant such consent.

Apollo is permitted to syndicate and/or enter into structured financing arrangements with respect to all or a portion of the Apollo Commitment, including to one or more Apollo affiliates, Apollo Clients, any of their respective affiliates or portfolio companies, third parties or vehicles financed or funded by any of the foregoing or in which any of the foregoing hold beneficial interests. Any such transaction could, depending on the manner in which such transactions are structured, alter the alignment of interest between Apollo, the investors of AAA and other third-party investors in Apollo Clients.

Apollo is permitted to restructure all or a portion of the Apollo Commitments at any point, including by entering into derivative, financing, securitization or other structures, instruments or transactions or entering into any of the transactions described in this section at any time. In addition, Apollo is permitted to pledge or otherwise use as credit support all or any portion of its interests in the AAA or any Apollo Fund, its and/or their investments or its and/or their future distributions or proceeds, in each case, to or in favor of any person, in the same manner that it may do so for other of its other assets. The General Partner has granted for other Apollo Clients in the past its consent to any such restructuring of the corresponding Apollo Commitment. The potential transactions described in this paragraph or similar type of transactions, if effectuated, could, depending on the manner in which such transactions are structured, alter the alignment of interest between Apollo, the investors of AAA and other third-party investors in Apollo Funds.

**Apollo Personnel Investments:** There is no requirement in the documentation of the AAA that the General Partner and its affiliates and their employees make a "required" or "mandatory" capital commitment to the AAA or any of its alternative investment vehicles. However, in the case of Apollo Clients in which the AAA will be investing, in addition to the commitments made thereto by the AAA, Apollo employees will invest directly in such Apollo Clients. While that is the intention with respect to Apollo Clients, no such requirement is anticipated to exist with respect to any Direct Investment (including any Platform Investment) and the General Partner and its affiliates and their employees can, from time to time, in their discretion, elect to invest in any one or more of such Direct Investments. In this regard, conflicts of interest could arise by virtue of the General Partner allocating a portion of any such Direct Investment to itself and its affiliates and their employees, or allowing its affiliates and employees to invest directly only in those Direct Investments that they elect to participate in (rather than on a programmatic or consistent basis, as would be the case had such persons invested in AAA and in turn AAA invested in such alternative investment vehicles).

**"Friends and Family" Status:** Apollo may allow certain "friends and family" investors (as determined by AAA or any other Apollo Fund in their discretion) the opportunity to invest in the AAA or any other Apollo Fund. "Friends and family" could include, among other persons, third parties that provide services to the Sub-Fund or its investments, or other constituencies within the Apollo Group, friends and family members of employees of the Apollo Group, or persons associated with investments of the Sub-Fund, other Apollo Clients or Apollo itself. Each such person will directly or indirectly subscribe to AAA or any Apollo Fund and may not be assessed any management fees and/or carried interest with respect to the AAA or any Apollo Fund, though Apollo may modify such economic arrangements in its discretion. Apollo will be subject to conflicts of interest relating to as its determination with respect to any person's "friends and family" status. No such status will be subject to any "most favored nations" or similar rights in favor of any other investor of AAA or any Apollo Fund, regardless of the amount of any such investor's investment in AAA or any Apollo Fund. In addition, and in particular with respect to AAA, in connection with investment opportunities allocated to AAA involving limited partner or equivalent investments in alternative investment funds managed or advised by persons unaffiliated with AAA, those investment opportunities will typically be accompanied by an opportunity to invest in such alternative investment funds on a similar "friends and family" basis. While AAA would invest on the economic and other terms prescribed by the governing documents of such alternative investment fund (including with respect to the payment of management fees and carried interest), the General Partner and its affiliates and employees can be offered the opportunity to participate on "friends and family" terms (that do not involve the payment of management fees and/or carried interest) notwithstanding that such investment opportunity would not have presented itself absent the AAA's investment in such alternative investment fund. The General Partner is therefore subject to a conflict of interest as AAA and such employees of the General Partner and its affiliates would be investing in such alternative investment fund on materially different economic terms. The beforementioned may apply to any other Apollo Fund, respectively.

**Expanding Scope of Apollo.** The family of related entities colloquially known as the "Apollo Group" continues to expand in scope and range of activities. This creates increased opportunities for conflicts of interest, increased pressure on the allocation of opportunities across the platform and increased competition for the time, including conflicts of interest with respect to the devotion of time and attention of Apollo investment professionals who provide services in respect of the Sub-Fund, and the Sub-Fund's investments, including underlying Apollo Funds. It also creates increased opportunities for disputes, liabilities and other burdens on such investment professionals. There can be no assurance of a net benefit to the Sub-Fund, and it is possible that the expansion of the "Apollo Group" activities will yield a net detriment to the Sub-Fund.

**Holding Entities and Tracking Interests.** An Alternative Investment the Sub-Fund has invested in may determine that for legal, tax, regulatory, accounting, administrative or other reasons that the Alternative Investment should hold an investment (or a portion of a portfolio or pool of assets) through a single holding entity through which one or more other Apollo Clients hold different investments (or a different portion of such portfolio or pool of assets, including where such portfolio or pool has been divided and allocated among the Alternative Investment and such other Apollo Clients) in respect of which the Alternative Investment does not have the same economic rights, obligations or liabilities. In such circumstances, it is expected that the economic rights, liabilities and obligations in respect of the investment (or portion of a portfolio or pool) that is held by the Alternative Investment would be specifically attributed to the Alternative Investment through tracking interests in such holding entity or back-to-back or other similar contribution or reimbursement agreements or other similar arrangements entered into with such other Apollo Clients, and that the Alternative Investment would be deemed for purposes of the AAA Partnership Agreements to hold its investment (or portion of a portfolio or pool) separately from, and not jointly with, such other Apollo Clients (and *vice versa* in respect of the investments (or portion of a portfolio or pool) held indirectly through such holding entity by such other Apollo Clients). The use of such investment structures in connection with the Alternative Investment's investment activities could have an adverse impact on the Alternative Investment. For example, liabilities could arise in relation to a specific investment held indirectly through such holding entity by another Apollo Client, but not the Alternative Investment, and a counterparty could seek recourse against the holding entity from a different investment that is held indirectly through such holding entity by the Alternative Investment, but not the other Apollo Client. An investment made through such a holding entity will therefore be subject to risks by virtue of other investments owned

by the holding entity in which the Alternative Investment does not have a tracking interest, and such risks would not be present if separate holding entities were used for the separate investments made by Alternative Investments in which the Sub-Fund has invested and the other Apollo Client. Furthermore, certain holding structures may require a newly established manager, advisor, service provider or other entity intended to address certain legal, tax, regulatory, accounting, administrative or other considerations applicable to the Alternative Investment and/or other Apollo Clients. For example, due to rules, regulations and/or requirements in a particular jurisdiction (e.g., licensing requirements), it may be the case that in order to comply with the foregoing, one Apollo entity serves a particular role for another Apollo entity (e.g., as an administrator or other role requiring a license) that it otherwise would not but for the rules, regulations and/or requirements in such jurisdiction. It is possible that the Alternative Investment will be responsible for the costs and expenses of establishing such holding structure (including any such newly established entities) prior to, and/or, in anticipation of, other Apollo Clients participating through such structure for their investments and it is expected that such other Apollo Clients reimburse the Alternative Investment for any such costs and expenses on a *pro rata* basis.

**The Co-Investment Order.** The Sub-Fund could have overlapping investment strategies with Apollo Clients that are registered under the Investment Company Act (such registered clients, the "**Apollo Registered Funds**"). To the extent specific investment opportunities are appropriate for the Sub-Fund and one or more Apollo Registered Funds, in addition to being subject to the allocation policies and procedures summarized above, the opportunity will also be subject to the exemptive order Apollo has received from the SEC (the "**Co-Investment Order**"). The Investment Company Act generally prohibits Apollo Registered Funds from co-investing with other Apollo Clients, such as the Sub-Fund, where non-price terms are negotiated (such as financial and negative covenants, guarantees and collateral packages and indemnification provisions). The Co-Investment Order permits Apollo to negotiate, among other things, these types of provisions for co-investment opportunities that involve the participation of both non-registered Apollo Clients such as the Sub-Fund and Apollo Registered Funds, thus giving Apollo a larger and more diversified asset base from which to seek certain types of negotiated investment opportunities. Reliance on the Co-Investment Order is subject to certain terms and conditions, including enhanced internal notification of investment opportunities, senior members of each applicable Apollo Registered Fund making an independent determination as to appropriateness of each applicable investment, enhanced recordkeeping and, where applicable, involvement of independent directors of the applicable Apollo Registered Funds.

There can be no assurance that the Co-Investment Order will facilitate the successful consummation of investment opportunities by Apollo Clients (including the Sub-Fund). As a result of the Co-Investment Order, there is also no assurance the Sub-Fund will be able to participate in all investment opportunities that are within its investment objective. For example, the Co-Investment Order does not allow different Apollo Clients to invest in different levels or tranches of a borrower's capital structure on a negotiated basis where Apollo Clients would not hold a *pro rata* share of each tranche of the opportunity (e.g., cross investing). Additionally, the allocations available to the Sub-Fund for investment opportunities that are subject to the Co-Investment Order may be adversely affected because of the participation of Apollo Registered Funds. There will be a need to allocate investment opportunities across a larger amount of available capital. Investment opportunities that are subject to the Co-Investment Order are also subject to additional policies and procedures as a result of the participation of the Apollo Registered Funds, which may delay deal execution and adversely impact the ability of Apollo Clients, including the Sub-Fund, to deploy capital.

**Secondary Transfers of Interests.** Apollo, Apollo Clients or other entities in which Apollo, an Apollo Client or affiliates of the foregoing own an interest (including a controlling interest) could employ strategies that include acquisition of interests in private funds such as Apollo Clients, including the Sub-Fund and AAA, on the secondary market. Such acquisitions would create conflicts since the acquiror of such interests would have additional information about the interests being purchased (including the fact that an investor is seeking to sell or dispose of its interests) compared to third parties interested in such acquisition, which could allow Apollo to offer a more competitive or informed offer to acquire such interests.

Moreover, there is an ongoing trend in the private equity industry of fund sponsors offering liquidity to investors in existing funds through a structured or stapled secondary process where purchasing



investors would, as a condition to participating in such purchase from existing investors, also make a commitment to a new fund being raised. Apollo could be incentivized to engage in such a process for one or more of its existing funds (or any investments therein) to the extent doing so could be expected to improve Apollo's ability to raise a successor fund to such fund and to form and attract capital to existing or future other Apollo Clients (e.g., by securing an agreement from the purchasing investors participating in the process to make commitments to such funds or, more generally, by positively impacting the performance information for the relevant fund that is presented to prospective investors in Apollo fundraise materials).

**Pension Risk Transfers.** A "pension risk transfer" transaction ("**PRT**") is a transaction in which a defined benefit pension plan sponsor offloads some or all of its defined benefit pension plan risk. The leading catalysts for plan sponsors engaging in pension risk transfer transactions are Pension Benefit Guaranty Corporation ("**PBGC**") premiums continue to increase, new mortality tables in responses to mortality tables released by the Society of Actuaries in 2014, changes in key assumptions, such as interest rates and longevity, and administrative costs, investment management fees and other fees. Currently, there are three main types of PRTs – (1) buy-in transactions, (2) buy-out transactions, with three variants – full buy-out, lift-out and partial buy-out/spinoff, and (3) lump sum transactions.

It is possible that in connection with the purchase of and/or operation of portfolio companies, PRTs will be entered into among portfolio companies and the Athene Group, the Athora Group and certain other insurance company portfolio companies in which Apollo, its affiliates or an Apollo Client have an interest (collectively, the "**Insurance Company PortCos**"). Such PRTs could give rise to conflicts of interest, such as determining the purchase price to be paid, the amount of investment management/advisory fees that certain Apollo affiliates charge for managing the underlying pension assets and liabilities on behalf of the Insurance Company PortCos and resolution of disputes that arise in the future. A PRT with a portfolio company is not expected to require the approval of, or notice to, the AAA Conflicts Committee. Efforts to mitigate such potential conflicts of interests could include, without limitation (though none of the following actions are required to be taken), (i) where possible, negotiate the PRT with third parties, such as independent fiduciaries/trustees, (ii) where possible, negotiate in tandem with acquisition transaction of the portfolio company, (iii) separately negotiate the PRT transaction as compared to the acquisition transaction, (iv) seeking to ensure the terms of the PRT and the engagement of Apollo affiliates as investment advisors to the Insurance Company PortCos in respect of the underlying pension assets/liabilities are on an arms-length basis and reflect market rates, (v) post-PRT, minimize the number of interactions between the administrators of the pension and (vi) to the extent a dispute arises post-PRT, where possible involvement of unaffiliated persons/bodies from the perspective of the portfolio company to resolve such disputes, including such portfolio company's board, conflicts committee, third-party firms and/or the AAA Conflicts Committee. While Apollo will seek to address and resolve these conflicts in an impartial manner, there can be no assurance that Apollo's own interests, such as the investment advisory fee and other economic arrangements referenced above, will not influence its conduct.

**Reinsurance Arrangements.** One or more insurance company subsidiaries or cedents (each, a "**Portfolio Company Insurer**") of an Insurance Company PortCo could from time to time enter into one or more reinsurance or other risk transfer agreements or other arrangements (collectively, "**Reinsurance Arrangements**") with insurers and reinsurers that are affiliated with Apollo or certain Apollo Clients or their respective portfolio companies, including Catalina Holdings (Bermuda) Ltd., an affiliate of the General Partner and an acquirer and manager of non-life insurance and reinsurance companies and portfolios in run-off (together with its affiliates, "**Catalina**"), members of the Athene Group and members of the Athora Group (each, an "**Apollo Affiliated Insurance Company**"). Similar arrangements could be entered into in the event that the Sub-Fund invests indirectly, or AAA invests, directly or indirectly, in a portfolio company that is, or has one or more subsidiaries that are, in the insurance industry.

In some cases, under these Reinsurance Arrangements, a Portfolio Company Insurer may cede to an Apollo Affiliated Insurance Company all or a portion of the risks it underwrites and will pay to such Apollo Affiliated Insurance Company a premium based upon the risk and exposure of the policies subject to reinsurance. In other cases, a Portfolio Company Insurer may act as a reinsurer and assume certain agreed risks from an Apollo Affiliated Insurance Company in exchange for premiums based upon the risks and exposures assumed by the Portfolio Company Insurer. Such

Reinsurance Arrangements may include catastrophe, treaty, facultative and quota share reinsurance and may be on an excess of loss basis (where protection is provided for the amount of covered losses in excess of a specified loss amount), on a proportional basis (where the reinsurer shares in a proportional amount of the premiums and covered losses for a specified group of risks) or with respect to an entire specified block of the ceding company's business (for example, the reinsurer may assume all of the outstanding risks on a line of business exited by the ceding insurer).

Although the reinsurer is liable to the ceding company to the extent of the reinsurance ceded, the ceding company remains liable as the direct insurer on all risks reinsured. After reinsurance is purchased or otherwise obtained, the ceding company has limited ability to manage the credit risk of the reinsurer. In addition, in a number of jurisdictions, particularly the EU and the UK, reinsurers are permitted to transfer such Reinsurance Arrangements to other reinsurers, that may be less creditworthy, without a counterparty's consent; provided, that any such transfer has been approved by the applicable regulatory and/or court authority. In addition, where a Portfolio Company Insurer acts as a reinsurer, the Portfolio Company Insurer is dependent on the original underwriting decisions made by the ceding company and therefore is subject to the risk that the ceding company may not have adequately evaluated the risks the Portfolio Company Insurer has reinsured, such that the premiums may not adequately compensate for the risks assumed or the losses incurred.

It is anticipated that in connection with these Reinsurance Arrangements, the reinsurer may engage AAME, ISGI or Apollo Credit or any other Affiliated Service Provider (including ISGI) for investment advisory and/or management services, and such service providers will be entitled to compensation from the Portfolio Company Insurer, an Apollo Affiliated Insurance Company or a related reinsurance trust, as applicable. Such fees, compensation or expense reimbursements received by AAME, Apollo Credit or any other Affiliated Service Provider (including from the Sub-Fund or an Insurance Company PortCo) will be retained by, and be for the benefit of, such service provider, as applicable, and will not directly or indirectly benefit AAA or the AAA Investors. The provision of services by AAME, Apollo Credit or any other Affiliated Service Provider to a Portfolio Company Insurer or an Apollo Affiliated Insurance Company, as applicable, will not require the review by or consent of the AAA Investors or any other independent party. See "*Conflicts of Interest—Affiliated Service Providers*" in the Prospectus.

These Reinsurance Arrangements (including any subsequent Affiliated Service Provider arrangements) inherently involve actual and potential conflicts of interest, including, without limitation, (i) to the extent that the performance and operations of an affiliated counterparty could conflict with, and adversely affect the performance and operations of, an Insurance Company PortCo and its subsidiaries and (ii) in regard to the pricing, recourse and other terms that an Insurance Company PortCo and its subsidiaries may seek as compared to an unrelated third party. In such cases, the affiliated counterparty may not take into consideration the interests of an Insurance Company PortCo and its subsidiaries. In the event that an Insurance Company PortCo or any Apollo Affiliated Insurance Company experiences distress or cannot perform its respective obligations under the Reinsurance Arrangement, certain potential or actual conflicts of interest could arise given Apollo's governance rights and investments of Apollo Clients being on both sides of the transactions, and, therefore, Apollo and its affiliates may seek (but will not be obligated to) use certain measures to mitigate such conflicts of interest, including deferring decisions associated with the Reinsurance Arrangements to other persons or entities (such as the board of an Insurance Company PortCo or a committee thereof). For example, certain material reinsurance transaction between a Portfolio Company Insurer and an Apollo Affiliated Insurance Company, including any Reinsurance Arrangement, may be subject to review by the independent members of the Insurance Company PortCo's Board of Directors (the "**Independent Directors**") and a majority vote of such Independent Directors may be required or requested to approve any such transaction. Any approval may be required to be sought in accordance with the applicable corporate formalities of such Board of Directors, and such transactions may also be subject to review by independent conflicts review agents or similar persons.

It is anticipated that any Insurance Company PortCo will institute policies and procedures designed to address such potential or actual conflicts of interest and that seek to ensure that such Insurance Company PortCo and its subsidiaries are treated fairly and equitably with regard to any such reinsurance transactions entered into with an Apollo Affiliated Insurance Company and that

any such transactions are entered into on terms not materially less favourable to the Portfolio Company Insurer than terms generally available to an unaffiliated third party under the same or similar circumstances. No such reinsurance transactions or Reinsurance Arrangement will require the review by or consent of the AAA Investors or any other independent party.

**Potential Duties to Other Stakeholders.** The General Partner, the Investment Manager and the Sub-Investment Manager are affiliates of Apollo Asset Management, Inc. ("**AAM**"). The shares of Class A common stock of AAM are publicly traded on the New York Stock Exchange. As a result, the General Partner, the Investment Manager and the Sub-Investment Manager have incentives relating to the interests of AAM's stockholders that could differ from, and that could conflict with, the interests of the Sub-Fund and its investors, such as conflicts arising from the allocation of expenses, "special fees" offsets, payment of Other Fees and investment opportunities (in particular, opportunities in the financial services or insurance industries). Apollo will endeavor to resolve such conflicts in a manner that Apollo determines in good faith to be fair and equitable to the extent possible under the prevailing facts and circumstances. Apollo will seek to allocate investment opportunities in the financial services industry between Apollo and Apollo Clients in accordance with their respective governing documents and will evaluate such opportunities in accordance with its allocation policies and procedures. In the past, the application of such policies has resulted in the allocation by Apollo of certain investment opportunities relating to the alternative investment management business to Apollo rather than to the Apollo Clients, and Apollo expects to allocate such opportunities in a similar manner in the future.

As described herein, Apollo, together with Apollo Clients, engages in a broad range of business activities and invests in a broad range of businesses and assets. The Board of Directors, the Investment Manager and the Sub-Investment Manager take into account Apollo's, its affiliates' and/or other Apollo Clients' and each of their respective portfolio company's respective interests (including reputational interests, financial interests, confidentiality concerns (including with respect to Apollo senior leadership) and any other interests that arise from time to time) when determining whether to pursue (or how to structure) a potential portfolio investment for the Sub-Fund. As a result, it is possible that the Board of Directors, the Investment Manager or the Sub-Investment Manager may choose not to pursue or consummate an investment opportunity for the Sub-Fund (or may structure an investment in a manner it otherwise would not) notwithstanding that such investment may be profitable for the Sub-Fund because of the reputational, financial, confidentiality and/or other interests of Apollo and its affiliates (including the Chief Executive Officer).

**Asset Pooling.** AAA may pool certain or all investments with one or more other Apollo Clients (any such pool, an "**Asset Pool**"), including for the purposes of obtaining leverage or other financing, seeking a full or partial exit from one or more investments including through securitization or otherwise to facilitate investment into one or more portfolio companies. In such circumstances an Asset Pool may be managed or controlled by Apollo or any of its affiliates (or other Apollo Client) and securities or other interests in the Asset Pool will be owned by AAA and other Apollo Clients. The consummation of any such transaction will generally not require the consent of the AAA Conflicts Committee or the AAA Investors and will involve the exercise of Apollo's and its affiliates' discretion with respect to a number of material matters, which may give rise to actual or potential conflicts. For example, in connection with such transactions, Apollo will have broad discretion to determine whether and to what extent such a transaction constitutes a disposition of the contributed assets under the terms of the AAA Partnership Agreements, to determine the proportionate interest of AAA and the other Apollo Clients in the Asset Pool (or particular classes or tranches of securities or other interests in the Asset Pool), which will require Apollo and its affiliates to determine the relative value of assets contributed to the Asset Pool and value of securities or interests (or particular classes or tranches thereof) issued by the Asset Pool, and to determine how interests in or proceeds from the Asset Pool are attributed to those AAA Investors that participated in such contributed assets, each of which may have a material impact on AAA Investors' returns in respect of such investments or AAA more generally. In making these determinations Apollo and its affiliates may, but are not required to, engage or seek the advice of any third-party independent expert; however even if such advice was sought, valuing such assets and interests and, therefore, the value of AAA's interest in, or proceeds received from, any Asset Pool, will be subjective. AAA will generally be exposed to the performance of all assets in an Asset Pool and those investments contributed to the Asset Pool by other Apollo Clients may not perform as well as those investments contributed by AAA. Accordingly the returns of AAA in

respect of investments contributed by it may be lower than if they had not been contributed to the Asset Pool. The receipt, use and recontribution by such Asset Pools of any such proceeds shall not be considered distributions received by, or contributions made by, AAA or the AAA investors for purposes of the AAA Partnership Agreements and may result in higher or lower reported returns than if such proceeds had otherwise been distributed (or deemed distributed) to AAA or the AAA Investors. Any excuse right otherwise afforded to an AAA Investor will not apply on a "look-through" basis to any investment made or held through an Asset Pool.

**Minority Investments in Other Businesses.** Apollo and Apollo Clients from time to time make minority investments in alternative asset management and insurance firms and other businesses which are not portfolio companies of the Sub-Fund, AAA or other Apollo Clients and that are not affiliated with Apollo, the Sub-Fund, AAA, other Apollo Clients and their respective portfolio companies. Certain of these firms may from time to time engage in similar investment or other transactions in which the Sub-Fund or AAA engages, including with respect to purchase and sale of investments, with these asset management firms and their sponsored funds and portfolio companies. Typically, the Apollo-related party with an interest in the asset management firm or other person would be entitled to receive, as applicable, a share of carried interest/performance based incentive compensation and net fee income or revenue share generated by the various products, vehicles, funds and accounts managed by that third-party asset management firm or a revenue share, as applicable, that are included in the transaction or activities of the third-party asset management firm or person, or a subset of such activities such as transactions with an Apollo-related party. In addition, while such minority investments are generally structured so that Apollo does not "control" such third-party asset management firms or persons, Apollo may nonetheless be afforded certain governance rights in relation to certain investments of an such third-party asset management firms (typically in the nature of "protective" rights, negative control rights or anti-dilution arrangements, as well as certain reporting and consultation rights) that afford Apollo the ability to influence the firm. Although Apollo and Apollo Clients do not intend to control such third-party asset management firms or persons, there can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of such third-party asset management firms or persons or the interpretation of applicable law or regulations, investments by Apollo, Alternative Investments, the Sub-Fund, AAA other Apollo Clients and their respective portfolio companies will not be deemed to have control elements for certain contractual, regulatory or other purposes. While such third-party asset managers or persons will not be deemed "affiliates" of Apollo or for any other purpose, Apollo may, under certain circumstances, be in a position to influence the management and operations of such asset managers or persons and the existence of its economic/revenue sharing interest therein may give rise to conflicts of interest. The Sub-Fund, Alternative Investments, AAA and/or any underlying Apollo Fund may from time to time participate in such investments alongside other Apollo Clients. Participation rights in a third-party asset management firm (or other business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the indirect investments of the Sub-Fund to claims by third parties in connection with such investments (as indirect owners of such asset management firms or businesses) that may have an adverse financial or reputational impact on the performance of the Sub-Fund. Furthermore, it is expected that from time to time, the Sub-Fund, Alternative Investments, underlying Apollo Funds, AAA and their respective portfolio companies will engage in transactions with, and buy and sell investments from, any such third-party asset managers and their sponsored funds, or such persons, and make investments in vehicles sponsored by such third party asset managers, which may result in the Apollo-related party earning carried interest/performance-based incentive compensation and/or fee income or revenue in respect of any such transactions. Such transactions and other commercial arrangements between the Sub-Fund, Alternative Investments, underlying Apollo Funds, AAA and their portfolio companies, on the one hand, and such third-party asset managers or persons, on the other, are not subject to AAA Conflicts Committee approval. There can be no assurance that the terms of these transactions between parties related to Apollo, on the one hand, and the Sub-Fund, AAA and its portfolio companies, on the other hand, will be at arms' length or that Apollo will not receive a benefit from such transactions, which can be expected to incentivize Apollo to cause these transactions to occur. Such conflicts related to investments in and arrangements with other asset management firms or such persons will not necessarily be resolved in favor of the Sub-Fund, Alternative Investment, AAA or any underlying Apollo Fund. The Sub-Fund Investors may not be entitled to receive notice or disclosure of the terms or

occurrence of either the investments in alternative asset management firms or transactions therewith and will not receive any benefit from such transactions. Further, it is anticipated that on a programmatic basis Apollo personnel and the personnel of any such asset manager or other such persons could also invest in Apollo Clients and/or such other firms' managed funds or businesses (and *vice versa*), including the Sub-Fund or AAA and, subject to the terms of the relevant governing documents, such asset manager or such persons (as applicable) could invest in the Sub-Fund or AAA, on preferential terms, including on a no-fee and/or no-carry basis that is not subject to "most favored nations" treatment, in each case, as determined by the Board of Directors or AAA General Partner, as applicable, in its sole discretion.

#### **Additional Tax Risks related to the Sub-Fund**

As the Sub-Fund intends to invest into and/or alongside other Apollo Funds and Third-Party Funds, Investors should be aware that investing into other funds or in investments where the Sub-Fund does not have full control of investment-holding structures may result in additional tax considerations and risks, some of which may result in reduced returns to the Sub-Fund or other adverse tax-related consequences for the Sub-Fund. In particular, it is noted that (i) the underlying fund or investment holding structure may not be the most efficient method of investment for the Sub-Fund into the underlying asset; (ii) the vehicles comprising the underlying fund or investment holding structures may be subject to taxation (which may be significant) and any such taxation will decrease the amount of returns to the Sub-Fund; (iii) the underlying structures may result in additional tax or tax compliance obligations for the Sub-Fund or its investors; (iv) the Sub-Fund and its investors may be reliant on information provided by the Apollo Funds and the Third Party Funds in respect of certain tax matters which could lead to increased tax costs if such information is not provided in a timely manner; (v) there may be tax risks inherent in the underlying fund or investment holding structures over which the Sub-Fund has no control and limited visibility and (vi) the tax risk factors included in the general part of the Prospectus may also apply to the underlying fund or investment holding structures which may amplify the impact of any such risks on the Sub-Fund and/or increase the risk of such tax risks crystallizing in a manner that could impact the Sub-Fund. In addition, the tax profile of the Sub-Fund in making investments in any Apollo Funds, Third Party Funds or other investments will be different than the tax profile that an investor in the Sub-Fund would have if it made such investments directly, and an investor's direct and indirect tax burden may be higher by investing in the Sub-Fund than it would be if the investor could invest in the underlying investment directly.

As the Apollo Funds or Third-Party Funds in which the Sub-Fund may invest may have a particular focus on US investments and/or structures, the following recent US law changes (set out below) may affect the investment performance of the Apollo Funds or Third Party Funds (as applicable) and as such the Sub-Fund's investment performance. The below may also impact any other US focused investments made by the Sub-Fund:

- In recent years, several changes to the U.S. federal tax code were enacted, including the Tax Cuts and Jobs Act (the "TCJA") in 2017, and the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") in 2020. In addition, the Inflation Reduction Act of 2022 (the "IR Act") was enacted on August 16, 2022. The changes made by the IR Act include, among other things, (i) a 15% alternative minimum tax on the "adjusted financial statement income" of certain large corporations (generally, corporations reporting at least \$1 billion average adjusted pre-tax net income on their consolidated financial statements) for tax years beginning after December 31, 2022, (ii) a new U.S. federal 1% excise tax on certain repurchases (including redemptions) of stock by publicly traded domestic corporations and certain domestic subsidiaries of publicly traded foreign corporations; and (iii) \$80 billion dollar investment in IRS funding to pursue tax compliance.
- A number of provisions enacted as part of the TCJA, the CARES Act and the IR Act are still subject to uncertainty as to scope and application. While certain regulations and guidance have been issued by the U.S. Treasury Department and the IRS, some of these regulations remain in proposed form and other interpretive guidance will be necessary to help reduce uncertainty in application. However, it may take a substantial amount of time for regulations to become final and guidance to be published, and, accordingly, the entities in which the Sub-Fund may, indirectly, invest may have significant uncertainties in their tax positions. Furthermore, the impact of this legislation on the state and local tax

consequences of investments by the Sub-Fund is uncertain and will depend on whether and to what extent state and local jurisdictions conform applicable tax laws to these provisions and the interpretation thereof. In addition, there can be no assurance that U.S. tax laws, including laws impacting the corporate income tax rate, will not significantly change in the future. An increase in the corporate income tax rate would likely result in an increase of the overall tax burden borne by Sub-Fund (including in respect of any "blocker" entities) and its investments and may accordingly adversely affect the Sub-Fund's returns.

- In addition, the Biden administration may propose additional significant changes to the U.S. federal tax laws, some or all of which may be enacted. The passage of such legislation, as well as changes or modifications in existing judicial decisions or in the current positions of the IRS, could substantially modify the tax treatment of the structures into which the Sub-Fund invests, possibly on a retroactive basis. The Sub-Fund cannot predict whether the U.S. Congress or any other legislative body will enact new tax legislation or whether the IRS or any other tax authority will issue new regulations or other guidance, nor can it predict what effect such legislation or regulations might have. There can be no assurance that new legislation or regulations, including changes to existing laws and regulations, will not have an adverse effect on the Sub-Fund's investment performance.

**ANNEX III  
CLASSES OF SHARES**

<b>Class</b>	<b>Currency</b>	<b>Enrolled in the Hedging Program</b>	<b>Type of Investor</b>	<b>Minimum Initial Subscription and Minimum holding amount<sup>2</sup></b>	<b>Minimum Subsequent Subscription<sup>3</sup></b>	<b>Initial Subscription Price</b>	<b>Management Fee</b>
Class I1	EUR	Yes	Institutional	25,000	1,000	100	1.50%
Class I2	USD	No	Institutional	25,000	1,000	100	1.50%
Class I3	GBP	Yes	Institutional	25,000	1,000	100	1.50%
Class I4	CHF	Yes	Institutional	25,000	1,000	100	1.50%
Class I5	AUD	Yes	Institutional*	35,000	1,500	100	1.50%
Class I6	USD	Yes (BRL)	Institutional*	25,000	1,000	100	1.50%
Class I7	SGD	Yes	Institutional*	35,000	1,500	100	1.50%
Class I8	JPY	Yes	Institutional*	4,000,000	150,000	10,000	1.50%
Class I9	MXN	Yes	Institutional*	500,000	15,000	1,000	1.50%
Class I10	USD	Yes (CLP)	Institutional*	25,000	1,000	100	1.50%
Class A1	EUR	Yes	Advisory	25,000	1,000	100	2.35%
Class A2	USD	No	Advisory	25,000	1,000	100	2.35%
Class A3	GBP	Yes	Advisory	25,000	1,000	100	2.35%
Class A4	CHF	Yes	Advisory	25,000	1,000	100	2.35%
Class A5	AUD	Yes	Advisory*	35,000	1,500	100	2.35%
Class A6	USD	Yes (BRL)	Advisory*	25,000	1,000	100	2.35%
Class A7	SGD	Yes	Advisory*	35,000	1,500	100	2.35%
Class A8	JPY	Yes	Advisory*	4,000,000	150,000	10,000	2.35%
Class A9	MXN	Yes	Advisory*	500,000	15,000	1,000	2.35%
Class A10	USD	Yes (CLP)	Advisory*	25,000	1,000	100	2.35%
Class C1	EUR	Yes	Advisory	25,000	1,000	100	2.10%
Class C2	USD	No	Advisory	25,000	1,000	100	2.10%
Class C3	GBP	Yes	Advisory	25,000	1,000	100	2.10%
Class C4	CHF	Yes	Advisory	25,000	1,000	100	2.10%

<sup>2</sup>Note to investors: Certain sub-distributors and/or countries may have higher minimums.

<sup>3</sup>Note to investors: Certain sub-distributors and/or countries may have higher minimums.

Class D2	USD	No	Advisory*	25,000	1,000	100	2.50%
Class D6	USD	Yes (BRL)	Advisory*	25,000	1,000	100	2.50%
Class D9	MXN	Yes	Advisory*	500,000	15,000	1,000	2.50%
Class D10	USD	Yes (CLP)	Advisory*	25,000	1,000	100	2.50%
Class F1	EUR	Yes	Founder: Advisory	25,000	1,000	100	2.00%
Class F2	USD	No	Founder: Advisory	25,000	1,000	100	2.00%
Class F3	GBP	Yes	Founder: Advisory	25,000	1,000	100	2.00%
Class F4	CHF	Yes	Founder: Advisory	25,000	1,000	100	2.00%
Class F5	AUD	Yes	Founder: Advisory*	35,000	1,500	100	2.00%
Class F7	SGD	Yes	Founder: Advisory*	35,000	1,500	100	2.00%
Class F8	JPY	Yes	Founder: Advisory*	4,000,000	150,000	10,000	2.00%
Class K1	EUR	Yes	Apollo-related*	25,000	1,000	100	0%
Class K2	USD	No	Apollo-related*	25,000	1,000	100	0%
Class K3	GBP	Yes	Apollo-related*	25,000	1,000	100	0%
Class K5	AUD	Yes	Apollo-related*	35,000	1,500	100	0%

Subject to the sole discretion of the Board of Directors, each Investor will generally be eligible for Class I Shares, Class A Shares, Class C Shares, Class D Shares, Class F Shares and Class K Shares as follows:

Class I Shares are being offered exclusively to institutional and/or professional investors investing directly, financial intermediaries investing for their own account, investors who invest in their own name, investors who have account-based fee arrangements known as advisory/wrap accounts, discretionary managed accounts, or comparable fee arrangements with their financial intermediary and financial intermediaries within the European Union who: (i) must make investments for their own account; (ii) cannot receive distribution fees in accordance with applicable regulatory requirements and/or (iii) must only offer their clients Classes with no retrocessions in accordance with written agreements in place with their clients.

Class A Shares, Class C Shares and Class D Shares will generally be available to investors where the financial intermediary through which such investor acquired Shares provides such investor with ongoing reporting, administrative and/or other services.

Class F Shares will be available to investors placed into the Sub-Fund by the founding financial intermediaries (and their affiliates), such founding financial intermediaries being the financial intermediaries through which investors acquired Shares during the initial offering period and that have been designated as such by the Board of Directors in its sole discretion or have been designated as such by the Board of Directors in its sole discretion based on any other criteria (the "**Founding Financial Intermediaries**"), and who provide such investors with ongoing reporting, administrative and/or other services. For the avoidance of doubt, Class F Shares will be available to investors placed into the Sub-Fund by the Founding Financial Intermediaries on an ongoing basis.



It should be noted that: (i) only Apollo-related Investors (as defined more particularly below) will be eligible to hold Class K Shares. Class K Shares will not bear any Management Fee or Subscription Fee; and (ii) where an asterisk (\*) symbol is included in the "Type of Investor" column in the table above such Class is not eligible for subscription by Retail Investors in the EEA or UK.

Before making an investment decision each investor should consult with their financial intermediary (as applicable) regarding their eligibility for any Class.

Certain Classes, as indicated in the table above, may, from time to time, depending on the prevailing circumstances be fully or partially hedged from the relevant currency against the U.S. dollar (or such other currency as indicated in the table above) (the "**Hedging Program**"), without taking into consideration any hedging strategies separately entered into by any Investor, although there can be no assurance that any hedging strategies employed by the Sub-Fund will be effective in protecting against currency exchange rate fluctuations. Investors subscribing for Classes in any country in which U.S. dollars are not the local currency should note that changes in the value of foreign exchange between the U.S. dollar and such currency may have an adverse effect on the value, price or income of the investment to such Investors. Any costs associated with such hedging shall be allocated to the relevant Class which will reduce returns. In relation to currency hedging undertaken in the interest of a hedged Class, Investors should note that the various Classes do not constitute separate portfolios of assets and liabilities, and similar considerations may apply to any intermediary vehicle or Alternative Investment to the extent the hedging program is undertaken at such level. Accordingly, while gains and losses and the expense of the hedging program will be allocated to the hedged Classes only, the Sub-Fund and/or any intermediary vehicle and/or any Alternative Investment as a whole, may be liable for obligations in connection with currency hedges. Additionally, any financing facilities or guarantees utilized in connection with the hedging program may be entered into by the Umbrella Vehicle in respect of the Sub-Fund and/or any intermediary vehicle and/or an Alternative Investment and not any specific Class. Although a Class might benefit from the use of the hedging program, changes in currency exchange rates or other factors could result in poorer overall performance for such Class compared to what such Class' performance would have been if it had not been hedged. Any Class may, from time to time, be over-hedged or under-hedged, and the performance of any particular Class may diverge materially from the performance of the reference currency of such Class, and may diverge materially from the performance of any other Class.

For the purposes of this Sub-Fund Supplement, "**Apollo-related Investor**" means:

- (a) any director, officer, member, manager, partner, consultant or employee or former director, officer, member, manager, partner, consultant or employee or other person engaged or formerly engaged in the business of a member of the Apollo Group;
- (b) at the sole discretion of the Board of Directors, any such person's spouse or close relative;
- (c) at the sole discretion of the Board of Directors, any entity controlled by any of the persons referred to in paragraphs (a) and (b) above or the trustees of a trust of which they are beneficiaries; and
- (d) any Apollo Client, or the Investment Manager or any of its Affiliates,

provided, in each case, that the relevant person is considered by the Board of Directors (or its delegate) to be sufficiently sophisticated to understand the risks involved in investing in the Sub-Fund and meets any other requirements that the Board of Directors (or its delegate) deems appropriate from a legal, regulatory or liquidity perspective. For the avoidance of doubt, reference to any former employee(s) or person(s) formerly engaged in the business of a member of the

Apollo Group includes only such persons who have ceased to be so employed or engaged following the acceptance of their subscription for Shares, unless otherwise agreed by the Board of Directors.

22. **SUB-FUND SUPPLEMENT: APOLLO U.S. PRIVATE CREDIT FUND**

to the Prospectus of **Apollo Private Markets SICAV**

relating to the sub-fund **Apollo U.S. Private Credit Fund**

(hereinafter the "**Sub-Fund**")

**Important Notice**

This Sub-Fund Supplement summarizes selected features of the Sub-Fund in table format. Investors are strongly recommended to carefully read this Sub-Fund Supplement in conjunction with the general part of the Prospectus and the Articles and to seek professional advice before making any decision to subscribe for shares in the Sub-Fund. Terms not otherwise defined in this Sub-Fund Supplement shall have the meaning given to them in the Prospectus.

**Investment in the Sub-Fund is only intended for investors who: (i) understand the Sub-Fund's strategy, characteristics and risks in order to make an informed investment decision; and (ii) have knowledge of, and investment experience in, credit products, including (in particular) those that may use borrowing to leverage investment (such as this Sub-Fund) and financial markets generally.**

**Participation in the Sub-Fund will be offered primarily through financial intermediaries, which generally have client net worth thresholds and other requirements. Accordingly, the Sub-Fund is primarily intended for investors who have established relationships with such financial intermediaries. Investors should consult with their financial intermediary to discuss potential eligibility and suitability requirements for investment in the Sub-Fund.**

**Investors are specifically referred to the risk factors in the general part of the Prospectus and in this Sub-Fund Supplement, under "Risk Factors" and as set out in Annex IV Annex IV.**

In the Prospectus and Subscription Agreement for Shares in the Sub-Fund, each Investor confirms that it has read and understood the aforementioned documentation and that it has sought professional advice in respect to such documentation. By signing the Subscription Agreement, each Investor confirms its agreement with the content of the Prospectus (including all annexes and exhibits thereto), this Sub-Fund Supplement and the Articles.

Participation in the Sub-Fund involves intricate tax and regulatory matters that may differ from Investor to Investor. Each Investor is advised to clarify the actual tax and regulatory effects that participation in the Sub-Fund may have in its particular case with its personal tax and legal advisor.

References to the "Sub-Fund" in this Sub-Fund Supplement shall include, unless the context otherwise requires, the Umbrella Vehicle (or any agent thereof) acting in respect of the Sub-Fund.

**Notice to residents of the European Economic Area**

Pursuant to the EU Directive 2011/61/EU on the Alternative Investment Fund Managers Directive (the "**AIFMD**"), the Umbrella Vehicle will constitute an EU AIF whose AIFM is itself an EU AIFM. Each Member State of the European Economic Area has adopted legislation implementing the AIFMD into national law. Under the AIFMD, marketing of the Shares of the Sub-Fund to any (prospective) Investor domiciled or with a registered office in the European Economic Area will be restricted by such laws and no such marketing shall take place except as permitted by such laws. Potential Investors should ensure they are able to subscribe for Shares in the Sub-Fund in accordance with the above laws.

When marketed under the AIFMD marketing passport provided for in article 32 of the AIFMD, Shares in the Sub-Fund are only available for purchase by Professional Investors, being Investors

that are considered to be a professional client or may, on request, be treated as a professional client, within the meaning of Annex II to Directive 2014/65/EU ("**MiFID II**").

For the avoidance of doubt, marketing to retail clients may take place, but only where this is permitted under applicable local law and to the extent that (where required) a PRIIPS KID has been made available to any retail investors.

### **Notice to residents of Luxembourg**

In Luxembourg, Shares in the Sub-Fund may be subscribed by both retail investors and institutional investors. Retail investors in particular should note that investment in the Sub-Fund is only intended for investors who: (i) understand the Sub-Fund's strategy, characteristics and risks in order to make an informed investment decision; and (ii) have knowledge of, and investment experience in, credit products, (including (in particular) those that may use borrowing to leverage investment (such as this Sub-Fund)) and financial markets generally.

### **Notice to residents of the United Kingdom**

This communication is issued in the UK by Apollo Management International LLP.

The Umbrella Vehicle (including the Sub-Fund) is a collective investment scheme for the purposes of section 235 of the Financial Services and Markets Act 2000 of the United Kingdom, as amended ("**FSMA**"). It has not been authorized, or otherwise recognized or approved, by the FCA and as an unregulated collective investment scheme, it cannot be promoted in the United Kingdom to the general public. Accordingly, neither the Prospectus nor this Sub-Fund Supplement is to be distributed, delivered or passed on to any person resident in the United Kingdom, unless it is being made only to, or directed at persons falling within, the categories discussed below.

The communication of the Prospectus and this Sub-Fund Supplement (together, the "**Materials**") is directed at, and Shares are available only to, the following persons in the United Kingdom:

If made by a person who is not an authorised person in the UK, such offer or distribution is being made only to or, directed only at: (i) persons falling within any of the categories of "investment professionals" as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**") (ii) persons falling within any of the categories of persons described in Article 49(2) of the Financial Promotion Order (high net worth companies, unincorporated associations etc.), (iii) persons falling within the categories of "high net worth individual" described in Article 48(2) of the Financial Promotion Order or "self-certified sophisticated investor" described in Article 50A(1) of the Financial Promotion Order and (iv) any other person to whom it may otherwise lawfully be made (all such persons together being referred to as "**A Relevant Persons**"). Communication of the Materials to, or reliance on them by, any person who is not a Relevant Person is unauthorized and may contravene FSMA, and any such person should return them immediately.

If made by a person who is an authorised person in the UK, such offer or distribution is being made only to or, directed only at: (i) persons falling within any of the categories of "investment professionals" as defined in article 14(5) of the Financial Services and Markets Act 2000 (Promotion of CIS)(Exemptions) Order 2001, (as amended) (the "**CISO**"); (ii) persons to whom Article 22(2) of the CISO (high net worth companies, unincorporated associations, etc.) applies; (iii) persons falling within the categories of "high net worth individual" described in Article 21(2) of the CISO (being individuals who have certified their net worth in the form and as required by the CISO) and "self-certified sophisticated investor" described in Article 23A(1) of the CISO (being individuals who have certified that they are a sophisticated investor in the form and as required by the CISO); (iv) persons falling who fall within the categories of persons described in COBS 4.12B of the FCA Handbook of rules and guidance, subject to the requisite procedural requirements in COBS 4.12B being complied with; or (v) any person to whom it may otherwise lawfully be made (all such persons together being referred to as "**B Relevant Persons**", and A Relevant Persons and B Relevant Persons being collectively referred to as "**Relevant Persons**").

For Relevant Persons who are high net worth individuals, self-certified sophisticated investors or other Relevant Persons falling within similar exemptions under the FPO or the CISO: the content of this promotion has not been approved by an authorised person within the meaning of FSMA. Reliance on this promotion for the purpose of buying the Shares to which the promotion relates may expose an individual to a significant risk of losing all of the property or other assets invested. This Prospectus is exempt from the general restriction in Section 21 of FSMA on the communication of invitations or inducements to engage in investment activity and/or section 238 of FSMA the restriction on the promotion of unregulated schemes, on the grounds that it is being issued to and/or directed at only the types of person referred to above. The Umbrella Vehicle is a limited liability company and any person who acquires Shares will not thereby be exposed to any significant risk of incurring additional liability. If a potential Investor is in doubt about the investment to which this promotion relates, they should consult an authorised person specialising in advising on investments of the kind in question.

For Relevant Persons who fall within the categories of persons described in COBS 4.12B of the FCA Handbook: **Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong.**

Furthermore, the Sub-Fund is a non-mass market investment (NMMI) and is only suitable for investors with a certain profile and objectives. An investment in the Sub-Fund should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment. The Sub-Fund is likely to be suitable for sophisticated investors with knowledge of investments of this nature, who are of capable of bearing the loss of all capital invested and have a high risk tolerance, who have read and fully understood the risks set out in the Key Information Document (KID) and Section 19 "Risk Factors" of this Prospectus as well as the investment objectives, charges, fees and expenses of the Sub-Fund. The Sub-Fund is not appropriate for investors seeking a short term investment – the recommended holding period for the Sub-Fund as set out in the KID is 5 years. The Sub-Fund is not suitable for, and no offer in this Prospectus is made to, any investors whose profile and objectives are not consistent with those described in this paragraph. Nothing in this Prospectus should be construed as investment advice.

Communication of the Materials to, or reliance on them by, any person who is not a Relevant Person is unauthorized and may contravene FSMA, and any such person should return them immediately. No person, other than Relevant Persons, may act on the Materials and any investment or investment activity to which they relate is available only to Relevant Persons and will be engaged in only with such persons. Persons of any other description in the United Kingdom may not receive and should not act or rely on the Materials or any other marketing materials relating to the Sub-Fund. The Materials will only be distributed, and Shares will only be offered, in circumstances permitted under the Alternative Investment Fund Managers Regulations 2013, as amended ("**UK AIFM Regulations**"). This Prospectus will only be distributed, and Shares will only be offered, in circumstances permitted under the Alternative Investment Fund Managers Regulations 2013.

Potential Investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Sub-Fund, and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The Materials are not an approved prospectus for the purposes of section 85 of the FSMA.

#### **Notice to residents of Germany**

The Shares in the Sub-Fund described in the Materials may only be distributed or offered to German resident investors being professional investors within the meaning of section 1 para. 19 no. 32 of the German Capital Investment Act (*Kapitalanlagegesetzbuch* – "**KAGB**"), or semi-professional investors within the meaning of section 1 para. 19 no. 33 of the KAGB. The Shares in the Sub-Fund described in the Materials must not be distributed or offered to retail investors within the meaning of section 1 para. 19 no. 31 KAGB. Please note that the Board of Directors may also not consent to transfers of the Shares to German resident transferees who are not professional or semi-professional investors within the meaning of the KAGB. Potential investors

or transferees may be required to provide evidence on their status as professional or semi-professional investors within the meaning of the KAGB.

#### **Notice to residents of Italy**

The Shares in the Sub-Fund described in the Materials must not be marketed to any Italian potential Investors, other than professional investors as defined under AIFMD (and MiFID II) as well as non-professional investors, provided that such non-professional investors (in accordance with Article 14 of Ministerial Decree 30/2015):

- A. subscribe for Shares for at least an initial minimum (non-divisible) amount of EUR 500,000 (or the equivalent thereof in another currency);
- B. subscribe for Shares for at least an initial minimum (non-divisible) amount of EUR 100,000 (or the equivalent thereof in another currency) provided that – with respect to this sub-paragraph (B):
  - i. they have received investment advice; and
  - ii. as a result of the subscription, the overall amount of their investments in alternative investment funds reserved for subscription to special categories of investors (reserved funds) does not exceed 10% of their financial portfolio (including the value of their bank deposits, insurance-based investment products and financial instruments); or
- C. subscribe through entities licensed to provide portfolio management investing on their behalf in the context of such portfolio management.

#### **Notice to residents of Switzerland**

The Umbrella Vehicle is not approved by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") for offering to non-qualified investors in Switzerland pursuant to Art. 120(1) and (2) of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("**CISA**"). Consequently, Shares may not be offered or advertised and the Prospectus, this or any Sub-Fund Supplement, the Articles, the Subscription Agreement and any other offering material or document relating to the Umbrella Vehicle, the Sub-Fund(s) and/or the Shares may not be distributed or otherwise made available in Switzerland to non-qualified investors within the meaning of the CISA. Investors in the Umbrella Vehicle do not benefit from the specific investor protection provided by the CISA and the supervision by FINMA in connection with the approval for offering.

The Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement and any accompanying documentation do not constitute an issuance prospectus pursuant to the Swiss Federal Act on Financial Services of 15 June 2018, as amended (the "**FinSA**"), nor otherwise under Swiss law, and may therefore not comply with the corresponding disclosure standards. Furthermore, the Shares have not been and are not expected to be listed on any stock exchange or other regulated trading venue in Switzerland and, consequently, the information presented in the Prospectus, this or any Sub-Fund Supplement or any accompanying documentation does not necessarily comply with the disclosure standards set out in the relevant listing rules. Neither the Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement nor any other offering or marketing materials relating to the Umbrella Vehicle, or the Shares have been or will be filed with, or approved by, any Swiss governmental authority.

In Switzerland, the Umbrella Vehicle and the Shares may only be advertised or offered, and the Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement or any other advertising or offering materials relating to the Umbrella Vehicle or the Shares may solely be provided, to qualified investors pursuant to art. 10 para. 3 CISA (i.e. professional clients or institutional clients in accordance with art. 4 para. 3 to 5 or art. 5 para. 1 and 4 of the FinSA). Certain persons may on a discretionary basis be considered eligible for investment in the Umbrella Vehicle (a) under art. 10 para. 3ter CISA if they intend to subscribe in the context of a long-term, remunerated investment management or investment advisory agreement with a prudentially regulated financial

intermediary, or (b) if an intended subscription comes about at the express initiative of the potential investor that was not preceded by any advertising by the Umbrella Vehicle, its affiliates, agents or representatives.

The Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement and any accompanying documentation do not constitute investment advice. Said materials may only be used by those persons to whom they have been delivered in connection with the Umbrella Vehicle or the Shares and may neither be copied nor directly or indirectly distributed or made available to other persons.

The Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement and/or key information documents as well as annual and semi-annual reports may be obtained free of charge from the Swiss Representative.

In respect of the Shares offered in Switzerland, the place of performance is the registered office of the Swiss Representative. The place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or place of residence of the Investor.

#### **Notice to residents of Hong Kong**

THE SHARES MAY NOT BE OFFERED OR SOLD, BY MEANS OF ANY DOCUMENT, AND NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SHARES, WHETHER IN HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OR ELSEWHERE, SHALL BE ISSUED, CIRCULATED OR DISTRIBUTED WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC IN HONG KONG OTHER THAN (I) WITH RESPECT TO SHARES WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO "PROFESSIONAL INVESTORS" WITHIN THE MEANING OF THE SECURITIES AND FUTURES ORDINANCE (CAP. 571) OF HONG KONG ("SFO") AND ANY RULES MADE THEREUNDER OR (II) IN CIRCUMSTANCES THAT DO NOT CONSTITUTE AN INVITATION TO THE PUBLIC FOR THE PURPOSES OF THE SFO.

THE CONTENTS OF THE PROSPECTUS AND THIS SUB-FUND SUPPLEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THE PROSPECTUS AND THIS SUB-FUND SUPPLEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

#### **Notice to residents of Taiwan**

Shares in the Sub-Fund may be made available outside Taiwan for purchase by investors located in Taiwan but may not be recommended, marketed, sold or offered within Taiwan. No person or entity in Taiwan has been authorized to market offer, sell, give advice regarding or otherwise intermediate the offering and sale of Shares in the Sub Fund.

#### **Notice to residents of Australia**

THIS SUB-FUND SUPPLEMENT IS NOT A PROSPECTUS FOR THE PURPOSES OF CHAPTER 6D OF THE CORPORATIONS ACT 2001 (CTH) ("**CORPORATIONS ACT**") OR A PRODUCT DISCLOSURE STATEMENT FOR THE PURPOSES OF PART 7.9 OF THE CORPORATIONS ACT AND HAS NOT BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ("**ASIC**"). IT DOES NOT PURPORT TO CONTAIN ALL INFORMATION THAT WOULD BE REQUIRED TO BE INCLUDED IN A PROSPECTUS OR PRODUCT DISCLOSURE DOCUMENT FOR THE PURPOSES OF CHAPTER 6D OR PART 7.9 OF THE CORPORATIONS ACT. IF THIS SUB-FUND SUPPLEMENT RELATES TO SHARES IN A FUND THAT IS A MANAGED INVESTMENT SCHEME, THE SUB-FUND IS NOT AND IS

NOT REQUIRED TO BE REGISTERED WITH ASIC UNDER CHAPTER 5C OF THE CORPORATIONS ACT.

NO OFFER OR INVITATION TO PURCHASE OR SUBSCRIBE FOR THE SHARES IN THE SUB-FUND IS MADE TO ANY PERSON IN AUSTRALIA EXCEPT TO THE EXTENT THAT SUCH PERSON IS A "WHOLESALE CLIENT" AS DEFINED IN SECTION 761G(7) OF THE CORPORATIONS ACT AND THE OFFER OR INVITATION WOULD BE PERMITTED TO BE MADE TO THE PERSON WITHOUT THE NEED FOR A PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT UNDER CHAPTER 6D OR PART 7.9 OF THE CORPORATIONS ACT, AS THE CASE REQUIRES.

IF THIS SUB-FUND SUPPLEMENT RELATES TO THE ISSUE OF SHARES WHERE A RECIPIENT ACQUIRES SHARES IN THE SUB-FUND AND ON-SELLS THEM WITHIN 12 MONTHS OF THE ISSUE OF SUCH SHARES, THAT PERSON WILL BE REQUIRED TO LODGE A PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT FOR THE PURPOSES OF CHAPTER 6D OR PART 7.9 OF THE CORPORATIONS ACT, RESPECTIVELY, WITH ASIC UNLESS EITHER:

(A) IT CAN BE ESTABLISHED THAT THE SUB-FUND ISSUED, AND THE RECIPIENT SUBSCRIBED FOR, SHARES IN THE SUB-FUND WITHOUT THE PURPOSE OF THE RECIPIENT ON-SELLING SHARES OR GRANTING, ISSUING OR TRANSFERRING A SHARE IN, OR OPTIONS OR WARRANTS OVER THEM; OR

(B) THE SALE IS PURSUANT TO AN OFFER RECEIVED OUTSIDE AUSTRALIA OR IS MADE TO A PERSON TO WHOM A SALE OFFER MAY BE MADE WITHOUT THE NEED FOR A PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT UNDER CHAPTER 6D OR PART 7.9 OF THE CORPORATIONS ACT.

**Notice to residents of Singapore**

THE OFFER OR INVITATION OF THE SHARES IN THE SUB-FUND, WHICH IS THE SUBJECT OF THIS SUB-FUND SUPPLEMENT, IS NOT AUTHORISED OR RECOGNISED BY THE MONETARY AUTHORITY OF SINGAPORE (THE "MAS") AND SHARES ARE NOT ALLOWED TO BE OFFERED TO THE RETAIL PUBLIC. EACH OF THE PROSPECTUS, THIS SUB-FUND SUPPLEMENT AND ANY OTHER DOCUMENT OR MATERIAL ISSUED IN CONNECTION WITH THE OFFER OR SALE IS NOT A PROSPECTUS AS DEFINED IN THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE (THE "SFA"). ACCORDINGLY, STATUTORY LIABILITY UNDER THE SFA IN RELATION TO THE CONTENT OF PROSPECTUSES WOULD NOT APPLY. YOU SHOULD CONSIDER CAREFULLY WHETHER THE INVESTMENT IS SUITABLE FOR YOU IN LIGHT OF YOUR OWN PERSONAL CIRCUMSTANCES.

THE PROSPECTUS AND THIS SUB-FUND SUPPLEMENT HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED AS A PROSPECTUS WITH THE MAS AS THE SUB-FUND IS INVOKING THE EXEMPTIONS FROM COMPLIANCE WITH PROSPECTUS REQUIREMENTS PURSUANT TO THE EXEMPTIONS UNDER SECTION 304 AND SECTION 305 OF THE SFA. THE MAS ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS AND THIS SUB-FUND SUPPLEMENT.

ACCORDINGLY, THE PROSPECTUS, THIS SUB-FUND SUPPLEMENT AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF SHARES MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY SHARES BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO ANY PERSONS IN SINGAPORE OTHER THAN (I) TO AN INSTITUTIONAL



INVESTOR (AS DEFINED IN SECTION 4A(1) OF THE SFA) UNDER SECTION 304 OF THE SFA (EACH AN “**INSTITUTIONAL INVESTOR**”), (II) TO A RELEVANT PERSON AS DEFINED IN SECTION 305 OF THE SFA OR ANY PERSON PURSUANT TO AN OFFER REFERRED TO IN SECTION 305(2) OF THE SFA (EACH A “**RELEVANT INVESTOR**”), AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 305 OF THE SFA, OR (III) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISION OF THE SFA.

SUBJECT TO ALL OTHER RESTRICTIONS ON TRANSFERABILITY IMPOSED BY THE SUB-FUND, RECIPIENTS OF THIS SUB-FUND SUPPLEMENT REPRESENT AND WARRANT THAT WHERE THE SHARES ARE INITIALLY ACQUIRED PURSUANT TO AN OFFER MADE IN RELIANCE ON AN EXEMPTION UNDER:

(A) SECTION 304 OF THE SFA BY AN INSTITUTIONAL INVESTOR, SUBSEQUENT SALES OF THE SHARES WILL ONLY BE MADE TO ANOTHER INSTITUTIONAL INVESTOR; AND

(B) SECTION 305 OF THE SFA BY A RELEVANT INVESTOR, SUBSEQUENT SALES OF THE SHARES WILL ONLY BE MADE TO AN INSTITUTIONAL INVESTOR OR ANOTHER RELEVANT INVESTOR.

IN ADDITION, IT SHOULD BE NOTED THAT WHERE THE SHARES ARE INITIALLY ACQUIRED IN SINGAPORE PURSUANT TO AN OFFER MADE IN RELIANCE ON AN EXEMPTION UNDER SECTION 305 OF THE SFA BY:

(A) A CORPORATION REFERRED TO IN SECTION 305A(2) OF THE SFA (A “**RELEVANT CORPORATION**”), THE SECURITIES OF THE RELEVANT CORPORATION SHALL NOT BE TRANSFERRED WITHIN SIX MONTHS AFTER THE RELEVANT CORPORATION HAS ACQUIRED ANY SHARES UNLESS THE TRANSFER IS IN ACCORDANCE WITH THE CONDITIONS OF SECTION 305A(2) OF THE SFA; AND

(B) A TRUST REFERRED TO IN SECTION 305A(3) OF THE SFA (A “**RELEVANT TRUST**”), THE RIGHTS AND INTEREST (HOWSOEVER DESCRIBED) OF THE BENEFICIARIES THEREOF IN THE RELEVANT TRUST SHALL NOT BE TRANSFERRED WITHIN SIX MONTHS AFTER ANY SHARES HAVE BEEN ACQUIRED FOR THE RELEVANT TRUST UNLESS THE TRANSFER IS IN ACCORDANCE WITH THE CONDITIONS OF SECTION 305A(3) OF THE SFA.

INVESTORS SHOULD THEREFORE ENSURE THAT THEIR OWN TRANSFER ARRANGEMENTS COMPLY WITH THE RESTRICTIONS. INVESTORS SHOULD SEEK LEGAL ADVICE TO ENSURE COMPLIANCE WITH THE ABOVE ARRANGEMENT.

SOLELY FOR THE PURPOSES OF ITS OBLIGATIONS PURSUANT TO SECTION 309B OF THE SFA, THE INVESTMENT MANAGER HAS DETERMINED, AND HEREBY NOTIFIES ALL RELEVANT PERSONS (AS DEFINED IN THE SECURITIES AND FUTURES (CAPITAL MARKETS PRODUCTS) REGULATIONS 2018 (“**CMP REGULATIONS 2018**”)), THAT THE SHARES ARE CAPITAL MARKETS PRODUCTS OTHER THAN PRESCRIBED CAPITAL MARKETS PRODUCTS (AS DEFINED IN SECTION 309B OF THE SFA).

THE PROSPECTUS AND/OR THIS SUB-FUND SUPPLEMENT DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION.

**The Sub-Fund Supplement**

<b>Sub-Fund</b>	Apollo U.S. Private Credit Fund (the " <b>Sub-Fund</b> ") is an open-ended investment compartment ( <i>compartment</i> ) of the Umbrella Vehicle.
<b>Investment Objective and Strategy</b>	<p>The Sub-Fund's investment objectives are to generate current income and, to a lesser extent, long-term capital appreciation. The Sub-Fund plans to invest at least 90% of its assets (with the balance intended to be used for (i) a liquidity reserve to facilitate Investor redemptions (the "<b>Liquidity Reserve</b>"); and (ii) any reserves for the payment of expenses, liabilities or other obligations of the Sub-Fund, in each case which may comprise cash, cash equivalents and/or liquid instruments) in Underlying Funds, directly or indirectly through Intermediary Funds or other investment structures (each as defined in Annex IIAnnex II), which will invest in private credit opportunities in directly originated assets, including loans and other debt securities. While a majority of the Sub-Fund's (indirect) private credit investments are expected to be in respect of large-cap private U.S. companies, defined generally as companies with more than \$75 million in EBITDA, as may be adjusted for market disruptions, mergers and acquisitions-related charges and synergies, and other items, the Sub-Fund will also (indirectly) invest in private credit opportunities relating to public companies, smaller-cap U.S. companies and/or borrowers in Europe and other non-U.S. jurisdictions. Where the context requires, each reference herein to the Sub-Fund making investments shall include direct and indirect investments through Underlying Funds and/or Intermediary Funds, as the case may be.</p> <p>In connection with the foregoing, it is intended that the Sub-Fund will typically invest approximately 75% of its assets in private credit opportunities through common shares (held by the Sub-Fund directly or indirectly) in the Underlying Fund known as Apollo Debt Solutions BDC ("<b>ADS</b>"), a Delaware statutory trust that seeks to invest primarily in certain directly originated assets, including debt securities, made to or issued by large private U.S. borrowers, as well as, to a lesser extent, similarly sized European borrowers and smaller U.S. borrowers. Of ADS' private credit investments (target 80% of ADS' total assets), the predominant exposure will be to private U.S. companies with an EBITDA of greater than \$75 million.</p> <p>It is intended that the remainder of the Sub-Fund's assets will predominantly be invested in private credit opportunities through limited partnership interests (held by the Sub-Fund directly or indirectly) in the Underlying Fund known as Apollo Broad Middle Markets Lending Fund ("<b>ABMML</b>"), a Cayman Islands exempted limited partnership that seeks to invest primarily in certain directly originated assets, including debt securities, made to or issued by borrowers other than large private U.S. companies. Of ABMML's private credit investments (target 80% of ABMML's total assets), at least 75% will be in public companies; private U.S. companies with an EBITDA of less than \$75 million; and private non-U.S. companies of any size.</p> <p>While ADS and ABMML may hold positions in common from time to time, it is anticipated that the aggregate value of such commonly held positions will represent less than 10% of the respective total asset value of ADS and ABMML.</p> <p>The Sub-Fund shall not, directly or indirectly, invest more than 20% of its NAV at the time of investment in any single credit investment or</p>

	<p>borrower, provided that such diversification will be assessed on a look-through basis (for which purpose the Sub-Fund's proportionate interest shall be calculated based on its equity ownership via Underlying Funds, Intermediary Funds and/or other investment structures, as applicable) disregarding, for the avoidance of doubt, any Underlying Fund, Intermediary Fund and/or other investment structure used to make such investment. Should such restriction be exceeded for any reason other than the purchase of one or more additional investments (for example market or currency fluctuations), no remedial action will be required for these reasons.</p> <p>The above investment restriction will not apply during a ramp-up period of four years after the Sub-Fund's first subscriptions from investors are received.</p> <p>The portfolio of investments (held indirectly) may also include equity interests such as common stock, preferred stock, warrants or options, which generally would be obtained as part of providing a broader financing solution.</p> <p>Most of the debt instruments that the Sub-Fund will (indirectly) invest in are expected to be rated below investment grade by rating agencies or that would be rated below investment grade if they were rated.</p> <p>The Sub-Fund may control some of the intermediary vehicles in the investment structures through which it invests but it will not be in control of all intermediary vehicles in such investment structures. Where the Sub-Fund does not control an intermediary vehicle, the Sub-Fund will ensure that arrangements are in place to ensure such intermediary vehicle's compliance with the diversification requirements, borrowing limits and liquidity needs of the Sub-Fund.</p> <p>The Sub-Fund may also make investments for liquidity management purposes in cash, cash equivalents and other short-term investments.</p> <p>The Sub-Fund shall not directly originate loans (including, for the avoidance of doubt loans, to natural persons, the AIFM, the Investment Manager or any Affiliate thereof) nor directly acquire participation interests in all or a portion of a loan.</p> <p>There can be no guarantee that the Sub-Fund will achieve its investment objectives.</p>
<p><b>Investment Manager</b></p>	<p>The AIFM has delegated its portfolio management function in respect of the Sub-Fund to Apollo Management International LLP (the "<b>Investment Manager</b>"), an English limited liability partnership and an Affiliate of Apollo Global Management, Inc ("<b>Apollo</b>"), with registered office at 1 Soho Place, London, W1D 3BG, England, pursuant to an investment management agreement entered into by the Investment Manager, the Umbrella Vehicle, acting in respect of the Sub-Fund, and the AIFM. The Investment Manager is authorized by the United Kingdom Financial Conduct Authority.</p> <p>The Investment Manager in turn has appointed Apollo Capital Management, L.P. (the "<b>Sub-Investment Manager</b>") as a sub-investment manager in relation to the Sub-Fund, pursuant to a sub-investment management agreement entered into between (amongst others) the Investment Manager and the Sub-Investment Manager.</p>

	<p>The Investment Manager may, at any time, without the approval of Investors, terminate or assign the appointment of the Sub-Investment Manager and appoint a replacement sub-investment manager and/or Global Distributor provided that (1) such replacement shall not result in increased costs for the Investors; (2) prior notice of such termination and replacement is given to the AIFM in accordance with the AIFM Agreement; and (3) such replacement is appropriately authorized under Applicable Law (including, but not limited to, the Directive) to perform the relevant obligations.</p> <p>The Investment Manager may from time to time engage other Affiliates to undertake investment advisory or other functions and such relevant Affiliate will operate under the general oversight and supervision of the Investment Manager, which itself operates under the oversight by the AIFM.</p>
<b>Platform Advisor</b>	<p>S64 Ventures Limited, trading as S64 Capital Innovation, a limited company incorporated and registered in England and Wales with company number 11888553 whose registered office is at 91 Wimpole Street, London W1G 0EF, United Kingdom, will be appointed as the platform advisor (the "<b>Platform Advisor</b>") in relation to the Sub-Fund pursuant to a platform advisory agreement entered into between (amongst others) the Investment Manager and the Platform Advisor in respect of the Sub-Fund (the "<b>Platform Advisory Agreement</b>").</p> <p>In this capacity, the Platform Advisor may where necessary, support the Board of Directors in structuring the Sub-Fund, liaising with and facilitating the services to be provided by the Service Providers, providing assistance to the Board of Directors and the AIFM in governance, oversight and distribution related matters and more generally facilitate and support the day-to-day operations of the Sub-Fund. Further, the Platform Advisor may where necessary, assist in the lifecycle management and operational interface to sub-distributors and investors, including through the provision of technological solutions and/or platforms to facilitate all of the foregoing.</p>
<b>Term</b>	<p>The Sub-Fund will continue for an unlimited period of time, until being put into liquidation in certain specified circumstances including as described under the section "<i>Dissolution</i>" below. Investors may request the redemption of their Shares on a quarterly basis as described in the section "<i>Redemption of Shares</i>" below, subject to the limitations set out in such section.</p>
<b>Currency of the Sub-Fund</b>	<p>The Sub-Fund is denominated in U.S. dollars (USD).</p> <p>The Sub-Fund may offer Classes (as defined below) denominated in other currencies. Subscription payments and distributions will be made in the currency of the applicable Class.</p> <p>The NAV per Share for the applicable Class will be reported to the Investors, and Class returns will be calculated and reported, in the applicable Class currency.</p>
<b>Shares</b>	<p>All Shares will be fully paid-up at the time of subscription.</p> <p>More details regarding the subscription process can be found in the general part of the Prospectus as well as under the section "<i>Subscription of Shares</i>" below.</p>

	<p>All Shares of the Sub-Fund will be registered in the Share register of the Umbrella Vehicle as described in the general part of the Prospectus.</p> <p>Fractions of Shares up to 2 decimal spaces will be issued.</p>
<b>Share Classes</b>	<p>The Sub-Fund currently offers the classes of Shares set out in Annex V (each a "<b>Class</b>").</p> <p>Subject to the sole discretion of the Board of Directors, each holder of Shares in the Sub-Fund (each an "<b>Investor</b>") will be required to meet the eligibility criteria for the relevant Class as set out in Annex V.</p> <p>Except as otherwise described herein, the terms of each Class of Shares are identical. The Board of Directors has the authority to issue different Classes, sub-Classes, categories or sub-categories of Shares within the Sub-Fund. Details of the characteristics of each Class of Shares offered by the Sub-Fund will be determined by the Board of Directors and may have different rights, benefits, powers or duties, and may be subject to different terms, including with respect to fees, distributions and liquidity, which will be described in this Sub-Fund Supplement (as amended from time to time).</p>
<b>Type of Shares</b>	Registered Shares only.
<b>Hedging</b>	The Investment Manager or Sub-Investment Manager may in its discretion, but is not obliged to, hedge exclusively interest rate and/or currency risks in connection with investments solely for portfolio management, but not for speculative purposes.
<b>Minimum Subscription</b>	The minimum initial and minimum subsequent subscription amount by each Investor in the Sub-Fund is as set out in Annex V. Each Investor shall maintain a minimum holding of the amount of the minimum initial subscription amount for such Class. Certain sub-distributors, countries and/or Share Classes may have higher minimums.
<b>Defaulting Investor</b>	If an Investor fails to fund its subscription, the respective application for subscription will not be accepted. The Sub-Fund, the Board of Directors, the AIFM, the Investment Manager, the Administrator and the Depositary have no liability for any delay or failure to issue Shares as a result of a defaulting investor failing to fund its subscription. A subscription will be held until cash is received. Cash must be received by the next available Dealing Date. If cash is not received by such date, the relevant subscription will be deemed to be revoked.
<b>Borrowing</b>	<p>The Sub-Fund may, directly and/or indirectly, utilize leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an investment, provided that the Sub-Fund shall not incur short-term indebtedness or provide other short-term credit support that would cause it to exceed the Short-Term Borrowing Limit or incur indebtedness, directly and/or indirectly, that would cause its leverage to exceed the Leverage Limit, provided that no remedial action will be required if the Short-Term Borrowing Limit or Leverage Limit is exceeded for any reason other than the incurrence of an increase in indebtedness (including the exercise of rights attached to an investment).</p> <p>For the purposes of this section:</p>

	<p><b>"Loan-to-Value Ratio"</b> means Consolidated Borrowings expressed as a percentage of aggregate gross asset value of the assets held directly or indirectly by the Sub-Fund (as determined by the AIFM or the Administrator) as at the date of assessment in accordance with the AIFM's valuation policy in respect of the Sub-Fund;</p> <p><b>"Consolidated Borrowings"</b> means the aggregate outstanding borrowings and guarantees (without duplication) of the Sub-Fund (its proportionate interest (calculated based on its equity ownership) of such outstanding borrowings and guarantees at the level of its subsidiaries) the proceeds of which are used to fund all or a portion of the capital necessary for an investment (for the avoidance of doubt, excluding (i) any indebtedness at the level of any Underlying Fund or Intermediary Fund; (ii) any internal indebtedness between the Sub-Fund, the Parallel Vehicles (if any), its subsidiaries and investments; and (iii) any Short-Term Borrowings);</p> <p>The Sub-Fund may make use of a credit facility for working capital purposes, including bridging of subscriptions and redemptions, currency hedging and running expenses (the <b>"Short-Term Borrowings"</b>);</p> <p><b>"ST Loan-to-Value Ratio"</b> means Short-Term Borrowings (including any other short-term indebtedness or other short-term credit support of the Sub-Fund but excluding for the avoidance of doubt leverage (including Consolidated Borrowings)) expressed as a percentage of aggregate gross asset value of the assets held directly or indirectly by the Sub-Fund (as determined by the AIFM or the Administrator) as at the date of assessment in accordance with the AIFM's valuation policy in respect of the Sub-Fund; and</p> <p>The short-term borrowings limit consists of an aggregate ST Loan-to-Value Ratio of 10% (the <b>"Short-Term Borrowings Limit"</b>).</p>
<b>Leverage Limit</b>	<p>The leverage limit consists of an aggregate Loan-to-Value Ratio of 55% (the <b>"Leverage Limit"</b>).</p> <p>The maximum total aggregate leverage calculated pursuant to the gross method and commitment method set out in the AIFM Regulation is respectively 500% and 400%.</p>
<b>Initial Subscription Price</b>	<p>Until the Sub-Fund has determined its first NAV per Share for any Class, the subscription price for Shares in the Sub-Fund shall be as set out in Annex V unless otherwise determined by the Board of Directors (excluding, in each case, applicable Subscription Fees) (as set out more particularly in the section titled <b>"Fees"</b> below).</p>
<b>Underlying Investors</b>	<p>Investments in the Sub-Fund may be made (i) directly or (ii) by appointing a Financial Intermediary to hold Shares as financial intermediary of and trustee upon trust for, such underlying investor (each, an <b>"Underlying Investor"</b>), in accordance with and subject to the terms of the general part of the Prospectus.</p> <p>Any reference in the Prospectus and this Sub-Fund Supplement to <b>"Investors"</b> shall be read as a reference to the relevant Financial Intermediary and/or where appropriate, the Underlying Investor and any penalties, sanctions and requirements that can be imposed on an Investor will be, in respect of the relevant Financial Intermediary, applied to the relevant pro-rata portion of the relevant Financial Intermediary's Shares corresponding to the relevant Underlying</p>

	<p>Investor, in accordance with and subject to the terms of the general part of the Prospectus.</p> <p>Likewise, voting rights will be exercised by Financial Intermediaries through either (i) a split vote following voting instructions from each Underlying Investor or (ii) exercising voting rights further to a general power of attorney to vote on behalf of each Underlying Investor.</p>
<b>Eligibility</b>	<p>Each potential Investor wishing to subscribe for Shares in the Sub-Fund is required to execute a subscription agreement and make certain representations and warranties to the Sub-Fund, the Board of Directors, the AIFM and/or the Investment Manager. Each potential Investor must also satisfy the eligible Investor qualifications as set out in the subscription agreement.</p>
<b>Genuine Diversity of Ownership</b>	<p>The application of certain aspects of the UK tax code may partially depend on whether the Umbrella Vehicle and/or the Sub-Fund meet the "genuine diversity of ownership" condition in Regulation 75 of the UK Offshore Funds (Tax) Regulations (SI 2009/3001) (the "<b>GDO Condition</b>").</p> <p>In this regard, the Board of Directors confirms that the Sub-Fund is intended for and marketed to a wide range of investors (including retail clients, where permitted).</p> <p>For the purposes of the GDO Condition, the Board of Directors undertakes that interests in the Sub-Fund:</p> <ul style="list-style-type: none"> <li>• are and will continue to be widely available; and</li> <li>• are, and will continue to be, marketed to, and made available sufficiently widely, to reach the intended categories of investors mentioned above and in a manner appropriate to attract these kinds of investors.</li> </ul>
<b>Communication and announcements to the Investors</b>	<p>To the extent permitted by the 1915 Law, the 2010 Law or any other Luxembourg laws or regulations, an electronic secure platform may be used for the transmission of all notifications and announcements of the Board of Directors and the Sub-Fund, such as, for instance information notices, financial reports and corporate information.</p>
<b>Subscription of Shares</b>	<p>Prospective Investors and/or Investors may submit subscription requests to purchase Shares on an ongoing basis, but Prospective Investors and/or Investors may only purchase Shares pursuant to accepted subscription orders as of the 1st Business Day of each month (the "<b>Dealing Date</b>"). The first Dealing Date occurred on 1 October 2023. A prospective Investor and/or Investor generally must notify the Administrator of its desire to subscribe for Shares (i) for new subscriptions, by 5.p.m. Central European Time on the Business Day at least 8 Business Days prior to the Dealing Date, and (ii) for subsequent subscriptions, at least 8 Business Days prior to the Dealing Date (in each case, unless such notice period is waived by the Administrator).</p> <p>To be accepted, a subscription request must be accompanied by an executed Subscription Agreement completed to the satisfaction of the Administrator, including (a) satisfying any additional requirements imposed by the Prospective Investor and/or Investor's broker-dealer and/or other financial intermediary, (b) satisfying the know your client (KYC), terrorist financing and anti-money laundering checks carried</p>

	<p>out by the Administrator or such other person appointed by the Board of Directors by 5.pm. Central European Time on the Business Day at least 8 Business Days prior to the Dealing Date and (c) payment of the full purchase price of the Shares being subscribed by 5.pm. Central European Time on the Business Day at least 4 Business Days prior to the Dealing Date.</p> <p>The Board of Directors has the discretion to accept or reject subscription requests in full or in part, and in particular the Board of Directors may determine in the best interests of Investors that all or part of a subscription request should be deferred to a later Dealing Date. The Board of Directors may also declare additional or more frequent Dealing Dates.</p> <p>The purchase price per Share of each Class will be equal to the NAV per Share for such Class as of the immediately preceding Valuation Day to the relevant Dealing Date. As set out in Annex II, monthly NAV per Share for each Class and sub-Class (if any) will generally be available around 35 Business Days following the month-end. Prospective Investors and/or Investors will therefore not know the NAV per Share of their subscription until after the subscription has been accepted.</p> <p>The issue, subscription and redemption price of Shares for each Class and sub-Class (if any) will be made publicly available at <a href="https://gwms.apollo.com/USPrivateCredit">https://gwms.apollo.com/USPrivateCredit</a>.</p> <p>Investors may also be required to pay Subscription Fees to their financial intermediary (as set out more particularly in the section titled "Fees" below).</p> <p>The Board of Directors may in its discretion agree to issue Shares to one or more Investors as consideration for a contribution in kind in compliance with the conditions set forth by Luxembourg law.</p>
<p><b>Conversion of Shares</b></p>	<p>Investors may request the conversion of Shares between Classes in the Sub-Fund, including, for the avoidance of doubt, between Accumulating and Distribution Classes, provided that such Investor meets investor eligibility criteria and conditions applicable to such Class as set out in this Sub-Fund Supplement and the Prospectus. References to a "Class" in this Section shall include sub-Classes (if any).</p> <p>The Board of Directors may suspend conversions in respect of Shares during any period that the determination of the NAV of the relevant Class is suspended in accordance with the rules set out in the Articles and the Prospectus.</p> <p>An Investor may request the conversion of all or part of its Shares of a Class on any Dealing Date; provided that the Investor fulfils the eligibility criteria of the relevant Class into which the conversion is requested and subject to the written consent of the Investor's broker or other financial intermediary, if applicable, and the Board of Directors or its delegate. Any conversion request which, when executed, would cause the Investor's investment to fall below the applicable minimum holding requirement, will be considered as a request for a full conversion for that Investor's Shares in that particular Class.</p>



	<p>Written conversion requests should be sent to the Administrator at least by 5.pm. Central European Time on the Business Day at least 8 Business Days before the Dealing Date (the "<b>Conversion Cut-Off</b>").</p> <p>All conversion requests must contain the following information:</p> <ul style="list-style-type: none"> <li>• the Dealing Date in respect of which the conversion request is made;</li> <li>• the full name(s) in which the Shares to be converted are registered;</li> <li>• the Class and its ISIN code from which Shares are to be converted and the Class and its ISIN code to which Shares will be converted; and</li> <li>• either the monetary amount or the number of Shares to be converted.</li> </ul> <p>If accepted by the Administrator, conversion requests received by the Administrator before the relevant Dealing Date (in respect of which the conversion request is made) will be dealt with on such Dealing Date on the basis of the NAV of the relevant Classes prevailing on that Dealing Date. Any conversion requests received after the Conversion Cut-off for a Dealing Date will be processed on the next Dealing Date on the basis of the NAV of the relevant Classes prevailing on such Dealing Date.</p> <p>The number of Shares to be allocated in the new class (the "<b>New Class</b>") will be determined by dividing (a) the aggregate NAV of the number of Shares of the existing Class (the "<b>Initial Class</b>") to be converted (adjusted for currency exchange), by (b) the NAV per Share of the New Class, in each case with the NAV determined on the relevant Valuation Day.</p> <p>Following such conversion of Shares, the Administrator will inform the applicable Investor of the number of Shares of the New Class obtained by conversion and the price thereof. Fractions of Shares in the New Class to two decimal places may be issued.</p> <p>The Board of Directors (or its delegate) may in its own discretion at any time convert Shares from one Class into another Class of Shares where (i) the holding by the applicable Investor of Shares in a particular Class has fallen below the minimum investment and holding requirement for that Class as set out in the Prospectus and/or this Sub-Fund Supplement, (ii) an Investor does not meet or ceases to meet investor eligibility criteria and conditions set out in the Prospectus, this Sub-Fund Supplement and/or the Investor's Subscription Agreement, (iii) Investors are not otherwise entitled to acquire or possess these Shares, or (iv) the Board of Directors or its delegate determines that such conversion is necessary or advisable and not inequitable to Investors.</p> <p>The calculation procedure set out above will apply to any conversions so conducted at the direction of the Board of Directors and/or its delegate.</p>
<b>Redemption of Shares</b>	Investors will generally be able to request Share redemptions on a quarterly basis, effective as of the close of the last Business Day in March, June, September and December each year (each a

**"Redemption Date").** Investors may generally make a redemption request with a view to redeeming part or all of their Shares as at a Redemption Date by submitting a notice to the Administrator (in the form made available by the Sub-Fund) before 5.p.m. Central European Time on the Business Day that is at least 46 Business Days prior to the applicable Redemption Date (unless such notice period is waived by the Administrator). Once a redemption notice has been submitted, the Investor may not withdraw or revoke the redemption request save with the Board of Directors' consent. Any revocation request must be submitted before 5.p.m. Central European Time on the Business Day that is at least 31 Business Days prior to the relevant Redemption Date in respect of which such redemption request is made.

Amounts distributed in connection with a redemption will be based upon the NAV per Share of the applicable Class of Shares being redeemed as of the coinciding Valuation Day. As set out in Annex II, the monthly NAV of the Sub-Fund will generally be available by the 35th Business Day following the month-end. Investors may therefore not know the NAV per Share of their redeemed Shares until after the redemption has been processed.

The Sub-Fund expects that settlements of Share redemptions will generally be made within 36 Business Days of the Redemption Date. Investors whose redemption requests are accepted will cease to be Investors with respect to such redeemed Shares as of such Redemption Date and will therefore cease to be entitled to the rights of an Investor with respect to the redeemed Shares as of such date, including the right to receive distributions, and will not be entitled to interest on redemption payments.

The aggregate NAV (or such equivalent in respect of any Parallel Vehicle) of total redemptions (on an aggregate basis (without duplication) across the Sub-Fund and any Parallel Vehicles incorporated in Luxembourg (if any) (as described in Annex I), but excluding any Early Redemption Deduction applicable to the redeemed Shares) is generally limited, per calendar quarter, to 5% of the prior quarter-end aggregate NAV (or such equivalent in respect of any Parallel Vehicle) of the Sub-Fund and any Parallel Vehicles incorporated in Luxembourg (if any and excluding, for this purpose, any NAV (or such equivalent in respect of any Parallel Vehicle) that is attributable to interests that are subject to a lock-up period) (measured using the average of such aggregate NAV as of the end of the immediately preceding quarter), except in the event of exceptional circumstances as more particularly set out in the general part of the Prospectus at "Section 8: Redemption and Withdrawal" and "Section 11: Suspension of the Calculation of the Net Asset Value", being: (a) if the Board of Directors (or its delegate) determines that such redemption would be reasonably likely to have a material adverse effect on the Sub-Fund, the Investors (when considered as a whole) or any investment; (b) if the calculation of the Sub-Fund's Net Asset Value has been suspended in accordance with "Section 11: Suspension of the Calculation of the Net Asset Value" of the general part of the Prospectus; or (c) if the Board of Directors (or its delegate) determines that it is necessary to implement a redemption suspension period to protect the Investors remaining in the Sub-Fund and as also described below.

As set out above, below and in the general part of the Prospectus at "Section 8: Redemption and Withdrawal" and "Section 11: Suspension of the Calculation of the Net Asset Value" the Board of Directors has

	<p>the discretion to accept or reject redemption requests or modify or suspend the redemption program in full or in part, and to determine in the best interests of Investors whether and to what extent to fulfil redemptions, and the timing of such fulfilment (including to take account of the Sub-Fund's ability to redeem corresponding amounts in respect of its investments in the applicable Underlying Funds and Intermediary Funds).</p> <p>The Board of Directors may suspend redemptions entirely in certain circumstances, as more particularly set out in the general part of the Prospectus at "Section 8: Redemption and Withdrawal" and "Section 11: Suspension of the Calculation of the Net Asset Value" being: (a) if the Board of Directors (or its delegate) determines that such redemption would be reasonably likely to have a material adverse effect on the Sub-Fund, the Investors (when considered as a whole) or any investment; (b) if the calculation of the Sub-Fund's Net Asset Value has been suspended in accordance with "Section 11: Suspension of the Calculation of the Net Asset Value" of the general part of the Prospectus; or (c) if the Board of Directors (or its delegate) determines that it is necessary to implement a redemption suspension period to protect the Investors remaining in the Sub-Fund and in the Articles. For the avoidance of doubt, it is intended that, in the absence of any market shifts or extraordinary market conditions, in which redemptions could be expected to be suspended, the Board of Directors expect suspensions of redemptions to take place in exceptional circumstances (as more particularly set out above and in the general part of the Prospectus at "Section 8: Redemption and Withdrawal" and "Section 11: Suspension of the Calculation of the Net Asset Value") and not on a systematic basis.</p> <p>In determining whether to suspend redemptions, the Board of Directors shall at all times take into account whether such redemption is considered to be in the best interests of the Sub-Fund and its Investors as a whole and/or if other such Investors are not harmed by such redemption, such as when redemptions of Sub-Fund Shares would place an undue burden on the Sub-Fund's liquidity, adversely affect the Sub-Fund's operations, risk having an adverse impact on the Sub-Fund that would outweigh the benefit of redemptions of units or as a result of legal or regulatory changes.</p> <p>In making such a determination to suspend redemptions, the Board of Directors will have regard to the liquidity available to the Sub-Fund, including without limitation (i) utilizing the Liquidity Reserve, (ii) relying on a credit facility, or (iii) using distributable proceeds, provided that the Sub-Fund is under no obligation to take any of the above actions, or to realize investments, solely for the purpose of meeting redemption requests. As a general matter, however, an investment in the Sub-Fund should be considered to be illiquid.</p> <p>Material modifications to the Sub-Fund's redemption program, including any amendment to the 5% quarterly limitations on redemptions and suspensions of the redemption program will be promptly disclosed to Investors via the Sub-Fund's electronic secure platform or otherwise. If the redemption program is suspended, then the Board of Directors will be required to evaluate on a quarterly basis whether the continued suspension of the redemption program is in the best interests of the Sub-Fund and the Investors as a whole.</p> <p>In the event that, pursuant to the limitations above, not all of the Shares submitted for redemption during a given quarter are to be</p>
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	<p>accepted for redemption by the Sub-Fund, Shares submitted for redemption during such quarter will be redeemed on a <i>pro rata</i> basis (measured on an aggregate basis (without duplication) across the Sub-Fund and any Parallel Vehicles incorporated in Luxembourg (if any)). All unsatisfied redemption requests will be automatically resubmitted for the next available Redemption Date, unless an Investor withdraws or revokes its redemption request with the consent of the Board of Directors before such Redemption Date in the manner described above.</p>
<p><b>Transfers</b></p>	<p>Investors may transfer part or all their Shares in the Sub-Fund upon prior consent from the Board of Directors, in its sole discretion, which shall be provided within 30 calendar days from its notification. The absence of a favourable response within 30 calendar days shall be considered a refusal to such transfer.</p> <p>Any transferee must provide the Administrator with a duly completed Subscription Agreement, any required AML/KYC documents and any additional information or documentation as requested by the Administrator in connection with the transfer and by the transferee's broker or financial intermediary, as applicable, including, without limitation, a written transfer agreement signed by the transferor and transferee in relation to the Shares being transferred.</p> <p>Any transferee must meet investor eligibility criteria and conditions applicable to the relevant Class of Shares as set out in this Sub-Fund Supplement and the Prospectus.</p>
<p><b>Distributions</b></p>	<p>With respect to Accumulating Class Shares, the Sub-Fund does not anticipate declaring or paying cash dividends on such Shares. Accordingly, the Sub-Fund retains all realized net capital gains as to the Accumulating Class Shares, if any, and investment income to increase the Sub-Fund's net assets.</p> <p>With respect to Distribution Class Shares, any distributions the Sub-Fund makes are at the discretion of the Board of Directors, considering factors such as earnings, cash flow, capital needs, taxes and general financial condition and the requirements of applicable law. As a result, the Sub-Fund's distribution rates and payment frequency may vary from time to time. For the avoidance of doubt, in the event amounts are distributed with respect to any Accumulating Class Shares, those shall be reinvested by the Board of Directors in such Class.</p> <p>It should be noted that the amount of distributions per Share on Class A Shares (if any), Class I Shares (if any) and Class X Shares (if any) will generally differ as the higher Management Fees applicable to Class A Shares will be deducted from gross distributions attributable to Class A Shares. Accordingly, distributions on Class A Shares (if any) will be lower than Class I Shares and Class X Shares.</p> <p>It should also be noted that the amount of distributions per Share on Class K Shares (if any) and Class X Shares (if any) will generally differ from that in relation to other Classes of Shares. No Management Fees or Subscription Fees will be deducted from gross distributions attributable to Class K Shares. No Management Fees will be deducted from gross distributions attributable to Class X Shares. Accordingly, distributions on Class K Shares (if any) and Class X Shares (if any) will be higher than Class A Shares or Class I Shares.</p>

	<p>Investors holding Shares with a functional currency other than USD are exposed to fluctuations of the USD foreign exchange rate and/or hedging costs, which may lead to variations on the amount to be distributed.</p>						
<p><b>Net Asset Value</b></p>	<p>The AIFM will be responsible for the proper and independent valuation of the Sub-Fund's assets (within the meaning of the 2013 Law) with the support of the Investment Manager. The Investment Manager will provide valuation advice and assist the AIFM in the valuation of the assets of the Sub-Fund, while the AIFM ensures that the valuation function is independent from the Investment Manager, and performed in accordance with the 2013 Law. The calculation of the Sub-Fund's NAV will be carried out by the Administrator (under the supervision of the AIFM), respectively, in accordance with the rules set out in Section 10 of the Prospectus and Annex III to this Sub-Fund Supplement.</p> <p>Under the supervision of the AIFM, the Administrator will determine the NAV per Share for each Class and sub-Class (if any) of the Sub-Fund as of the last Business Day of each calendar month (the "<b>Valuation Day</b>"). The monthly NAV per Share for each Class and sub-Class (if any) will generally be available around 35 Business Days following the month-end. The NAV of the Sub-Fund will be expressed in USD. The NAV per Share for each Class and sub-Class (if any) of the Sub-Fund shall be expressed in the reference currency for such Class and sub-Class, as applicable.</p> <p>The monthly NAV per Share for each Class and sub-Class (if any) will be made publicly available at <a href="https://gwms.apollo.com/USPrivateCredit">https://gwms.apollo.com/USPrivateCredit</a>.</p>						
<p><b>Fees</b></p>	<p><b>Management Fee</b></p> <p>In consideration for its services to the Sub-Fund, the Investment Manager shall be entitled to payment of a management fee (the "<b>Management Fee</b>") payable by the Sub-Fund monthly in arrears at the annual rates specified below of the value of the Sub-Fund's NAV as of the beginning of the first Business Day of the month:</p> <table border="1" data-bbox="533 1368 1350 1480"> <thead> <tr> <th>Class</th> <th>Management Fee</th> </tr> </thead> <tbody> <tr> <td>Class I</td> <td>1.25%</td> </tr> <tr> <td>Class A</td> <td>2.00%</td> </tr> </tbody> </table> <p>The Management Fee shall be calculated before giving effect to any accruals for the Management Fee, redemptions for that month, any distributions and any impact to NAV solely caused by currency fluctuations for non-USD Classes.</p> <p>No Management Fee will be borne by holders of Class K Shares or Class X Shares.</p> <p>The Sub-Fund will indirectly bear its proportionate share of management fees ("<b>Underlying Management Fees</b>") with respect to any Investment in an underlying collective investment scheme that charges such fees and for all shares other than Class K Shares and Class X Shares, the Investment Manager shall undertake to reduce or waive its Management Fee or to make other arrangements so that the aggregate of any management fees charged directly to the Sub-Fund together with any Underlying Management Fees paid to the</p>	Class	Management Fee	Class I	1.25%	Class A	2.00%
Class	Management Fee						
Class I	1.25%						
Class A	2.00%						

	<p>Investment Manager or its Affiliates do not exceed the Management Fees described herein. Holders of Class K Shares will bear their proportionate share of Underlying Management Fees; the Investment Manager undertakes no obligation to reduce or rebate such fees. Holders of Class X Shares will bear their proportionate share of Underlying Management Fees excluding any management fees in respect ABMML; the Investment Manager undertakes no obligation to reduce or rebate such fees.</p> <p>The Investment Manager may waive or reduce the Management Fee charged to certain Investors at its sole discretion. Any such waiver may be effected either by way of rebate to the relevant Investor's account or by purchase of additional Shares by the Investment Manager for the Investor.</p> <p>The Investment Manager will use some of its Management Fee to remunerate certain financial intermediaries. In such cases, a portion of the fee will be allocated to an investor's representative at the financial intermediary through which such investor was placed in the Sub-Fund, in order to compensate such representative for reporting, administrative and/or other services provided by such representative. Investors should be aware that the receipt of this fee by an investor's representative will result in a conflict of interest between the interests of the Investor and the interests of the relevant representative.</p> <p><b>Performance Fee</b></p> <p>No performance fee will be borne directly by the Sub-Fund. The Sub-Fund will indirectly bear its proportionate share of the performance fees ("<b>Underlying Performance Fees</b>") with respect to any Investment in an underlying collective investment scheme that charges such fees.</p> <p><b>Subscription Fees</b></p> <p>Certain financial intermediaries through which an investor subscribes to the Sub-Fund may charge such investor upfront selling commissions, placement fees, subscription fees or similar fees ("<b>Subscription Fees</b>") on Shares sold in the offering that are paid by the investor outside of its investment in the Sub-Fund and not reflected in the Sub-Fund's NAV. In certain circumstances, the Subscription Fees may be paid to Apollo and paid over, in whole or in part, to the financial intermediary that placed the investor into the Sub-Fund. No Subscription Fees will be paid with respect to reinvestments of distributions for accumulating Share classes. No Subscription Fees will be borne by holders of Class K Shares.</p> <p><b>Special Fees</b></p> <p>Special Fees (as defined more particularly below) in connection to the investments made directly by the Sub-Fund (if any) will be set off against the Management Fee as contemplated by "Section 20: Conflicts of Interest" of the general part of the Prospectus.</p> <p>With respect to any investment in an Apollo Fund that, pursuant to its governing documents, requires the Sub-Fund to bear Underlying Management Fees but provides for an offset thereto in respect of all or a percentage of the "special fees," "transaction fees" or other substantially similar offsetable amounts in accordance with such governing documents and receivable by Apollo, such offsetable</p>
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	<p>amounts will, with respect to the Sub-Fund, be treated in a manner in accordance with such governing documents. For the avoidance of doubt, (i) no such offset will apply with respect to any such "special fees," "transaction fees" or substantially similar amounts if the applicable governing documents do not require such an offset or the Sub-Fund is not bearing Underlying Management Fees with respect to such investment and (ii) Other Fees (as defined more particularly below and in the governing documents) will not constitute offsettable amounts and will be retained by Apollo.</p> <p><b>Other Fees</b></p> <p>Other Fees (as defined more particularly below) associated with the Sub-Fund will be borne by the Sub-Fund, including as further described in the section "<b>Organizational Expenses</b>" below.</p> <p>Notwithstanding anything herein to the contrary, the Investors acknowledge that the Sub-Fund will purchase portfolio investments in transactions where or relating to a portfolio company in respect of which an Affiliated Service Provider will act or has acted as an agent, broker, principal, arranger, advisor or syndicate manager or in respect of which an Affiliated Service Provider has been retained to provide loan administration services. Such Affiliated Service Provider will receive fees, including up-front fees and syndication fees, from the relevant portfolio company or syndicate members in respect of such activities, none of which shall constitute Special Fees or otherwise reduce Management Fees.</p> <p><b>All fees referenced above are exclusive of any applicable tax unless otherwise stated.</b></p> <p><b>Fees arising at multiple levels</b></p> <p>To the extent the Management Fee may apply at the level of the Sub-Fund, the Intermediary Funds, the Underlying Funds, and/or any other intermediary vehicle or Parallel Vehicle, Investors will only be charged such Management Fee by the Investment Manager (or its designated Affiliate) once.</p>
<p><b>Other Fees, Costs and Expenses</b></p>	<p><b>Fees of the AIFM</b></p> <p>The AIFM is entitled to receive from the Sub-Fund, such fees as set out in the AIFM fee letter. The fees for the AIFM are subject to a minimum amount of EUR 50,000 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to investors upon request free of charge at the registered office of the Umbrella Vehicle. The AIFM may be entitled to be reimbursed by the Sub-Fund for any expenses related to the advice of legal counsel and any other out-of-pocket expenses to the extent agreed by the Umbrella Vehicle and/or the Sub-Fund in the AIFM Agreement, the AIFM fee letter and such costs shall fall within scope of the Operating Expenses of the Sub-Fund.</p> <p><b>Fees of the Depositary</b></p> <p>The Depositary is entitled to receive from the Sub-Fund, depositary fees as set out in the Depositary Agreement.</p>

	<p>The fees for the Depositary and the Administrator are subject to a minimum amount of EUR 100,000.- per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to investors upon request free of charge at the registered office of the Umbrella Vehicle.</p> <p><b>Fees of the Administrator</b></p> <p>The Administrator is entitled to receive from the Sub-Fund, administration fees as set out in the Administration Agreement.</p> <p>The fees for the Depositary and the Administrator are subject to a minimum amount of EUR 100,000.- per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to investors upon request free of charge at the registered office of the Umbrella Vehicle.</p> <p><b>Platform Advisory Fee</b></p> <p>The Platform Advisor is entitled to receive an advisory fee as set out in the Platform Advisory Agreement (the "<b>Platform Advisory Fee</b>"). The Platform Advisory Fee will be borne by the Investment Manager out of the Management Fee, however, Investors should note that the Sub-Fund shall bear certain fees, costs and expenses in relation to the role of the Platform Advisor as Operating Expenses, as more particularly described below.</p> <p><b>Fees of the Auditor</b></p> <p>The Auditor is entitled to receive from the Sub-Fund, such fees as set out in an audit fee letter. The fees for the Auditor are subject to a minimum amount of EUR 36,250 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant audit fee letter, which will be made available to investors upon request free of charge at the registered office of the Umbrella Vehicle.</p> <p><b>Early Redemption Deduction</b></p> <p>Any request for the redemption of Shares as of a date within one year of the Business Day immediately preceding the effective subscription date of such Shares will be subject to an early redemption deduction equal to 2% of the value of the NAV of the Shares being redeemed (calculated as of the Redemption Date) (the "<b>Early Redemption Deduction</b>") for the benefit of the Sub-Fund. To the extent a corresponding fee, charge or deduction is applicable in respect of the relevant Intermediary Funds and/or the Underlying Funds, the Early Redemption Deduction will inure indirectly to the benefit of the Intermediary Funds and/or the Underlying Funds (and indirectly the Sub-Fund and all other vehicles invested in the Intermediary Funds). The Board of Directors may, from time to time, waive the Early Redemption Deduction in certain circumstances, including, but not limited to, (by way of example) in the case of redemptions resulting from death, qualifying disability or divorce (subject to the conditions described below). All questions as to the applicability of the Early Redemption Deduction to specific facts and the validity, form, eligibility (including time of receipt of required documents) of a qualification for an exemption from the Early Redemption Deduction will be</p>
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	<p>determined by the Board of Directors, in its sole discretion, and its determination shall be final and binding.</p> <p><b>Other costs</b></p> <p>As more particularly described in "Section 13: Costs and Expenses" of the general part of the Prospectus, the Board of Directors will charge to the Sub-Fund (and the same will be met out of the assets of the Sub-Fund) all Operating Expenses, including expenses, liabilities and costs incurred by the Board of Directors or charged by third party service providers in connection with the Sub-Fund, if and to the extent such expenses, liabilities and costs are directly incurred in connection with the investments or the management of the Sub-Fund, its subsidiaries or, as determined by the Investment Manager in good faith, any Additional Vehicle. For the avoidance of doubt, the Sub-Fund will also bear its proportionate share of any costs, liabilities and expenses arising at the level of any Intermediary Fund and/or Underlying Fund in connection with the investments and management of such investments in accordance with their relevant governing documents. All fees, costs and expenses incurred in respect of any particular Investor, may be borne by such Investor, as determined by the Board of Directors acting in good faith, including by deducting such amounts from distributions that would otherwise have been made to such Investor.</p> <p><b>All fees referenced above are exclusive of any applicable tax unless otherwise stated.</b></p>
<p><b>Organizational Expenses</b></p>	<p>All Organizational Expenses associated with the Sub-Fund and as determined by the Investment Manager in good faith, any Additional Vehicle will be borne by the Sub-Fund, as further described in the general part of the Prospectus (including its share of the payments, fees, costs, expenses and other liabilities incurred in connection with the formation and organization of the Umbrella Vehicle allocated to it by the Board of Directors in its discretion acting reasonably, the "<b>Sub-Fund's Share of UV Organizational Expenses</b>"). For the avoidance of doubt, the Sub-Fund will also bear its proportionate share of the organizational and offering expenses of any Intermediary Fund and/or Underlying Fund in accordance with the governing documents of such investment.</p> <p>The Investment Manager has agreed to advance, or procure that one of its Affiliates will advance, all of the Sub-Fund's Organizational Expenses on the Sub-Fund's behalf up to and including the first anniversary of the date on which the Sub-Fund accepts its first subscription (the "<b>Effective Date</b>"). The Sub-Fund will reimburse the Investment Manager for such advanced expenses rateably over the 60 months following the Effective Date. For the purposes of calculating the Sub-Fund's NAV, the Organizational Expenses paid by the Investment Manager and/or one of its Affiliates up to and including the Effective Date are not recognized as expenses or as a component of equity and will not be reflected in the Sub-Fund's NAV until the Sub-Fund reimburses the Investment Manager and/or one of its Affiliates (as applicable) for these expenses.</p>
<p><b>Operating Expenses</b></p>	<p>In relation to the Sub-Fund, "Operating Expenses" shall include the following payments, fees, costs, expenses and other liabilities and obligations resulting from, related to, associated with, arising from or incurred in connection with: (i) (a) the discovery, evaluation, investigation, development, acquisition, consummation, structuring,</p>

	<p>ownership, maintenance, monitoring, hedging, portfolio and risk management or disposition of investments (including brokerage, sales and underwriting commissions, private placement, syndication, solicitation, pricing and valuation (including appraisal), arranger, transaction, advisory, investment banking, custodial, depositary, trustee, transfer agent, record-keeping and administrative fees, clearing, settlement and bank charges, deposits (including earnest money deposits), consent or other third-party fees or payments, closing, execution and transaction costs, other fees, costs and expenses in respect of derivative contracts (including any payments under, and any margin expenses relating to, such derivative contracts or any posting of margin or collateral with respect to such derivative contracts), investment costs, and other closing, execution and transaction costs, travel and related expenses (including with respect to potential investments) and other administrative fees, costs and expenses), irrespective of whether any such investment is ultimately consummated (including any broken deal expenses and reverse break-up fees), (b) any indebtedness, credit facility, guarantee, line of credit, loan commitment, letter of credit, hedging guarantee or similar credit support or other indebtedness involving the Umbrella Vehicle and/or Sub-Fund or any investment (including any payment of principal or fees, costs and expenses incurred in obtaining, negotiating, entering into, effecting, maintaining, varying, refinancing or terminating such borrowings and indebtedness and interest arising out of such borrowings and indebtedness, and including fees, costs and expenses incurred in obtaining lines of credit, loan commitments and letters of credit for the account of the Umbrella Vehicle and/or the Sub-Fund), securing the same by mortgage, charge, pledge, assignment (including an assignment by way of security) or other lien on any assets of the Umbrella Vehicle and/or the Sub-Fund or otherwise encumbering assets in connection with or in furtherance of the acquisition of all or a portion of or the financing of a portfolio investment; (c) attending conferences in connection with the evaluation of future investments or particular sector opportunities (including the evaluation of potential investments, irrespective of whether any such investment is ultimately consummated); (ii) risk management assessments and analysis of the Umbrella Vehicle and/or the Sub-Fund's direct or indirect assets; (iii) taxes and other governmental charges incurred or payable by the Umbrella Vehicle and/or the Sub-Fund (including any entity-level taxes imposed on, with respect to, or otherwise borne by the Umbrella Vehicle and/or the Sub-Fund, to the extent not allocated to one or more Investors; (iv) any actuaries, accountants, advisors, auditors, administrators (whether or not third party), brokers (including prime-brokers), counsel, custodians, appraisers, depositaries, valuation experts, distributors (including, for the avoidance of doubt: (a) the Global Distributor and any distribution platforms or networks; and (b) fees, costs and expenses related to, associated with, arising from or incurred in connection with their partnership programs, distribution support services, client relations support services, expert networks/research resources, technology platforms, client events, hosted webinars, public relations services, operational and onboarding support services, transactional information services and the attending and/or sponsoring of their events and conferences (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expense in connection with any such events and conferences)) and other Service Providers that provide services to or with respect to the Umbrella Vehicle and/or the Sub-Fund, and legal expenses incurred in connection with claims</p>
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	<p>or disputes related to the Sub-Fund or one or more investments or one or more actual, unconsummated or proposed investments; (v) the engagement of professionals (including Apollo Consulting) (including all fees, costs, incentive compensation and expenses on account of compensation and benefits of its employees) and any industry executives, advisors, consultants (including operating consultants and sourcing consultants), any platform advisor (including, in respect of the Platform Advisor, any fees, costs and/or expenses incurred by or payable to the Platform Advisor in respect of the provision to the Sub-Fund of access to the Platform Advisor's digital infrastructure and technology platforms (including where the same is implemented in connection with the Sub-Fund's marketing and distribution activities), the Platform Advisor's assistance with distributor onboarding processes, investor subscription processes, liquidity management (including share class hedging), financial management and ongoing reporting, and any other services or materials provided by the Platform Advisor falling into the other sub-categories described in this section), any ESG consultants, operating executives, subject matter experts or other persons acting in a similar capacity) who provide services to or in respect of the Umbrella Vehicle and/or the Sub-Fund or its operating entities, or other subsidiaries or related investments (including with respect to potential investments, and including allocable Overhead of Apollo Consulting, including all costs, incentive compensation and expenses on account of compensation and benefits of its employees and also including, among other things, (A) conducting due diligence on or analysis of industry, geopolitical or other operational issues, and (B) operational improvement initiatives relating to such investments, and developing and implementing such initiatives (including, but not limited to, the operating executives engaged by the Umbrella Vehicle and/or the Sub-Fund, the Investment Manager or any other Affiliated Service Provider); (vi) all fees, costs and expenses in connection with entities comprising Apollo Consulting, including those incurred in the organization, operation, maintenance, restructuring (including by way of a secondary transaction, strip sale or similar transaction to one or more third parties or other Apollo Clients) and dissolution of such vehicles; (vii) (a) obtaining research and other information, including information service subscriptions, as well as the operation and maintenance of information systems and information technology systems used to obtain such research and other related information, and (b) attending industry events (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expense in connection with any such industry events), in each case, for the benefit of the Umbrella Vehicle and/or the Sub-Fund; (viii) developing, implementing or maintaining computer software and technological systems for the benefit of the Umbrella Vehicle and/or the Sub-Fund, the Investors or its investments (including potential investments); (ix) fees, costs and expenses incurred in connection with systems, including, but not limited to, licenses, development and hosting; (x) premiums and fees for insurance (including costs, liabilities and expenses of any litigation, investigation, judgments or settlements paid in connection therewith) allocated in good faith to the Sub-Fund by the Investment Manager (including Apollo's group insurance policy, general partner's, directors' and officers' liability or other similar insurance policies, errors and omissions insurance, financial institution bond insurance and any other insurance for coverage of liabilities to any person or entity that are incurred in connection with the activities of the Umbrella Vehicle and/or the Sub-Fund); (xi) any governmental inquiry, investigation or proceeding or any litigation involving or otherwise applicable to the</p>
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	<p>Umbrella Vehicle and/or the Sub-Fund or the Investment Manager or any of their respective Affiliates in connection with the activities of the Umbrella Vehicle and/or the Sub-Fund or any investment, any subsidiaries or any potential investment (including fees, costs and expenses incurred in connection with the investigation, prosecution, defence, judgment or settlement of any such inquiry, investigation, proceeding or litigation and the amount of any judgments, settlements or fines paid in connection therewith) and other extraordinary expenses related to the Umbrella Vehicle and/or the Sub-Fund, any investment, subsidiary or any potential investment (including fees, costs and expenses that are classified as extraordinary expenses under the applicable accounting principles); (xii) the preparation of all reports or information requests for one or more Investors (including all fees, costs and expenses incurred to audit such reports, provide access to a database or other internet forum and for any other operational, legal, secretarial or postage expenses relating thereto or arising in connection with the distribution of the same), and any other financial, tax, accounting, legal or fund administration reporting functions for the benefit of the Umbrella Vehicle and/or the Sub-Fund or any Umbrella Vehicle and/or any Sub-Fund vehicle or Umbrella Vehicle and/or Sub-Fund subsidiary, the preparation of financial statements, tax returns; (xiii) meetings of the Board of Directors and/or the Investment Manager with any Investor(s) (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expense in connection with any such meetings); (xiv) the Umbrella Vehicle and/or the Sub-Fund's respective indemnification obligations (including those incurred in connection with indemnifying Indemnified Parties (as defined in the Prospectus), and advancing fees, costs and expenses incurred by any such Indemnified Party in defence or settlement of any claim that may be subject to a right of indemnification under the constituent documents of the Umbrella Vehicle and/or the Sub-Fund); (xv) complying with (or facilitating compliance with) any applicable law, rule or regulation (including legal fees, costs and expenses), regulatory filing or other expenses of the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager, including any compliance, filings or other obligations, in each case, involving or otherwise related to the Umbrella Vehicle and/or the Sub-Fund (including the amount of any judgments, settlements or fines paid in connection therewith) but, for the avoidance of doubt, excluding any ordinary course compliance, filings or other obligations imposed on the Investment Manager or any of its Affiliates under the Advisers Act (such as the preparation and filing of the Investment Manager's or any of its respective Affiliates' Form ADV) or by the Luxembourg Commission de Surveillance du Secteur Financier and/or the United Kingdom Financial Conduct Authority, that do not relate directly to the affairs of the Umbrella Vehicle and/or the Sub-Fund; (xvi) a Default by Defaulting Investor; (xvii) a Transfer of an Investor's Shares or an Investor's withdrawal or admission permitted or required under this Prospectus, the Articles and/or the Sub-Fund Supplement (but only to the extent not paid by the Investor or assignee or withdrawing Investor, as applicable); (viii) redemptions of Investors' Shares; (xix) any amendments, modifications, revisions or restatements to the constituent documents of the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager (other than any such amendments, modifications, revisions or restatements related solely to the affairs of the Investment Manager not related to the affairs of the Umbrella Vehicle and/or the Sub-Fund); (xx) distributions to the Investors; (xxi) administering and operating the Sub-Fund, preparing and maintaining the books and records of the</p>
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	<p>Sub-Fund, including internal costs that the Investment Manager may incur to produce the Sub-Fund's books and records, external costs in cases where the Investment Manager hires a third-party administrator to maintain the Umbrella Vehicle and/or the Sub-Fund's books and records and any costs of the Investment Manager to oversee and manage such third-party administrator and fees, costs and expenses incurred in the organization of special purpose vehicles, subsidiaries of the Umbrella Vehicle and/or the Sub-Fund or alternative investment vehicles including costs associated with establishing and maintaining a permanent residence in certain jurisdictions (such as rent for office space, related overhead and employee salaries and benefits) which fees, costs and expenses may, in the sole discretion of the Board of Directors or the Investment Manager, be allocated solely to or paid solely by investors participating therein); (xxii) negotiating and entering into, and compliance with, actual and prospective Other Agreements, whether executed or not (which fees, costs and expenses may, in the sole discretion of the Board of Directors, be allocated solely to or paid solely by the Investor(s) to which they relate), and "most favored nations" elections processes in connection therewith; (xxiii); the winding-up, dissolution and termination of the Umbrella Vehicle and/or the Sub-Fund; (xxiv) all similar fees, costs and expenses in connection with Additional Vehicles, special purpose vehicles and subsidiaries of the Umbrella Vehicle and/or the Sub-Fund or such Additional Vehicles, including those incurred in the organization, operation, maintenance, restructuring, winding-up and dissolution of such vehicles; (xxv) all fees, costs and expenses in connection with forming, organizing, maintaining, administering, operating and negotiating joint ventures or arrangements and Platform Investments; (xxvi) the Sub-Fund's allocable portion of any carried interest, incentive allocation, management fees or other similar fees, costs and expenses or compensation (including expense reimbursement), in each case, payable or allocable to joint venture partners or Platform Investment partners of the Sub-Fund, any intermediate vehicle, any special purpose vehicle, any subsidiary or any investment; (xvii) to the extent agreed by the Investment Manager in its sole discretion, all similar operating expenses of an Investor that is a vehicle sponsored or managed by a placement agent, the Global Distributor, a Sub-Distributor or any of their respective Affiliates and which placement agent, Global Distributor, Sub-Distributor or Affiliate thereof is entitled to receive distribution fees or placement fees in connection with or as a result of placing investors indirectly into the Sub-Fund through such Investor; (xxviii) an allocable portion of the fees, costs and expenses incurred in connection with organizing, maintaining, administering and operating any Umbrella Vehicle and/or any Sub-Fund entity that serves as the alternative investment fund manager or general partner thereof or in a similar capacity (including rent, salaries and ancillary costs of such entities, and costs and expenses of Service Providers of such entities); and (xxix) costs of currency hedging.</p> <p>Pursuant to an Organizational Expense and Operating Expense limitation agreement (the "<b>Expense Limitation Agreement</b>") with the Sub-Fund, the Investment Manager has agreed to waive amounts of Management Fee that it would otherwise be paid, and/or for the Investment Manager or one of its Affiliates to assume expenses of the Sub-Fund, if required to ensure the amount of Organizational Expenses (including, for the avoidance of doubt, the Sub-Fund's Share of UV Organizational Expenses) and Operating Expenses (together with any irrecoverable VAT thereon) incurred directly at the</p>
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	<p>Sub-Fund level (the "<b>Covered Expenses</b>") (excluding, the Management Fee, any Underlying Management Fees, any Underlying Performance Fees, the operating expenses of any Intermediary Fund and/or Underlying Fund and/or other investment structures, any Subscription Fees, interest, taxes, brokerage commissions, dividend and interest expenses relating to short sales, borrowing costs, merger or reorganization expenses, Investor meeting expenses, litigation expenses, expenses associated with the acquisition and disposition of investments (including interest and structuring costs for borrowings and line(s) of credit) and extraordinary expenses, if any; collectively, the "<b>Excluded Expenses</b>") does not exceed 0.35% per annum (excluding Excluded Expenses) of the Sub-Fund's average monthly Net Asset Value of each Class. With respect to each Class, the Sub-Fund agrees to repay the Investment Manager any amounts of Management Fee waived or to repay expenses assumed by the Investment Manager or one of its Affiliates under the Expense Limitation Agreement for such Class, provided the repayments do not cause the Sub-Fund's annual Covered Expenses (excluding Excluded Expenses) for that Class to exceed the expense limitation in place at the time the Management Fees were waived and/or the expenses were reimbursed, or the expense limitation in place at the time the Sub-Fund repays the Investment Manager or one of its Affiliates (as applicable), whichever is lower, with, for the avoidance of doubt, such repayments in such case being deferred until the foregoing applicable limitation would not be exceeded by such repayments, as applicable. Any such repayments must be made within sixty months after the month in which the Investment Manager or one of its Affiliates incurred the expense. The Expense Limitation Agreement will have a term ending at least one year from the first Dealing Date, and the Investment Manager may extend the term for a period of one year on an annual basis. The Investment Manager may not terminate the Expense Limitation Agreement during its initial one year term.</p> <p>For the avoidance of doubt, the Sub-Fund will also bear its proportionate share of the operating expenses of any Intermediary Fund and/or Underlying Fund in accordance with the governing documents of such investment.</p> <p>To the extent that the Sub-Fund or an Apollo Client is participating in an investment or potential investment, any and all expenses not paid by a portfolio company or other person will be borne by the Sub-Fund or the Apollo Client to the extent applicable, pro rata in proportion to the amount of funds to be invested or proposed to be invested by each of the foregoing, or in such manner as the Board of Directors and/or the Investment Manager, in their sole discretion, deem to be fair and equitable under the circumstances.</p>
<b>Other Fees</b>	<p>In relation to the Sub-Fund, the term "Other Fees" means: (i) fees, costs or expenses that comprise or constitute Organizational Expenses or Operating Expenses; (ii) salary, fees, expenses or other compensation of any nature paid by a portfolio investment to any individual (or to the Investment Manager or any of its Affiliates (including Apollo Consulting) with respect to such individual) who acts as an officer of, or in an active management role at, such portfolio investment (including industry executives, advisors, consultants (including operating consultants and sourcing consultants), operating executives, subject matter experts or other persons acting in a similar capacity engaged or employed by Apollo Consulting); (iii) without limiting the foregoing clauses (i) and (ii), fees, costs or expenses paid</p>

	<p>to or in respect of Apollo Consulting or any industry executives, advisors, consultants (including operating consultants and sourcing consultants), operating executives, subject matter experts or other persons acting in a similar capacity who provide services to the Umbrella Vehicle or its portfolio investments (including allocable overhead or other amounts or compensation of Apollo Consulting, including all costs and expenses on account of compensation and benefits of its employees); (iv) payments, fees, costs, expenses and other liabilities, allocable overhead or other amounts or compensation (such as arranger, brokerage, placement, syndication, solicitation, underwriting, agency, origination, sourcing, structuring, collateral management, SPV (including any SPV of a portfolio investment), capital markets, debt advisory or subsidiary management or administration, advisory, commitment, facility, float or other fees, discounts, spreads, commissions and concessions, but not merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of an investment) earned by or paid to an Affiliated Service Provider, or another person with respect to services rendered by such Affiliated Service Provider or other person; provided, that if such Affiliated Service Provider is engaged in the relevant activity or service on a for-profit basis with respect to the Sub-Fund or a portfolio investment, as determined by the Board of Directors in good faith, then, the applicable fees paid to it for such services will be on an arm's-length basis or not materially less favourable to the Sub-Fund or the applicable portfolio investment than the fees that could be paid to a third party with commensurate skill, expertise or experience (to the extent applicable) except where the Board of Directors obtains advice from or the recommendation of an independent third-party consultant or expert that is not an Affiliate of the Investment Manager with requisite skill, expertise or experience in the applicable subject matter that the terms of such transaction are on an arm's length basis or not materially less favourable to the Sub-Fund or the applicable portfolio investment; (v) amounts earned by or for the account of any Apollo Client (directly or indirectly through an expense offset mechanism); (vi) fees, costs and expenses for any and all services whatsoever (including merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of an investment) paid or otherwise borne by any portfolio investment or issuer of any securities or other financial instruments that constitute debt investments or investments with respect to which Apollo does not exercise direct control with respect to the decision to engage the services giving rise to such fees, costs and expenses; (vii) any fees, costs and expenses or other amounts or compensation (including management fees, operating expenses, incentive allocation and/or carried interest) earned by any person or otherwise borne with respect to portfolio investments that are managed by the Board of Directors, the Investment Manager or any of their respective Affiliates (including an Investment in an Apollo Client) that are acquired by the Sub-Fund in the secondary market, (viii) any and all fees, costs and expenses, or other amounts or compensation, that may be paid to or that are otherwise for the benefit of the Board of Directors, the Investment Manager or any of their respective Affiliates or any employees of any of the foregoing arising out of the day-to-day operation and administration of Redding Ridge Asset Management, including amounts or compensation paid to or that are otherwise for the benefit of Apollo Capital Management, L.P. or Apollo Management International LLP; and (xi) any fees, costs or expenses determined by</p>
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	the Board of Directors in good faith to be similar in nature to any of the foregoing.
<b>Special Fees</b>	The Board of Directors, the Investment Manager any of their respective Affiliates (including Affiliated Service Providers) or any employees of any of the foregoing will receive 100% of all net consulting or management consulting fees, investment banking fees, breakup fees, directors' fees, closing fees and merger and acquisition transaction advisory fees related to the negotiation of the acquisition and financing of any investment made directly by the Sub-Fund (if any) (other than investments that are debt portfolio investments or portfolio investments with respect to which Apollo does not exercise direct control with respect to the decision to engage the services giving rise to the relevant fees, costs and expenses), and similar fees, whether in cash or in kind, including options, warrants and other non-cash consideration (collectively, " <b>Special Fees</b> "). Such Special Fees will be applied to reduce the Management Fee paid by such management fee-bearing Investors.
<b>Reporting</b>	<p>The Sub-Fund will prepare and distribute its annual report to the Investors within 6 months after the end of each financial year. The annual report will contain financial statements audited by an internationally recognized accounting firm.</p> <p>In addition, and in accordance with the requirements of the 2010 Law, the Sub-Fund will prepare and distribute an unaudited semi-annual report to Investors within three months following the period to which it refers.</p>
<b>SFDR</b>	<p>This section of the Sub-Fund Supplement sets out certain pre-contractual disclosures for the purposes of the SFDR.</p> <p>For the purposes of the SFDR, the AIFM, and not the Investment Manager, is the "financial market participant" required to make pre-contractual disclosures in relation to the Sub-Fund. In this section of the Sub-Fund Supplement, all references to the Investment Manager are references to the Investment Manager providing portfolio management services to the Sub-Fund as delegate of (and subject to the overall supervision and oversight of) the AIFM.</p> <p><b>Status under SFDR:</b></p> <p>As of the date of this Sub-Fund Supplement, the Sub-Fund has been classified as falling within Article 6 of the SFDR. For disclosures made to satisfy the requirements of Articles 6 and 7 of the SFDR and Article 7 of Taxonomy Regulation, please refer to the sections below. The Sub-Fund does not have as its objective sustainable investment and does not promote environmental or social characteristics for the purposes of the SFDR. The Sub-Fund is therefore not subject to the additional disclosure requirements for financial products referred to in Article 8 or Article 9 of the SFDR.</p> <p><b>Impact of Sustainability Risks on Returns:</b></p> <p>The Investment Manager has implemented a policy in respect of the integration of sustainability risks in its investment decision-making process (the "<b>Policy</b>"). Further information on the manner in which sustainability risks are integrated into investment decisions is set out</p>



	<p>under the sub-heading "<i>Integration of Sustainability Risks into Investment Decisions</i>" below.</p> <p>The Investment Manager considers that sustainability risks are relevant to the returns of the Sub-Fund. A "sustainability risk" is an environmental, social or governance ("<b>ESG</b>") event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.</p> <p>Assessment of sustainability risks is complex and may be based on data which is difficult to obtain, incomplete, estimated, out of date and/or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager will correctly assess the impact of sustainability risks on the Sub-Fund's investments.</p> <p>To the extent that an event contemplated by a sustainability risk occurs, or such event occurs in a manner that is not anticipated by the Investment Manager, there may be a sudden, material negative impact on the value of an investment. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the net asset value of the Sub-Fund.</p> <p>The impacts following the occurrence of an event contemplated by a sustainability risk may be numerous and vary depending on the specific risk and asset class. In general, where an event contemplated by a sustainability risk occurs in respect of an asset, there will be a material negative impact on, and may be an entire loss of, its value. For example, this may be because of damage to a business' reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital, and/or fines and other regulatory sanctions. The time and resources of a business' management team may be diverted from furthering its business and be absorbed in seeking to manage the events contemplated by such sustainability risk, including changes to business practices and managing investigations and litigation. Sustainability risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by businesses to which the Sub-Fund is exposed may also be adversely impacted by a sustainability risk.</p> <p>Sustainability risks are relevant as both standalone risks, and also as cross-cutting risks which manifest through many other risk types which are relevant to the assets of the Sub-Fund. For example, the occurrence of an event contemplated by a sustainability risk can give rise to financial and business risk, including through a negative impact on the credit worthiness of other businesses. The increasing importance given to sustainability considerations by both businesses and consumers means that the occurrence of an event contemplated by a sustainability risk may result in significant reputational damage to affected businesses. The occurrence of an event contemplated by a sustainability risk may also give rise to enforcement risk by governments and regulators, and also litigation risk.</p> <p>Events contemplated by a sustainability risk may arise and impact a specific investment or may have a broader impact on economic sectors, geographical regions and/or jurisdictions and political regions.</p>
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	<p>Many economic sectors, regions and/or jurisdictions, including those in which the Sub-Fund may, indirectly, invest, are currently and/or in the future may be, subject to a general transition to a greener, lower carbon and less polluting economic model. Drivers of this transition include governmental and/or regulatory intervention, evolving consumer preferences and/or the influence of non-governmental organizations and special interest groups.</p> <p>Laws, regulations and industry norms play a significant role in controlling the impact on sustainability factors of many industries, particularly in respect of environmental and social factors. Any changes in such measures, such as increasingly stringent environmental or health and safety laws, can have a material impact on the operations, costs and profitability of businesses. Further, businesses which are in compliance with current measures may suffer claims, penalties and other liabilities in respect of alleged prior failings. Any of the foregoing may result in a material loss in value of an investment linked to such businesses.</p> <p>Further, certain industries face considerable scrutiny from regulatory authorities, non-governmental organizations and special interest groups with respect to their impact on sustainability factors, such as compliance with minimum wage or living wage requirements and working conditions for personnel in supply chains. The influence of such authorities, organizations and groups along with the public attention they may bring can cause affected industries to make material changes to their business practices which can increase costs and result in a material negative impact on the profitability of such businesses. Such external influence can also materially impact the consumer demand for a business' products and services which may result in a material loss in value of an investment linked to such businesses.</p> <p>Sectors, regions, businesses and technologies which are carbon-intensive, higher polluting or otherwise cause a material adverse impact on sustainability factors may suffer from a significant fall in demand and/or obsolescence, resulting in stranded assets the value of which is significantly reduced or entirely lost ahead of their anticipated useful life. Attempts by sectors, regions, businesses and technologies to adapt so as to reduce their impact on sustainability factors may not be successful, may result in significant costs being incurred, and future ongoing profitability may be materially reduced.</p> <p>In addition to the above, a description of certain other sustainability risks identified by the Investment Manager as being potentially relevant to the investments made by the Sub-Fund and (as a consequence, the Sub-Fund's net asset value) is set out below. This description is for illustrative purposes only and is not intended to be exhaustive.</p> <p><b>Environmental</b></p> <p>Environmental risks are associated with environmental events or conditions and their effect on the value of assets to which the Sub-Fund may have exposure. Such risks may arise in respect of a company itself, its affiliates, or its supply chain, and/or apply to a particular economic sector, geography, or political region. Environmental risks that may affect the utility and value of investments may include, for example: (i) risks related to climate change, such as the occurrence of extreme weather events (for example major</p>
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	<p>droughts, floods, or storms), extreme heat waves, increased localised or widespread flooding and rising sea levels, and associated operational risks and costs of insurance; (ii) access to and scarcity of natural resources, such as water; and/or (iii) measures introduced by governments or regulators to transition to a low-carbon economy and more broadly reduce pollution and control and reduce waste.</p> <p><b>Social</b></p> <p>Social risks may be internal or external to a company and may be associated with and arise in respect to a company itself, its affiliates, company employees, supply chain, local communities, and/or customers of companies in which the Sub-Fund may have exposure. Social risks that may affect the utility and value of investments may include, for example: (i) human capital considerations, such as human rights violations, modern slavery, workforce health and safety, and fines or other regulatory sanctions and/or investigations and litigation; and (ii) external social factors, such as cybersecurity threats and consumer data privacy violations, local community engagement, and fines and other regulation sanctions and/or investigations and litigation.</p> <p><b>Governance</b></p> <p>Governance risks are associated with the quality, effectiveness, and process for the oversight of day-to-day management of companies in which the Sub-Fund may have exposure. Such risks may arise in respect of the company itself, its board and/or management team, its affiliates, or in its supply chain. Governance risks that may affect the utility and value of investments may include, for example: (i) the adequacy of a company's internal and external audit functions; (ii) the effectiveness of a company's controls to detect and prevent bribery and corruption; (iii) the effectiveness of the measures taken by a company to protect personal data of employees and customers; and (iv) the presence of appropriate and effective safeguards for employment-related risks, such as workplace harassment and discrimination, and workforce health and safety risks.</p> <p><b>Integration of Sustainability Risks into Investment Decisions:</b></p> <p>The Investment Manager has adopted the Policy in respect of the integration of sustainability considerations in investment decision-making processes. This section provides a summary of the information set forth in the Policy.</p> <p>The Policy sets forth Apollo's longstanding commitment to three core principles of responsible investing and good stewardship that are built into the firm and its investment processes: integrating, engaging, and being transparent with respect to the ESG factors. The Policy articulates Apollo's belief that actively managing ESG risks and seizing ESG opportunities makes it a better investor, and a better steward of its investors' capital, by positioning Apollo and portfolio companies for sustainable success. Just as important, the Policy also sets forth Apollo's belief that it can and should have a positive impact on society, helping to make the world a better place and improving people's lives. Importantly, the Policy notes that ESG issues can affect both the investment risk and the performance of the companies in which Apollo-managed funds invest, and accordingly, Apollo's approaches to identify, measure, manage, and monitor ESG risks may</p>
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	<p>vary depending on, inter alia, asset class, geography, investment strategy, portfolio construction, investment vehicle, or time horizon.</p> <p>The Policy notes that, under SFDR, "sustainability risk" means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. Accordingly, the Policy approaches sustainability risk from the perspective that ESG events might cause a material negative impact on the value of Apollo's clients' investments, and conversely, the Policy is not focused on the negative impact that its investment decisions may have externally on sustainability factors.</p> <p>With respect to sustainability risks, the Policy explains that, as part of Apollo's broader risk management processes, there are certain procedures that the Investment Manager will implement to identify, measure, manage, and monitor sustainability risks. These processes include, but are not limited to: (i) the review of certain sustainability risks that are potentially likely to cause a material negative impact on the value of Apollo's clients' investments, should events contemplated by such risks occur; (ii) the measurement of such risks by considering the likelihood of events contemplated by such risks occurring and the potential severity of impact to the value of an investments should events contemplated by such risks occur; (iii) the holistic integration of sustainability risks into overall risk management processes and the recognition that sustainability risks are, as a group, one of many potential risks that may, depending on the specific investment opportunity, be relevant to a determination of risk; and (iv) the periodic monitoring of existing client portfolios and taking corrective action where necessary and appropriate.</p> <p><b>Taxonomy Regulation:</b></p> <p>For the purposes of the Taxonomy Regulation, the AIFM makes the following disclosure. The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p><b>Principal Adverse Impacts:</b></p> <p>The SFDR requires the AIFM to make a "comply or explain" decision as to whether it considers the principal adverse impacts ("<b>PAIs</b>") of its investment decisions on sustainability factors, in accordance with a specific regime outlined in the SFDR (the "<b>PAI regime</b>"). The Investment Manager does not currently consider the PAIs of investment decisions on sustainability factors within the meaning of the SFDR in respect of the Sub-Fund. In the context of the investment objectives and strategies of the Sub-Fund, the Investment Manager is concerned about the lack of reasonably priced, readily available, and accurate and complete data to comply with many of the reporting requirements of the PAI regime, as the Investment Manager believes that both issuers and third-party market data providers do not yet make available all necessary data set forth under the PAI regime.</p> <p>The Investment Manager will keep the decision to not consider the principal adverse impacts of investment decisions on sustainability factors within the meaning of the SFDR under regular review.</p>
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<b>Exclusivity</b>	The functions and duties which the Board of Directors, AIFM, Investment Manager and/or any of their Affiliates undertake on behalf of the Sub-Fund will not be exclusive and they perform similar functions and duties for themselves and for others and, without limitation, act as manager, investment advisor or general partner (or equivalent) in respect of other funds, accounts or other products.
<b>Dissolution</b>	The Sub-Fund may be put into liquidation by a decision of the Board of Directors. Any decision to put the Sub-Fund into liquidation will take into account the best interests of the Investors and will be subject to the prior non-objection of the CSSF.
<b>Benchmark Regulation</b>	The Sub-Fund is actively managed and will not make use of a benchmark within the meaning of Regulation (EU) No 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2004/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
<b>Securities Financing Transactions and TRS</b>	<p>The AIFM and the Investment Manager expect that the Sub-Fund may enter into total return swaps ("<b>TRSs</b>"). As such, the section in the Prospectus entitled "EU and UK Securities Financing Transaction Regulation" shall apply to the Sub-Fund with respect to its use of TRSs. The maximum and expected proportion of the Sub-Fund's assets under management that may be subject to TRSs shall be 15% and 5%, respectively.</p> <p>As of the date of the Prospectus, the AIFM and the Investment Manager do not contemplate that the Sub-Fund will enter into any securities financing transactions. However, in the event that the Sub-Fund expects to employ any of the foregoing transactions, the Sub-Fund Supplement will be updated prior to the use of such transactions as required by the AIFMD Rules and European Union Regulation 2015/2365 of the European Parliament and of the Council of November, 25 2015 on transparency of securities financing transactions and of reuse and amending European Union Regulation 648/2012 (the "<b>SFTR</b>"). With respect to any such Securities Financing Transactions and should the Sub-Fund enter into such transactions, the information provided will include the rationale for their use, the type of assets that can be subject to them, the maximum and expected proportion of assets under management subject to them, criteria to select counterparties, acceptable collateral, valuation methodology and information on safekeeping of assets and collateral.</p>

<b>Risk Factors</b>	<p><i>In addition to the risks set out in Annex IV to this Sub-Fund Supplement, all risk factors and investment considerations detailed in the general part of the Prospectus should be considered applicable, directly or indirectly, to an investment in the Sub-Fund. An investment in the Shares of the Sub-Fund involves a significant degree of risk. There can be no assurance that the Sub-Fund will realize an attractive rate of return or that there will be any return of capital.</i></p> <p><i>Prospective investors should carefully evaluate these considerations, which represent some but not all of the potential risks of an investment in the Shares of the Sub-Fund, before becoming an investor in the Sub-Fund. For a summary of risk factors and potential conflicts of interest relevant to the Sub-Fund, see Annex IV to this Sub-Fund Supplement, "Section 20: Conflicts of Interest" and "Section 19: Risk Factors" of the general part of the Prospectus.</i></p>
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## ANNEX II INVESTMENT INFORMATION

Terms not otherwise defined in this Annex shall have the meaning given to them in the Prospectus and the Sub-Fund Supplement, as applicable.

### Section 2.01 Apollo U.S. Private Credit Overview

Apollo U.S. Private Credit ("**Apollo U.S. Private Credit**") is a credit investment program operated through several entities. A participation in Apollo U.S. Private Credit is hereby being offered to certain prospective investors via the Sub-Fund. If it considers appropriate for any legal, tax, regulatory, compliance, structuring or other considerations of the Sub-Fund, or of certain prospective investors, the Board of Directors, the Investment Manager or any of their Affiliates may, in their sole discretion, establish one or more (i) feeder vehicles to invest into the Sub-Fund (each such vehicle a "**Feeder Entity**") and/or (ii) parallel vehicles to invest alongside the Sub-Fund (each such vehicle a "**Parallel Vehicle**").

As a credit investment program, it is intended that Apollo U.S. Private Credit will make its investments, indirectly through: (i) one or more investment holding vehicles (which may include one or more intermediary vehicles established to facilitate an indirect investment in an Underlying Fund (as defined below))(each, an "**Intermediary Fund**"); and/or (ii) one or more underlying collective investment schemes managed by the Investment Manager and/or its Affiliates (together, the "**Underlying Funds**"), but the Board of Directors, the Investment Manager, the Sub-Investment Manager and the AIFM and/or their relevant delegates will consider alternative structures on a case by case basis.

The Sub-Fund does not and will not qualify as a feeder AIF pursuant to the AIFMD.

### Section 2.02 **The information set out below describes the indirect investments of the Sub-Fund typically held through the Intermediary Funds and/or Underlying Funds**

The Sub-Fund's investment objectives are to generate current income and, to a lesser extent, long-term capital appreciation. The Sub-Fund plans to invest at least 90% of its assets (with the balance intended to be used for (i) the Liquidity Reserve; and (ii) any reserves for the payment of expenses, liabilities or other obligations of the Sub-Fund, in each case which may compromise cash, cash equivalents and/or liquid instruments) in Underlying Funds, directly or indirectly through Intermediary Funds or other investment structures, which will invest in private credit opportunities in directly originated assets, including loans and other debt securities. While a majority of the Sub-Fund's (indirect) private credit investments are expected to be in respect of large-cap private U.S. companies, defined generally as companies with more than \$75 million in EBITDA, as may be adjusted for market disruptions, mergers and acquisitions-related charges and synergies, and other items, the Sub-Fund will also (indirectly) invest in private credit opportunities relating to public companies, smaller-cap U.S. companies and/or borrowers in Europe and other non-U.S. jurisdictions. Where the context requires, each reference herein to the Sub-Fund making investments shall include direct and indirect investments through Underlying Funds and/or Intermediary Funds, as the case may be.

In connection with the foregoing, it is intended that the Sub-Fund will invest approximately 75% of its assets in private credit opportunities through common shares (held by the Sub-Fund directly or indirectly) in the Underlying Fund known as Apollo Debt Solutions BDC ("**ADS**"), a Delaware statutory trust that seeks to invest primarily in certain directly originated assets, including debt securities, made to or issued by large private U.S. borrowers, as well as, to a lesser extent, similarly sized European borrowers and smaller U.S. borrowers. Of ADS' private credit investments (target 80% of ADS' total assets), the predominant exposure will be to private U.S. companies with an EBITDA of greater than \$75 million.

It is intended that the remainder of the Sub-Fund's assets will predominantly be invested in private credit opportunities through limited partnership interests (held by the Sub-Fund directly or indirectly) in the Underlying Fund known as Apollo Broad Middle Markets Lending Fund ("**ABMML**"), a Cayman Islands exempted limited partnership that seeks to invest primarily in certain directly originated assets, including debt securities, made to or issued by borrowers other than large private U.S. companies. Of ABMML's private credit investments (target 80% of ABMML's total assets), at least 75% will be in public companies; private U.S. companies with an EBITDA of less than \$75 million; and private non-U.S. companies of any size.

While ADS and ABMML may hold positions in common from time to time, it is anticipated that the aggregate value of such commonly held positions will represent less than 10% of the respective total asset value of ADS and ABMML.

The portfolio of investments (held indirectly) may also include equity interests such as common stock, preferred stock, warrants or options, which generally would be obtained as part of providing a broader financing solution.

Most of the debt instruments that the Sub-Fund will (indirectly) invest in are expected to be rated below investment grade by rating agencies or that would be rated below investment grade if they were rated.

The Sub-Fund may also make investments for liquidity management purposes in cash, cash equivalents and other short-term investments.

(a) Investment Restrictions

The Sub-Fund shall not directly originate loans (including, for the avoidance of doubt loans, to natural persons, the AIFM, the Investment Manager or any Affiliate thereof) nor directly acquire participation interests in all or a portion of a loan.

There can be no guarantee that the Sub-Fund will achieve its investment objectives.

(b) Leverage

The Sub-Fund may utilize leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an investment. The Sub-Fund shall not incur indebtedness, directly or indirectly, that would cause its leverage to exceed the Leverage Limit. If the Leverage Limit is exceeded for any reason other than the incurrence of an increase in indebtedness (including the exercise of rights attached to an investment), no remedial action will be required.

The Sub-Fund may make use of a credit facility for working capital purposes, including bridging of subscriptions and redemptions, currency hedging and running expenses.



### **ANNEX III CALCULATION OF THE NET ASSET VALUE**

Terms not otherwise defined in this Annex shall have the meaning given to them in the Prospectus and the Sub-Fund Supplement, as applicable.

#### **Sub-Fund investment into the Underlying Funds**

The Sub-Fund principally invests in the Underlying Funds. The Sub-Fund will be valued according to the principles outlined in Section 10 of the Prospectus, with the following additional considerations as described below.

The Sub-Fund's investment in the Underlying Funds will be valued based on the aggregate NAV of the Underlying Funds units held by the Sub-Fund, as determined from the most recent available Underlying Fund NAV per Share.

The Sub-Fund's NAV per Share is generally reported monthly and will generally be available around 35 Business Days following the month-end.

#### **Overview of Underlying Fund valuation**

Each Underlying Fund will be valued in accordance with its valuation policy and the constitutive documents of the relevant investment. The AIFM will apply the below principles:

- (i) Underlying Fund valuations will initially be valued at cost for the first quarter; this is expected by the AIFM to represent the fair value at the time.
- (ii) Thereafter, for Underlying Funds other than Apollo Funds or Third-Party Funds, the AIFM will appoint a third party valuation agent to perform a valuation, which will generally be based on a discounted cash flow valuation approach.

For Underlying Funds that are Apollo Funds or Third-Party Funds, the AIFM will rely on the underlying valuations of the relevant fund unless it is determined that an independent valuation is required.

- (iii) The AIFM is entitled to rely on the valuations provided by the third party valuation agent without adjustment, except in circumstances where publicly available information would indicate otherwise.

## ANNEX IV RISK FACTORS

Terms not otherwise defined in this Annex shall have the meaning given to them in the Prospectus and the Sub-Fund Supplement, as applicable.

**Debt Instruments Generally.** The Sub-Fund will, indirectly through investment holding vehicles, Intermediary Funds and Underlying Funds, invest in debt and credit-related instruments. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. Certain debt instruments in which the Sub-Fund may, indirectly through investment holding vehicles, Intermediary Funds and Underlying Funds, invest may have speculative characteristics.

Generally, speculative investments securities offer a higher return potential than higher-rated securities, but involve greater volatility of price and greater risk of loss of income and principal. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

**Investments in Prospective Portfolio Companies.** The Sub-Fund's, indirect through investment holding vehicles, Intermediary Funds and Underlying Funds, investments may be risky and there is no limit on the amount of any such investments in which the Sub-Fund may, indirectly through investment holding vehicles, Intermediary Funds and Underlying Funds, invest. In addition, investment analyses and decisions by the Sub-Fund, Intermediary Funds, Underlying Funds, the Investment Manager and Sub-Investment Manager will often be undertaken on an expedited basis in order for such entities to take advantage of investment opportunities. In such cases, the information available to the Sub-Fund, Intermediary Funds, Underlying Funds, the Investment Manager and Sub-Investment Manager at the time of an investment decision may be limited, and the Sub-Fund, Intermediary Funds, Underlying Funds, the Investment Manager and the Sub-Investment Manager may not have access to the detailed information necessary for a full evaluation of the investment opportunity. In addition, the financial information available to the Sub-Fund, Intermediary Funds, Underlying Funds, the Investment Manager and Sub-Investment Manager may not be accurate or provided based upon accepted accounting methods. The Sub-Fund, Intermediary Funds, Underlying Funds, the Investment Manager and Sub-Investment Manager will rely upon independent consultants or advisors in connection with the evaluation of proposed investments. There can be no assurance that these consultants or advisors will accurately evaluate such investments.

**Loans Risk.** The loans that the Sub-Fund may, indirectly through investment holding vehicles, Intermediary Funds and Underlying Funds, invest in include loans that are first lien, second lien, third lien or that are unsecured. In addition, the loans the Sub-Fund will, indirectly through investment holding vehicles, Intermediary Funds and Underlying Funds, invest in will usually be rated below investment grade or may also be unrated. Loans are subject to a number of risks described elsewhere in this prospectus, including credit risk, liquidity risk, below investment grade instruments risk and management risk.

Although certain loans in which the Sub-Fund may, indirectly through investment holding vehicles, Intermediary Funds and Underlying Funds, invest will be secured by collateral, there can be no assurance that such collateral could be readily liquidated or that the liquidation of such collateral

would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal. In the event of the bankruptcy or insolvency of a borrower, an Intermediary Fund or Underlying Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a loan. In the event of a decline in the value of the already pledged collateral, if the terms of a loan do not require the borrower to pledge additional collateral, a lender will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the borrower's obligations under the loans. To the extent that a loan is collateralized by stock in the borrower or its subsidiaries, such stock may lose some or all of its value in the event of the bankruptcy or insolvency of the borrower. Those loans that are under-collateralized involve a greater risk of loss.

Further, there is a risk that any collateral pledged by portfolio companies in which the Sub-Fund, indirectly through investment holding vehicles, Intermediary Funds and Underlying Funds, has taken a security interest may decrease in value over time or lose its entire value, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. To the extent a debt investment is collateralized by the securities of a portfolio company's subsidiaries, such securities may lose some or all of their value in the event of the bankruptcy or insolvency of the portfolio company. Also, in some circumstances, a security interest may be contractually or structurally subordinated to claims of other creditors. In addition, deterioration in a portfolio company's financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the debt. Secured debt that is under-collateralized involves a greater risk of loss. In addition, second lien debt is granted a second priority security interest in collateral, which means that any realization of collateral will generally be applied to pay senior secured debt in full before second lien debt is paid. Consequently, the fact that debt is secured does not guarantee that a lender will receive principal and interest payments according to the debt's terms, or at all, or that a lender will be able to collect on the debt should it be forced to enforce remedies.

Loans are not registered with the SEC, or any state securities commission, and are not listed on any national securities exchange. There is less readily available or reliable information about most loans than is the case for many other types of securities, including securities issued in transactions registered under the Securities Act of 1933, as amended (the "**Securities Act**") or registered under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). No active trading market may exist for some loans, and some loans may be subject to restrictions on resale. A secondary market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, which may impair the ability to realize full value and thus cause a material decline in the investment's value. In addition, an Underlying Fund may not be able to readily dispose of its loans at prices that approximate those at which the Underlying Fund could sell such loans if they were more widely-traded and, as a result of such illiquidity, the Underlying Fund may have to sell other investments or engage in borrowing transactions if necessary to raise cash to meet its obligations. During periods of limited supply and liquidity of loans, the Sub-Fund's Intermediary Funds and Underlying Funds' yield may be lower.

Some loans are subject to the risk that a court, pursuant to fraudulent conveyance or other similar laws, could subordinate the loans to presently existing or future indebtedness of the borrower or take other action detrimental to lenders, including an Underlying Fund. Such court action could under certain circumstances include invalidation of loans.

If legislation of state or federal regulations impose additional requirements or restrictions on the ability of financial institutions to make loans, the availability of loans for investment by an Underlying Fund may be adversely affected. In addition, such requirements or restrictions could reduce or eliminate sources of financing for certain borrowers. This would increase the risk of default.

If legislation or federal or state regulations require financial institutions to increase their capital requirements this may cause financial institutions to dispose of loans that are considered highly levered transactions. Such sales could result in prices that, in the opinion of an Underlying Fund, do not represent fair value. If an Underlying Fund attempts to sell a loan at a time when a financial

institution is engaging in such a sale, the price the Underlying Fund could get for the loan may be adversely affected.

An Underlying Fund may acquire loans through assignments or participations. An Underlying Fund will typically acquire loans through assignment. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, the purchaser's rights can be more restricted than those of the assigning institution, and an Underlying Fund may not be able to unilaterally enforce all rights and remedies under the loan and with regard to any associated collateral.

A participation typically results in a contractual relationship only with the institution selling the participation interest, not with the borrower. Sellers of participations typically include banks, broker-dealers, other financial institutions and lending institutions. Certain participation agreements also include the option to convert the participation to a full assignment under agreed upon circumstances. Each Underlying Fund will have adopted best execution procedures and guidelines to mitigate credit and counterparty risk in the atypical situation when an Underlying Fund must acquire a loan through a participation.

In purchasing participations, an Underlying Fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement against the borrower, and the Underlying Fund may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Underlying Fund will be exposed to the credit risk of both the borrower and the institution selling the participation. Further, in purchasing participations in lending syndicates, the Underlying Fund will not be able to conduct the due diligence on the borrower or the quality of the loan with respect to which it is buying a participation that the Underlying Fund would otherwise conduct if it were investing directly in the loan, which may result in the Underlying Fund being exposed to greater credit or fraud risk with respect to the borrower or the loan than the Underlying Fund expected when initially purchasing the participation.

An Underlying Fund also may originate loans or acquire loans by participating in the initial issuance of the loan as part of a syndicate of banks and financial institutions, or receive its interest in a loan directly from the borrower.

Each of the Investment Manager and the Sub-Investment Manager has established a counterparty and liquidity sub-committee that regularly reviews each broker-dealer counterparty for, among other things, its quality and the quality of its execution. The established procedures and guidelines require trades to be placed for execution only with broker counterparties approved by the counterparty and liquidity sub-committee of the Investment Manager or Sub-Investment Manager, as applicable. The factors considered by the sub-committee when selecting and approving brokers and dealers include, but are not limited to:

- i. quality, accuracy, and timeliness of execution,
- ii. review of the reputation, financial strength and stability of the financial institution,
- iii. willingness and ability of the counterparty to commit capital,
- iv. ongoing reliability and
- v. access to underwritten offerings and secondary markets.

**Loan Origination.** The Investment Manager, the Sub-Investment Manager and their Affiliates will originate loans on behalf of Underlying Funds. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies, particularly companies experiencing significant business and financial difficulties, is high. There can be no assurance that the Investment Manager, Sub-Investment Manager and their Affiliates and any Underlying Fund will correctly evaluate the value of the assets collateralizing these loans or the prospects for successful repayment or a successful reorganization or similar action.

In accordance with Apollo's co-investment order, an Underlying Fund's ability to acquire loans could be dependent on the existence and performance of Apollo's origination platform, which includes other fund's managed by Apollo and enables Apollo to commit in size to multiple deals. Therefore, a decrease in Apollo's origination platform or its inability to acquire investments suitable for an Underlying Fund could reduce or possibly eliminate the ability of the Underlying Fund to participate in certain loans within the Underlying Fund's investment objective and would have a material adverse effect on the Underlying Fund's performance. Other Apollo funds could be subject to certain restrictions on the types of investments they can make, and such restrictions may in effect limit the types of investments an Underlying Fund could make to the extent that the an Underlying Fund is dependent on Apollo's origination platform.

Loan origination involves a number of particular risks that may not exist in the case of secondary debt purchases. Apollo may have to rely more on its own resources to conduct due diligence of the borrower, and such borrower may in some circumstances present a higher credit risk and/or could not obtain debt financing in the syndicated markets. As a result, the diligence is likely to be more limited than the diligence conducted for a broadly syndicated transaction involving an underwriter. Loan origination may also involve additional regulatory risks given licensing requirements for certain types of lending in some jurisdictions, and the scope of these regulatory requirements (and certain permitted exemptions) may vary from jurisdiction to jurisdiction and may change from time to time. In addition, in originating loans, Underlying Funds will compete with a broad spectrum of lenders, some of which may have greater financial resources than such Underlying Fund, and some of which may be willing to lend money on better terms (from a borrower's standpoint) than the Underlying Fund. Increased competition for, or a diminution in the available supply of, qualifying loans may result in lower yields on such loans, which could reduce returns to the Underlying Fund. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies, particularly companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Investment Manager, Sub-Investment Manager any of their Affiliates or any Underlying Fund will correctly evaluate the value of the assets collateralizing these loans or the prospects for successful repayment or a successful reorganization or similar action.

**Senior Loans.** The investment objective of Underlying Funds will include investing in senior secured term loans. As such, the assets of such Underlying Funds may include first lien senior secured debt and may also include selected second lien senior secured debt, the latter of which involves a higher degree of risk of a loss of capital.

The factors affecting an issuer's first and second lien loans, and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other unsecured debt of an issuer. For example, some first lien loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company), or involve first liens only on specified assets of an issuer (e.g., excluding real estate). Issuers of first lien loans may have multiple tranches of first lien debt outstanding, each with first liens on separate collateral, or may share first liens on the same collateral. Furthermore, liens with respect to primarily U.S. financings generally only cover U.S. assets, and non-U.S. assets are not included (other than, for example, where a borrower pledges a portion of the stock of first-tier non-U.S. subsidiaries). In the event of Chapter 11 filing by an issuer, the U.S. Bankruptcy Code authorizes the issuer to use a creditor's collateral and to obtain additional credit by grant of a prior lien on its property, senior even to liens that were first in priority prior to the filing, as long as the issuer provides what the presiding bankruptcy judge considers to be "adequate protection," which may, but need not always, consist of the grant of replacement or additional liens or the making of cash payments to the affected secured creditor. The imposition of prior liens on an Underlying Fund's collateral would adversely affect the priority of the liens and claims held by the Underlying Fund and could adversely affect the Underlying Fund's recovery on its leveraged loans.

Any secured debt is secured only to the extent of its lien and only to the extent of the value of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity, and interest rate risk. Although the amount and characteristics of the underlying assets selected as collateral may allow an Underlying Fund to withstand certain assumed deficiencies in payments occasioned by the borrower's default, if any

deficiencies exceed such assumed levels or if underlying assets are sold, it is possible that the proceeds of such sale or disposition will not be sufficient to satisfy the amount of principal and interest owing to the Underlying Fund in respect of its investment.

Senior secured credit facilities are generally syndicated to a number of different financial market participants. The documentation governing such facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the credit, such as waivers, amendments, or the exercise of remedies. In addition, voting to accept or reject the terms of a restructuring of a credit pursuant to a Chapter 11 plan of reorganization is done on a class basis. As a result of these voting regimes, an Underlying Fund may not have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring or reorganization of debts owed to the Underlying Fund.

Senior secured loans are also subject to other risks, including:

- i. the possible invalidation of a debt or lien as a "fraudulent conveyance";
- ii. the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing;
- iii. equitable subordination claims by other creditors;
- iv. "lender liability" claims by the portfolio company of the obligations; and
- v. environmental and/or other liabilities that may arise with respect to collateral securing the obligations.

Decisions in bankruptcy cases have held that a secondary loan market assignee can be denied a recovery from the debtor in a bankruptcy if a prior holder of the loans either received and does not return a preference or fraudulent conveyance, or if such prior holder engaged in conduct that would qualify for equitable subordination.

An Underlying Fund's investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions that, in each case, could result in the portfolio company repaying the principal on an obligation held by the Underlying Fund earlier than expected. As a consequence, the Underlying Fund's ability to achieve its investment objective may be adversely affected.

**Equity Investments.** An Underlying Fund may make select equity investments. In addition, in connection with an Underlying Fund's debt investments, the Underlying Fund on occasion may receive equity interests such as warrants or options as additional consideration. The equity interests the Underlying Fund receives may not appreciate in value and, in fact, may decline in value. Accordingly, the Underlying Fund may not be able to realize gains from the Underlying Fund's equity interests, and any gains that the Underlying Fund does realize on the disposition of any equity interests may not be sufficient to offset any other losses the Underlying Fund experiences.

**Preferred Securities.** Investments in preferred securities involve certain risks. Certain preferred securities contain provisions that allow an issuer under certain conditions to skip or defer distributions. If an Underlying Fund owns a preferred security that is deferring its distribution, the Underlying Fund may be required to include the amount of the deferred distribution in its taxable income for tax purposes although it does not currently receive such amount in cash. In order to receive the special treatment accorded to RICs and their shareholders under the Code and to avoid U.S. federal income and/or excise taxes at the Underlying Fund level, the Underlying Fund may be required to distribute this income to shareholders in the tax year in which the income is recognized (without a corresponding receipt of cash). Therefore, the Underlying Fund may be required to pay out as an income distribution in any such tax year an amount greater than the total amount of cash income the Underlying Fund actually received, and to sell portfolio securities, including at potentially disadvantageous times or prices, to obtain cash needed for these income

distributions. Preferred securities often are subject to legal provisions that allow for redemption in the event of certain tax or legal changes or at the issuer's call. In the event of redemption, the Underlying Fund may not be able to reinvest the proceeds at comparable rates of return. Preferred securities are subordinated to bonds and other debt securities in an issuer's capital structure in terms of priority for corporate income and liquidation payments, and therefore will be subject to greater credit risk than those debt securities. Preferred securities may trade less frequently and in a more limited volume and may be subject to more abrupt or erratic price movements than many other securities, such as common stocks, corporate debt securities and U.S. government securities.

**Non-U.S. Securities.** An Underlying Fund may invest in non-U.S. securities, which may include securities denominated in U.S. dollars or in non-U.S. currencies. Because evidence of ownership of such securities usually is held outside the United States, the Underlying Fund would be subject to additional risks if the Underlying Fund invested in non-U.S. securities, which include possible adverse political and economic developments, seizure or nationalization of foreign deposits and adoption of governmental restrictions, which might adversely affect or restrict the payment of principal and interest on the non-U.S. securities to shareholders located outside the country of the issuer, whether from currency blockage or otherwise. Because non-U.S. securities may be purchased with and payable in foreign currencies, the value of these assets as measured in U.S. dollars may be affected unfavourably by changes in currency rates and exchange control regulations.

**Subordinated Debt.** Underlying Funds' subordinated debt investments will generally rank junior in priority of payment to senior debt and will generally be unsecured. This may result in a heightened level of risk and volatility or a loss of principal, which could lead to the loss of the entire investment. These investments may involve additional risks that could adversely affect the Underlying Funds' investment returns. To the extent interest payments associated with such debt are deferred, such debt may be subject to greater fluctuations in valuations, and such debt could subject the Underlying Funds and their investors (including, the Sub-Fund) to non-cash income. Because such Underlying Funds will not receive any principal repayments prior to the maturity of some of the Underlying Fund's subordinated debt investments, such investments will be of greater risk than amortizing loans.

**Below Investment Grade Risk.** In addition, the Underlying Funds are expected to invest in securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may also be difficult to value and illiquid. The major risks of below investment grade securities include:

- Below investment grade securities may be issued by less creditworthy issuers. Issuers of below investment grade securities may have a larger amount of outstanding debt relative to their assets than issuers of investment grade securities. In the event of an issuer's bankruptcy, claims of other creditors may have priority over the claims of holders of below investment grade securities, leaving few or no assets available to repay holders of below investment grade securities.
- Prices of below investment grade securities are subject to extreme price fluctuations. Adverse changes in an issuer's industry and general economic conditions may have a greater impact on the prices of below investment grade securities than on other higher-rated fixed-income securities.
- Issuers of below investment grade securities may be unable to meet their interest or principal payment obligations because of an economic downturn, specific issuer developments or the unavailability of additional financing.
- Below investment grade securities frequently have redemption features that permit an issuer to repurchase the security from an Underlying Fund before it matures. If the issuer redeems below investment grade securities, the Underlying Fund may

have to invest the proceeds in securities with lower yields and may lose income.

- Below investment grade securities may be less liquid than higher-rated fixed-income securities, even under normal economic conditions. There are fewer dealers in the below investment grade securities market, and there may be significant differences in the prices quoted by the dealers. Judgment may play a greater role in valuing these securities and the Underlying Fund may be unable to sell these securities at an advantageous time or price.
- An Underlying Fund may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting issuer.

The credit rating of a high-yield security does not necessarily address its market value risk. Ratings and market value may change from time to time, positively or negatively, to reflect new developments regarding the issuer.

**Junior, Unsecured Securities.** An Underlying Fund's strategy may entail acquiring securities that are junior or unsecured instruments. While this approach can facilitate obtaining control and then adding value through active management, it also means that certain of the Underlying Fund's investments may be unsecured. If a portfolio company becomes financially distressed or insolvent and does not successfully reorganize, the Underlying Fund will have no assurance (compared to those distressed securities investors that acquire only fully collateralized positions) that the Underlying Fund will recover any of the principal that the Underlying Fund has invested. Similarly, investments in "last out" pieces of unitranche loans will be similar to second lien loans in that such investments will be junior in priority to the "first out" piece of the same unitranche loan with respect to payment of principal, interest and other amounts. Consequently, the fact that debt is secured does not guarantee that an Underlying Fund will receive principal and interest payments according to the debt's terms, or at all, or that the Underlying Fund will be able to collect on the debt should it be forced to enforce its remedies.

While such junior or unsecured investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking more senior to such investments and may benefit from cross-default provisions and security over the issuer's assets, some or all of such terms may not be part of particular investments. Moreover, an Underlying Fund's ability to influence an issuer's affairs, especially during periods of financial distress or following insolvency, is likely to be substantially less than that of senior creditors. For example, under typical subordination terms, senior creditors are able to block the acceleration of the junior debt or the exercise by junior debt holders of other rights they may have as creditors. Accordingly, an Underlying Fund may not be able to take steps to protect investments in a timely manner or at all, and there can be no assurance that the Underlying Fund's rate of return objectives or any particular investment will be achieved. In addition, the debt securities in which the Underlying Fund will invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and are not expected to be rated by a credit rating agency.

Early repayments of an Underlying Fund's investments may have a material adverse effect on the Underlying Fund's investment objectives. In addition, depending on fluctuations of the equity markets and other factors, warrants and other equity investments may become worthless.

There can be no assurance that attempts to provide downside protection through contractual or structural terms with respect to an Underlying Fund's investments will achieve their desired effect and potential investors should regard an investment in the Sub-Fund as being speculative and having a high degree of risk. Furthermore, Underlying Funds have limited flexibility to negotiate terms when purchasing newly issued investments in connection with a syndication of mezzanine or certain other junior or subordinated investments or in the secondary market.

**CLO Risk.** The Sub-Fund may, indirectly through Underlying Funds, be exposed to Collateralized Loan Obligations ("CLO") securities. The Sub-Fund's indirect investments in CLOs may be riskier than a direct investment in the debt or other securities of the underlying companies. When investing in CLOs, an Underlying Fund may invest in any level of a CLO's subordination chain,



including subordinated (lower-rated) tranches and residual interests (the lowest tranche). CLOs are typically highly levered and therefore, the junior debt and equity tranches that the Underlying Fund may invest in are subject to a higher risk of total loss and deferral or non-payment of interest than the more senior tranches to which they are subordinated. In addition, the Underlying Fund will generally have the right to receive payments only from the CLOs, and will generally not have direct rights against the underlying borrowers or entities that sponsored the CLOs. Furthermore, the investments the Underlying Fund makes in CLOs are at times thinly traded or have only a limited trading market. As a result, investments in such CLOs may be characterized as illiquid securities.

**"Covenant-lite" Obligations.** An Underlying Fund may invest in, or obtain exposure to, obligations that may be "covenant-lite," which means such obligations lack certain financial maintenance covenants. While these loans may still contain other collateral protections, a covenant-lite loan may carry more risk than a covenant-heavy loan made by the same borrower, as it does not require the borrower to provide affirmation that certain specific financial tests have been satisfied on a routine basis as is required under a covenant-heavy loan agreement. Should a loan an Underlying Fund holds begin to deteriorate in quality, the Underlying Fund's ability to negotiate with the borrower may be delayed under a covenant-lite loan compared to a loan with full maintenance covenants. This may in turn delay the Underlying Fund's ability to seek to recover its investment.

**Bridge Financings.** From time to time, an Underlying Fund may lend to portfolio companies on a short-term, unsecured basis or otherwise invest on an interim basis in portfolio companies in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in an Underlying Fund's control, such long-term securities issuance or other refinancing or syndication may not occur and such bridge loans and interim investments may remain outstanding. In such event, the interest rate on such loans or the terms of such interim investments may not adequately reflect the risk associated with the position taken by the Underlying Fund.

**Distressed Investments; Restructurings.** An Underlying Fund may make investments in companies that subsequently become distressed (e.g., defaulted, out-of-favour or distressed bank loans and debt securities). Certain of an Underlying Fund's investments may, therefore, include specific investments in companies that become highly leveraged with significant burdens on cash flow, and, therefore, involve a high degree of financial risk. Portfolio companies may be facing liquidity challenges due to debt maturities, covenant violations, cyclical challenges or imminent bankruptcy, or they need financing in order to exit bankruptcy. An Underlying Fund's investments may be considered speculative and subject to a high degree of risk, and the ability of the relevant portfolio companies to pay their debts on schedule could be adversely affected by interest rate movements, changes in the general economic climate or the economic factors affecting a particular industry, or specific developments within such companies. Investments in companies operating in workout or bankruptcy modes also present additional legal risks, including fraudulent conveyance, voidable preference and equitable subordination risks. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Investment Manager, Sub-Investment Manager any of their Affiliates or any Underlying Fund will correctly evaluate the value of the assets collateralizing an Underlying Fund's loans or the prospects for a successful reorganization or similar action.

**Distressed/Defaulted Securities.** An Underlying Fund may invest in the securities of companies that subsequently become involved in bankruptcy proceedings, reorganizations or financial restructurings, and that may face pending covenant violations or significant debt maturities. In such a case, the Underlying Fund may have a more active participation in the affairs of such portfolio companies than is generally assumed by an investor. Such investments could, in certain circumstances, subject the Underlying Fund to certain additional potential liabilities, which may exceed the value of the Underlying Fund's original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for

damages suffered by parties as a result of such actions. Furthermore, such investments could also subject the Underlying Fund to litigation risks or prevent the Underlying Fund from disposing of securities. In any reorganization or liquidation proceeding relating to a portfolio company or an investment, the Underlying Fund may lose its entire investment, may be required to accept cash or securities with a value less than the Underlying Fund's original investment and/or may be required to accept payment over an extended period of time. In addition, under certain circumstances, payments to the Underlying Fund and the related distributions by the Underlying Fund to the shareholders may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable bankruptcy and insolvency laws. As more fully discussed below, in a bankruptcy or other proceeding, the Underlying Fund as a creditor may be unable to enforce its rights in any collateral or may have its security interest in any collateral challenged or disallowed, and its claims may be subordinated to the claims of other creditors.

The market for distressed securities is expected to be less liquid than the market for securities of companies that are not distressed. A substantial length of time may be required to liquidate investments in securities that become distressed. Furthermore, at times, a major portion of an issue of distressed securities may be held by relatively few investors, and the market may be limited to a narrow range of potential counterparties, such as other financial institutions. Under adverse market or economic conditions or in the event of adverse changes in the financial condition of the portfolio companies, an Underlying Fund may find it more difficult to sell such securities when the Investment Manager, the Sub-Investment Manager and any of their Affiliates believes it advisable to do so or may only be able to sell such securities at a loss. An Underlying Fund may also find it more difficult to determine the fair market value of distressed securities for the purpose of computing the Underlying Fund's net asset value. In some cases, an Underlying Fund may be prohibited by contract from selling investments for a period of time.

**Non-Performing Debt.** Certain debt instruments that an Underlying Fund may invest in may be or become nonperforming and possibly in default. The obligor or relevant guarantor may also be in or enter bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to any such debt instruments.

Loans may become non-performing for a variety of reasons and borrowers on loans constituting the an Underlying Fund's assets may seek the protection afforded by bankruptcy, insolvency and other debtor relief laws. Upon a bankruptcy filing in a U.S. Bankruptcy Court by an issuer of debt, the U.S. Bankruptcy Code imposes an automatic stay on payments of such issuer's pre-petition debt. A stay on payments to be made on the assets of an Underlying Fund could adversely affect the value of those assets and the Underlying Fund itself. Other protections in such proceedings may include forgiveness of debt, the ability to create super-priority liens in favour of certain creditors of the debtor and certain well-defined claims procedures. Non-performing debt obligations may require substantial workout negotiations, restructuring or bankruptcy filings that may entail a substantial reduction in the interest rate, deferral of payments and/or a substantial write-down of the principal of a loan or conversion of some or all of the debt to equity. Insolvency laws may, in certain jurisdictions, result in a restructuring of the debt without the Underlying Fund's consent under the "cramdown" provisions of applicable insolvency laws and may also result in a discharge of all or part of the debt without payment to the Underlying Fund. If a portfolio company were to file for Chapter 11 reorganization, the U.S. Bankruptcy Code authorizes the issuer to restructure the terms of repayment of a class of debt, even if the class fails to accept the restructuring, as long as the restructured terms are "fair and equitable" to the class and certain other conditions are met.

Such non-performing instruments or loans may also require a substantial amount of workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of principal. It is possible that an Underlying Fund may find it necessary or desirable to foreclose on collateral securing one or more loans purchased by the Underlying Fund. The foreclosure process varies jurisdiction by jurisdiction and can be lengthy and expensive. Borrowers often resist foreclosure actions, which often prolongs and complicates an already difficult and time-consuming process. In some states or other jurisdictions, foreclosure actions can take up to several years or more to conclude. During the foreclosure proceedings, a

borrower may have the ability to file for bankruptcy, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral assets and may result in disrupting ongoing management of the company. There can be no assurance as to the amount and timing of payments, if any, with respect to any such debt instruments.

**Nature of Mezzanine Debt and Other Junior Unsecured Securities.** An Underlying Fund's strategy may include acquiring mezzanine debt, which generally will be unrated or have ratings or implied or imputed ratings below investment grade, as well as loans or securities that are junior, unsecured, equity or quasi-equity instruments. Mezzanine debt or securities are generally unsecured and/or subordinated to other obligations of the portfolio company, and tend to have greater credit and liquidity risk than that typically associated with investment grade corporate obligations. The risks associated with mezzanine debt or equity investments include a greater possibility that adverse changes in the financial condition of the obligor or in general economic conditions may adversely affect the obligor's ability to pay principal and interest on its debt. Many obligors on mezzanine debt or equity investments are highly leveraged. As such, specific developments affecting such obligors, such as reduced cash flow from operations or the inability to refinance debt at maturity, may also adversely affect such obligors' ability to meet debt service obligations. Mezzanine debt or equity instruments are often issued in connection with leveraged acquisitions or recapitalizations in which the portfolio companies incur a substantially higher amount of indebtedness than the level at which they had previously operated.

Default rates for mezzanine debt and other junior unsecured securities have historically been higher than such rates for investment grade securities. If an Underlying Fund makes an investment that is not secured by collateral and if the portfolio company in question does not successfully reorganize, the Underlying Fund will have no assurance (as compared to those distressed securities investors that acquire only fully collateralized positions) that it will recover any of the principal that it has invested. While junior, unsecured, equity or quasi-equity investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking more senior to such investments and may benefit from cross-default provisions and security over the portfolio company's assets, some or all of such terms may not be part of the particular investments. Moreover, the ability of an Underlying Fund to influence a portfolio company's affairs, especially during periods of financial distress or following insolvency, is likely to be substantially less than that of senior creditors. For example, under typical subordination terms, senior creditors are able to block the acceleration of the junior debt or the exercise by junior debt holders of other rights they may have as creditors. Accordingly, the Underlying Fund may not be able to take steps to protect its investments in a timely manner or at all and there can be no assurance that the return objectives of the Underlying Fund or any particular investment will be achieved. In addition, the debt securities in which the Underlying Fund may invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and are not expected to be rated by a credit rating agency.

**Convertible Securities.** Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different portfolio company within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock, in each case, until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the portfolio company and other

factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the portfolio company at a price established in the convertible security's governing instrument. If a convertible security held by an Underlying Fund is called for redemption, the Underlying Fund will be required to permit the portfolio company to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Underlying Fund's ability to achieve its investment objective.

**Investing in Large Private U.S. Borrowers.** Investing in originated assets made to large private U.S. borrowers may result in an Underlying Fund underperforming other segments of the market, particularly during times of economic expansion, because large private U.S. borrowers may be less responsive to competitive challenges and opportunities in the financial markets. As a result, an Underlying Fund's value may not rise at the same rate, if at all, as other funds that invest in smaller market capitalization companies that are more capable of responding to economic and industrial changes.

**Portfolio Company Debt.** An Underlying Fund's portfolio companies may have, or may be permitted to incur, other debt that ranks equally with, or senior to, the debt in which the Underlying Fund invests. By their terms, such debt instruments may entitle the holders to receive payment of interest or principal on or before the dates on which the Underlying Fund is entitled to receive payments with respect to the debt instruments in which the Underlying Fund invests. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to the Underlying Fund's investment in that portfolio company would typically be entitled to receive payment in full before the Underlying Fund receives any proceeds. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with debt instruments in which the Underlying Fund invests, the Underlying Fund would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company and the Underlying Fund's portfolio company may not have sufficient assets to pay all equally ranking credit even if the Underlying Fund holds senior, first-lien debt.

**Terms and Conditions of Loan Agreements.** The terms and conditions of loan agreements and related assignments may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement must include a majority or a supermajority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders. Any Underlying Fund, the Investment Manager, the Sub-Investment Manager and any of their Affiliates would be expected to have the authority to negotiate any amendments or modifications to the portfolio investments that are loans, but even where they do not have any such authority, they may have the authority to give or withhold consent to amendments or modifications initiated and negotiated by portfolio companies or other lenders. Consequently, there could be circumstances in which an Underlying Fund may not be able to control the modification, waiver or amendment of the terms and conditions of a loan agreement if a sufficient number of the other lenders act contrary to the Underlying Fund's preferences. If the Underlying Fund invests or holds an investment through participation interests or derivative securities rather than directly, it is possible that the Underlying Fund may not be entitled to vote on any such adjustment of terms of such agreements.

The exercise of remedies may also be subject to the vote of a specified percentage of the lenders thereunder. The Underlying Fund will have the authority to cause the Underlying Fund to consent to certain amendments, waivers or modifications to the investments requested by obligors or the lead agents for loan syndication agreements. The Underlying Fund may, in accordance with its investment management standards, cause the Underlying Fund to extend or defer the maturity, adjust the outstanding balance of any investment, reduce or forgive interest or fees, release material collateral or guarantees, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. The Underlying Fund will make such determinations in accordance with its investment management standards. Any amendment, waiver or modification of an investment could adversely impact the Underlying Fund's investment returns.

**Bankruptcy.** If one of an Underlying Fund's portfolio companies were to file for bankruptcy, depending on the facts and circumstances, including the extent to which the Underlying Fund actually provided managerial assistance to that portfolio company, a bankruptcy court might re-characterize the Underlying Fund's debt investment and subordinate all or a portion of the Underlying Fund's claim to that of other creditors. The Underlying Fund may also be subject to lender liability claims for actions taken by the Underlying Fund with respect to a borrower's business or instances where the Underlying Fund exercises control over the borrower.

In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "**lender liability**"). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to a borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of the Underlying Fund's investments, the Underlying Fund could be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder:

- i. intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower,
- ii. engages in other inequitable conduct to the detriment of such other creditors,
- iii. engages in fraud with respect to, or makes misrepresentations to, such other creditors, or
- iv. uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination."

The Underlying Funds do not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine. However, because of the nature of certain of the Underlying Funds' investments, any Underlying Fund may be subject to claims from creditors of an obligor that debt obligations of which are held by an Underlying Fund should be equitably subordinated.

The preceding discussion regarding lender liability is based upon principles of U.S. federal and state laws. With respect to any Underlying Fund's investments outside the United States, the laws of certain non-U.S. jurisdictions may also impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under U.S. federal and state laws.

**Portfolio Company Control.** The Underlying Funds do not expect to control most of their portfolio companies, even though any Underlying Fund may have board representation or board

observation rights, and any Underlying Fund debt agreements with such portfolio companies may contain certain restrictive covenants. As a result, any Underlying Fund is subject to the risk that a portfolio company in which an Underlying Fund invests may make business decisions with which the Underlying Fund disagrees and the management of such company, as representatives of the holders of the company's common equity, may take risks or otherwise act in ways that do not serve the Underlying Fund's interests as debt investors. Due to the lack of liquidity for an Underlying Fund's investments in non-traded companies, an Underlying Fund may not be able to dispose of an Underlying Fund's interests in the Underlying Fund's portfolio companies as readily as the Underlying Fund would like or at an appropriate valuation. As a result, a portfolio company may make decisions that could decrease the value of the Underlying Fund's portfolio holdings.

**Changes in Interest Rates.** General interest rate fluctuations may have a substantial negative impact on an Underlying Fund's investments and investment opportunities and, accordingly, may have a material adverse effect on an Underlying Fund's ability to achieve the Underlying Fund's investment objective and the rate of return on invested capital. Because an Underlying Fund may borrow money to make investments, the Underlying Fund's net investment income will depend, in part, upon the difference between the rate at which the Underlying Fund may borrow funds and the rate at which the Underlying Fund may invest these funds. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on the Underlying Fund's net investment income.

An Underlying Fund's debt investments may be based on floating interest rates such as LIBOR, any reference rate replacing LIBOR, the Euro Interbank Offered Rate ("**Euribor**"), the Federal Funds Rate or the Prime Rate, that reset on a periodic basis, and that many of an Underlying Fund's investments will be subject to interest rate floors. A reduction in the interest rates on new investments relative to interest rates on current investments could have an adverse impact on an Underlying Fund's net investment income, which also could be negatively impacted by an Underlying Fund's borrowers making prepayments on their loans. On the other hand, an increase in interest rates could increase the interest repayment obligations of an Underlying Fund's borrowers and result in challenges to their financial performance and ability to repay their obligations. In addition, an Underlying Fund's cost of funds likely will increase because the interest rates on the majority of amounts an Underlying Fund may borrow are likely to be floating, which could reduce an Underlying Fund's net investment income to the extent any debt investments have fixed interest rates, and the interest rate on investments with an interest rate floor will not increase until interest rates exceed the applicable floor.

Trading prices for debt that pays a fixed rate of return tend to fall as interest rates rise. Trading prices tend to fluctuate more for fixed-rate securities that have longer maturities. Moreover, an increase in interest rates available to investors could make investment in an Underlying Fund's common stock less attractive if the Underlying Fund is not able to increase its dividend rate, which could reduce the value of the Underlying Fund's common stock. Federal Reserve policy, including with respect to certain interest rates and the decision to end its quantitative easing policy, may also adversely affect the value, volatility and liquidity of dividend- and interest-paying securities. Market volatility, rising interest rates and/or a return to unfavourable economic conditions could adversely affect an Underlying Fund's business.

An Underlying Fund may enter into certain hedging transactions, such as interest rate swap agreements, in an effort to mitigate an Underlying Fund's exposure to adverse fluctuations in interest rates and an Underlying Fund may increase the Underlying Fund's floating rate investments to position the portfolio for rate increases. However, an Underlying Fund cannot assure you that such transactions will be successful in mitigating the Underlying Fund's exposure to interest rate risk or if the Underlying Fund will enter into such interest rate hedges. Hedging transactions may also limit the Underlying Fund's ability to participate in the benefits of lower interest rates with respect to the Underlying Fund's portfolio investments.

An Underlying Fund may not have a policy governing the maturities of the Underlying Fund's investments. This means that such an Underlying Fund is subject to greater risk (other things being equal) than a fund invested solely in shorter-term securities. A decline in the prices of the

debt the Underlying Fund owns could adversely affect the Underlying Fund's net asset value. Also, an increase in interest rates available to investors could make an investment in an Underlying Fund's common stock less attractive if the Underlying Fund is not able to increase its dividend rate.

To the extent that an Underlying Fund makes floating rate debt investments, a rise in the general level of interest rates would lead to higher interest rates applicable to an Underlying Fund's debt investments. Accordingly, an increase in interest rates may result in an increase in the amount of the incentive fee payable to the Investment Manager, Sub-Investment Manager or any of their Affiliates in respect of such Underlying Fund.

**Inaccuracy or Incompleteness by a Portfolio Company or Breach of Covenants.** The Underlying Funds will seek to make or acquire portfolio investments having structural, covenant and other contractual terms providing adequate downside protection, but there can be no assurance that such attempts to provide downside protection with respect to its investments will achieve their desired effect, and, accordingly, potential investors should regard an investment in the Sub-Fund as being speculative and having a high degree of risk. Of paramount concern in making or acquiring a portfolio investment is the possibility of material misrepresentation or omission on the part of the portfolio investment seller, the portfolio company or other credit support providers, or breach of covenant by any such parties. Such inaccuracy or incompleteness or breach of covenants may adversely affect the valuation of the collateral underlying the loans or the ability of the lenders to perfect or effectuate a lien on the collateral securing the loan or an Underlying Fund's ability to otherwise realize on or avoid losses in respect of the investment. An Underlying Fund will rely upon the accuracy and completeness of representations made by any such parties to the extent reasonable, but cannot guarantee such accuracy or completeness.

Additionally, of particular concern in portfolio investments in loans or other debt instruments is the possibility of material misrepresentation or omission on the part of the borrower or issuer of such debt instruments. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans, notes or bonds or may adversely affect the ability of an Underlying Fund to perfect or effectuate a lien on any collateral securing the investment. An Underlying Fund will rely upon the accuracy and completeness of representations made by borrowers or issuers of securities and their respective agents when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to an Underlying Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

**Second Priority Liens.** Certain debt investments that an Underlying Fund makes to portfolio companies may be secured on a second priority basis by the same collateral securing first priority debt of such companies. The first priority liens on the collateral will secure the portfolio company's obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the company under the agreements governing the loans. The holders of obligations secured by the first priority liens on the collateral will generally control the liquidation of and be entitled to receive proceeds from any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from the sale or sales of all of the collateral would be sufficient to satisfy the debt obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds are not sufficient to repay amounts outstanding under the debt obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the company remaining assets, if any.

An Underlying Fund may also make unsecured debt investments in portfolio companies, meaning that such investments will not benefit from any interest in collateral of such companies. Liens on such portfolio companies' collateral, if any, will secure the portfolio company's obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the portfolio company under its secured debt agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from,

any realization of such collateral to repay their obligations in full before such Underlying Fund is so entitled. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy its unsecured debt obligations after payment in full of all secured debt obligations. If such proceeds were not sufficient to repay the outstanding secured debt obligations, then its unsecured claims would rank equally with the unpaid portion of such secured creditors' claims against the portfolio company's remaining assets, if any.

The rights an Underlying Fund may have with respect to the collateral securing the debt investments an Underlying Fund makes to its portfolio companies with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements that an Underlying Fund shall enter into with the holders of senior debt. Under such an intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens: the ability to cause the commencement of enforcement proceedings against the collateral; the ability to control the conduct of such proceedings; the approval of amendments to collateral documents; releases of liens on the collateral; and waivers of past defaults under collateral documents. An Underlying Fund may not have the ability to control or direct such actions, even if the Underlying Fund's rights are adversely affected.

**Differences in Law.** Differences in law may adversely affect the rights of an Underlying Fund as a lender with respect to other creditors. Additionally, an Underlying Fund, as a creditor, may experience less favourable treatment under different insolvency regimes than those that apply in the United States, including in cases where an Underlying Fund seeks to enforce any security it may hold as a creditor.

**Limited Amortization.** An Underlying Fund may invest in loans that have limited mandatory amortization requirements. While these loans may obligate a portfolio company to repay the loan out of asset sale proceeds or with annual excess cash flow, repayment requirements may be subject to substantial limitations that would allow a portfolio company to retain such asset sale proceeds or cash flow, thereby extending the expected weighted average life of the investment. In addition, a low level of amortization of any debt over the life of the investment may increase the risk that the portfolio company will not be able to repay or refinance the loans held by an Underlying Fund when it matures.

**Economic Recessions or Downturns.** The companies in which an Underlying Fund intends to invest may be susceptible to economic slowdowns or recessions and may be unable to repay an Underlying Fund's debt investments during these periods. The global outbreak of COVID-19 has disrupted economic markets and the prolonged economic impact is uncertain. Some economists and major investment banks have expressed concern that the continued spread of the virus globally could lead to a world-wide economic downturn. In the past, instability in the global capital markets resulted in disruptions in liquidity in the debt capital markets, significant write-offs in the financial services sector, the re-pricing of credit risk in the broadly syndicated credit market and the failure of major domestic and international financial institutions. In particular, in past periods of instability, the financial services sector was negatively impacted by significant write-offs as the value of the assets held by financial firms declined, impairing their capital positions and abilities to lend and invest. In addition, continued uncertainty surrounding the negotiation of trade deals between Britain and the European Union following the United Kingdom's exit from the European Union and uncertainty between the United States and other countries, including China, with respect to trade policies, treaties, and tariffs, among other factors, have caused disruption in the global markets. There can be no assurance that market conditions will not worsen in the future.

In an economic downturn, an Underlying Fund may have non-performing assets or non-performing assets are likely to increase, and the value of an Underlying Fund's portfolio is likely to decrease during these periods. Adverse economic conditions may also decrease the value of any collateral securing an Underlying Fund's senior secured debt. A prolonged recession may



further decrease the value of such collateral and result in losses of value in an Underlying Fund's portfolio and a decrease in an Underlying Fund's revenues, net income and net asset value. Unfavourable economic conditions also could increase an Underlying Fund's funding costs, limit an Underlying Fund's access to the capital markets or result in a decision by lenders not to extend credit to an Underlying Fund on terms the Underlying Fund deems acceptable. These events could prevent an Underlying Fund from increasing investments and adversely affect an Underlying Fund's operating results.

**Covenant Breach or Other Default.** A portfolio company's failure to satisfy financial or operating covenants imposed by an Underlying Fund or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize a portfolio company's ability to meet its obligations under the debt or equity securities that an Underlying Fund. An Underlying Fund may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company. In addition, lenders in certain cases can be subject to lender liability claims for actions taken by them when they become too involved in the borrower's business or exercise control over a borrower. It is possible that an Underlying Fund could become subject to a lender's liability claim, including as a result of actions taken if such Underlying Fund renders significant managerial assistance to the borrower. Furthermore, if one of an Underlying Fund's portfolio companies were to file for bankruptcy protection, a bankruptcy court might re-characterize an Underlying Fund's debt holding and subordinate all or a portion of the Underlying Fund's claim to claims of other creditors, even though the Underlying Fund may have structured the Underlying Fund's investment as senior secured debt. The likelihood of such a re-characterization would depend on the facts and circumstances, including the extent to which the Underlying Fund provided managerial assistance to that portfolio company.

**Highly Leveraged Portfolio Companies.** Some of an Underlying Fund's portfolio companies may be highly leveraged, which may have adverse consequences to these companies and to the Underlying Fund as an investor. These companies may be subject to restrictive financial and operating covenants and the leverage may impair these companies' ability to finance their future operations and capital needs. As a result, these companies' flexibility to respond to changing business and economic conditions and to take advantage of business opportunities may be limited. Further, a leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used.

**Loans to Private Companies.** Loans to private companies involve risks that may not exist in the case of more established and/or publicly traded companies. These risks include the risk that:

- these companies may have limited financial resources and limited access to additional financing, which may increase the risk of their defaulting on their obligations, leaving creditors, such as an Underlying Fund, dependent on any guarantees or collateral that they may have obtained;
- these companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render such companies more vulnerable to competition and market conditions, as well as general economic downturns;
- these companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render such companies more vulnerable to competition and market conditions, as well as general economic downturns;
- there will not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality;
- these companies are more likely to depend on the management talents and efforts

of a small group of persons; as a result, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations;

- these companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance their expansion or maintain their competitive position; and
- these companies may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity.

**Realized Gains.** Certain investments that an Underlying Fund may make could include warrants or other equity securities. In addition, an Underlying Fund may make direct equity investments in portfolio companies. An Underlying Fund's goal is ultimately to realize gains upon the Underlying Fund's disposition of such equity interests. However, the equity interests the Underlying Fund receives may not appreciate in value and, in fact, may decline in value. Accordingly, the Underlying Fund may not be able to realize gains from the Underlying Fund's equity interests, and any gains that an Underlying Fund does realize on the disposition of any equity interests may not be sufficient to offset any other losses the Underlying Fund experiences. An Underlying Fund also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow an Underlying Fund to sell the underlying equity interests. Underlying Funds may intend to seek puts or similar rights to give the Underlying Fund the right to sell the Underlying Fund's equity securities back to the portfolio company issuer. The Underlying Fund may be unable to exercise these put rights for the consideration provided in the Underlying Fund's investment documents if the issuer is in financial distress.

**Investment Strategy Focused Primarily on Privately-Held Companies.** Underlying Funds intend to invest primarily in privately-held companies. Investments in private companies pose significantly greater risks than investments in public companies. First, private companies have reduced access to the capital markets, resulting in diminished capital resources and the ability to withstand financial distress. Second, the depth and breadth of experience of management in private companies tends to be less than that at public companies, which makes such companies more likely to depend on the management talents and efforts of a smaller group of persons and/or persons with less depth and breadth of experience. Therefore, the decisions made by such management teams and/or the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the Underlying Funds' investments and, in turn, on the Sub-Fund. Third, the investments themselves tend to be less liquid. As such, Underlying Funds may have difficulty exiting an investment promptly or at a desired price prior to maturity or outside of a normal amortization schedule. As a result, the relative lack of liquidity and the potential diminished capital resources of the Underlying Funds' target portfolio companies may affect the Underlying Funds' investment returns. Fourth, little public information generally exists about private companies. Further, these companies may not have third-party debt ratings or audited financial statements. Underlying Funds must therefore rely on the ability of the Investment Manager, Sub-Investment Manager and their Affiliates to obtain adequate information through due diligence to evaluate the creditworthiness and potential returns from investing in these companies. The Investment Manager, Sub-Investment Manager and their Affiliates would typically assess an investment in a portfolio company based on the Investment Manager, Sub-Investment Manager or their Affiliates' estimate of the portfolio company's earnings and enterprise value, among other things, and these estimates may be based on limited information and may otherwise be inaccurate, causing the Investment Manager, Sub-Investment Manager and their Affiliates to make different investment decisions than it may have made with more complete information. These companies and their financial information will generally not be subject to the Sarbanes-Oxley Act and other rules that govern public companies. If an Underlying Fund is unable to uncover all material information about these companies, the Underlying Fund may not

make a fully informed investment decision, and the Underlying Fund may lose money on its investments.

**Investments in Securities or Assets of Publicly-Traded Companies.** An Underlying Fund may invest a portion of the Underlying Fund's portfolio in publicly-traded assets. For example, it is not expected that an Underlying Fund will be able to negotiate additional financial covenants or other contractual rights, which the Underlying Fund might otherwise be able to obtain in making privately negotiated investments. In addition, by investing in publicly-traded securities or assets, such Underlying Fund will be subject to U.S. federal and state securities laws, as well as non-U.S. securities laws, that may, among other things, restrict or prohibit the Underlying Fund's ability to make or sell an investment. Moreover, an Underlying Fund may not have the same access to information in connection with investments in public securities, either when investigating a potential investment or after making an investment, as compared to privately negotiated investments. Furthermore, an Underlying Fund may be limited in its ability to make investments and to sell existing investments in public securities because the Firm may be deemed to have material, non-public information regarding the issuers of those securities or as a result of other internal policies. The inability to sell public securities in these circumstances could materially adversely affect the Underlying Fund's investment results. In addition, an investment may be sold by the Underlying Fund to a public company where the consideration received is a combination of cash and stock of the public company, which may, depending on the securities laws of the relevant jurisdiction, be subject to lock-up periods.

**Original Issue Discount and Payment-in-Kind Instruments.** To the extent that an Underlying Fund invests in original issue discount or payment-in-kind ("**PIK**") instruments and the accretion of original issue discount or PIK interest income constitutes a portion of an Underlying Fund's income, such Underlying Fund will be exposed to risks associated with the requirement to include such non-cash income in taxable and accounting income prior to receipt of cash, including the following:

- the higher interest rates on PIK instruments reflect the payment deferral and increased credit risk associated with these instruments, and PIK instruments generally represent a significantly higher credit risk than coupon loans;
- original issue discount and PIK instruments may have unreliable valuations because the accruals require judgments about collectability of the deferred payments and the value of any associated collateral;
- an election to defer PIK interest payments by adding them to the principal on such instruments increases the Underlying Fund's future investment income which increases the Underlying Fund net assets and, as such, increases the Investment Manager, Sub-Investment Manager or their Affiliates' future base management fees which, thus, increases the Investment Manager, Sub-Investment Manager or their Affiliates' future income incentive fees at a compounding rate;
- market prices of PIK instruments and other zero coupon instruments are affected to a greater extent by interest rate changes, and may be more volatile than instruments that pay interest periodically in cash. While PIK instruments are usually less volatile than zero coupon debt instruments, PIK instruments are generally more volatile than cash pay securities;
- the deferral of PIK interest on an instrument increases the loan-to-value ratio, which is a measure of the riskiness of a loan, with respect to such instrument;
- even if the conditions for income accrual under accounting principles generally accepted in the United States ("**GAAP**") are satisfied, a borrower could still default when actual payment is due upon the maturity of such loan;
- the required recognition of original issue discount or PIK interest for U.S. federal income tax purposes may have a negative impact on liquidity, as it represents a non-cash component of an Underlying Fund's investment company taxable income that may require cash distributions to shareholders in order to maintain such Underlying

Fund's ability to be subject to tax as a RIC; and

- original issue discount may create a risk of non-refundable cash payments to the Investment Manager and Sub-Investment Manager based on non-cash accruals that may never be realized.

**Credit Default Swaps or Other Derivative Transactions.** The Sub-Fund may from time to time invest in Underlying Funds that have an investment program which includes entering into credit default swaps or other derivative transactions that seek to modify or replace the investment performance of a particular reference security or other asset. These transactions are typically individually negotiated, non-standardized agreements between two parties to exchange payments, with payments generally calculated by reference to a notional amount or quantity. Swap contracts and similar derivative contracts are not traded on exchanges; rather, banks and dealers act as principals in these markets. These investments may present risks in excess of those resulting from the referenced security or other asset. Because these transactions are not an acquisition of the referenced security or other asset itself, the investor has no right directly to enforce compliance with the terms of the referenced security or other asset and has no voting or other consensual rights of ownership with respect to the referenced security or other asset. In the event of insolvency of a counterparty, the Underlying Fund will be treated as a general creditor of the counterparty and will have no claim of title with respect to the referenced security or other asset.

A credit default swap is a contract in which one party buys or sells protection against a credit event with respect to an issuer, such as an issuer's failure to make timely payments of interest or principal on its debt obligations, bankruptcy or restructuring during a specified period. Generally, if an Underlying Fund sells credit protection using a credit default swap, such Underlying Fund will receive fixed payments from the swap counterparty and if a credit event occurs with respect to the applicable issuer, such Underlying Fund will pay the swap counterparty par for the issuer's defaulted debt securities and the swap counterparty will deliver the defaulted debt securities to us. Generally, if such Underlying Fund buys credit protection using a credit default swap such Underlying Fund will make fixed payments to the counterparty and if a credit event occurs with respect to the applicable issuer, such Underlying Fund will deliver the issuer's defaulted securities underlying the swap to the swap counterparty and the counterparty will pay the Underlying Fund par for the defaulted securities. Alternatively, a credit default swap may be cash settled and the buyer of protection would receive the difference between the par value and the market value of the issuer's defaulted debt securities from the seller of protection.

Credit default swaps are subject to the credit risk of the underlying issuer. If an Underlying Fund is selling credit protection, there is a risk that such Underlying Fund will not properly assess the risk of the underlying issuer, a credit event will occur and such Underlying Fund will have to pay the counterparty. If such Underlying Fund is buying credit protection, there is a risk that such Underlying Fund will not properly assess the risk of the underlying issuer, no credit event will occur and such Underlying Fund will receive no benefit for the premium paid.

A derivative transaction is also subject to the risk that a counterparty will default on its payment obligations thereunder or that an Underlying Fund will not be able to meet the Underlying Fund's obligations to the counterparty. In some cases, an Underlying Fund may post collateral to secure an Underlying Fund's obligations to the counterparty, and such Underlying Fund may be required to post additional collateral upon the occurrence of certain events such as a decrease in the value of the reference security or other asset. In some cases, the counterparty may not collateralize any of its obligations to us. Derivative investments effectively add leverage to a portfolio by providing investment exposure to a security or market without owning or taking physical custody of such security or investing directly in such market. In addition to the risks described above, such arrangements are subject to risks similar to those associated with the use of leverage.

**Adverse Impacts of Portfolio Companies Prepaying an Underlying Fund's Debt Investments.** An Underlying Fund is subject to the risk that the investments the Underlying Fund makes in portfolio companies may be repaid prior to maturity. When this occurs, the Underlying

Fund will generally reinvest these proceeds in temporary investments, pending its future investment in new portfolio companies. These temporary investments will typically have substantially lower yields than the debt being prepaid and the Underlying Fund could experience significant delays in reinvesting these amounts. Any future investment in a new portfolio company may also be at lower yields than the debt that was repaid. As a result, the Underlying Fund's results of operations could be materially adversely affected if one or more of the Underlying Fund's portfolio companies elect to prepay amounts owed to us. Additionally, prepayments, net of prepayment fees, could negatively impact the Underlying Fund's return on equity. This risk will be more acute when interest rates decrease, as the Underlying Fund may be unable to reinvest at rates as favourable as when the Underlying Fund made its initial investment.

**Technological innovations and industry disruptions.** Current trends in the market generally have been toward disrupting a traditional approach to an industry with technological innovation, and multiple young companies have been successful where this trend toward disruption in markets and market practices has been critical to their success. In this period of rapid technological and commercial innovation, new businesses and approaches may be created that will compete with Underlying Funds and/or its investments or alter the market practices the Sub-Fund's strategy has been designed to function within and depend on for investment returns. Any of these new approaches could damage the Sub-Fund's investments, significantly disrupt the market in which it operates and subject it to increased competition, which could materially and adversely affect its business, financial condition and results of investments.

**Significant Risks When Investing in Middle Market Companies.** Investments in middle market companies involve the same risks that apply generally to investments in larger, more established companies. However, such investments have more pronounced risks in that middle market companies:

- may have limited financial resources and may be unable to meet their obligations under their debt securities that an Underlying Fund holds, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of an Underlying Fund realizing on any guarantees the Underlying Fund may have obtained in connection with an Underlying Fund's investment;
- have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tends to render them more vulnerable to competitors' actions and changing market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on an Underlying Fund's portfolio company and, in turn, on us;
- generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. In addition, an Underlying Fund's executive officers, trustees and members of the Investment Manager, Sub-Investment Manager, AIFM and any Affiliate thereof may, in the ordinary course of business, be named as defendants in litigation arising from the Sub-Funds and/or any Underlying Fund's investments in the portfolio companies; and
- may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity.

**Sub-Fund's Income.** An Underlying Fund's income may at times be variable. For example, there may be times when an Underlying Fund holds instruments that are junior to other instruments and as a result of limited cash flow, the Underlying Fund receives little or no income. A wide range of

factors may adversely affect an obligor's ability to make repayments, including adverse changes in the financial condition of such obligor or the industries or regions in which it operates, the obligor's exposure to counterparty risk; systemic risk in the financial system and settlement; changes in law or taxation; changes in governmental regulations or other policies; natural disasters; terrorism; social unrest, civil disturbances; or general economic conditions. Default rates tend to accelerate during economic downturns, which would in turn affect cash flow to an Underlying Fund (as applicable). Any defaults will have a negative impact on the value of Underlying Fund's investments and may reduce the return that the Underlying Fund receives from its investments in certain circumstances. While some amount of annual defaults is expected to occur, defaults in or declines in the value of the Underlying Fund's investments in excess of these expected amounts may result in breaches of covenants under the Underlying Fund's financing arrangements, triggering credit enhancement requirements or accelerated repayment provisions and, if not cured within the relevant grace periods, permitting the finance provider to enforce its security over all the assets of the Underlying Fund. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of an obligor, holders of debt instruments ranking senior to an Underlying Fund's investments would typically be entitled to receive payment in full before the Underlying Fund receives any distributions in respect of its investments. After repaying the senior creditors, such obligor may not have any remaining assets to repay its obligations to the Underlying Fund. In the case of debt ranking equally with the loans or debt securities in which Underlying Fund would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant investee company. Each jurisdiction in which an Underlying Fund invests has its own insolvency laws. As a result, investments in similarly situated investee companies in different jurisdictions may well confer different rights in the event of insolvency.

**Currency Value Fluctuations.** The Underlying Funds expect that their investments will be primarily denominated in the Sub-Fund's base currency. Underlying Funds may also invest, however, in securities denominated in other currencies. Even though an Underlying Fund may hedge any currency investments, investments that are denominated in currencies other than the base currency are subject to the risk from an investor's perspective that the value of the currency may change in relation to the base currency. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

**Catastrophe Risk.** An Underlying Fund may have exposure to losses resulting from natural and man-made disasters and other catastrophic events. Catastrophes can be caused by various events, including hurricanes, earthquakes, hailstorms, explosions, severe winter weather and fires. The incidence and severity of such catastrophes are inherently unpredictable and an Underlying Fund's losses from catastrophes could be substantial. The occurrence of claims from catastrophic events is likely to result in substantial volatility in an Underlying Fund's financial condition or results of operations for any fiscal quarter or year and could have a material adverse effect on an Underlying Fund or a portfolio company's ability to write new business. The Investment Manager, Sub-Investment Manager and their Affiliates expect that increases in the values and concentrations of insured property will increase the severity of such occurrences in the future. Although the Investment Manager, Sub-Investment Manager and their Affiliates will attempt to manage the Underlying Funds' exposure to such events, a single catastrophic event could affect multiple geographic regions and lines of business or the frequency or severity of catastrophic events could exceed the Investment Manager, Sub-Investment Manager's and their Affiliates' estimates, either of which could have a material adverse effect on the Underlying Funds' financial condition or results of operations.

#### **Additional Tax Risks related to the Sub-Fund**

As the Sub-Fund intends to invest into the Underlying Funds directly or indirectly through Intermediary Funds, Investors should be aware that investing into other funds or in investments where the Sub-Fund does not have full control of investment-holding structures may result in additional tax considerations and risks, some of which may result in reduced returns to the Sub-Fund or other adverse tax-related consequences for the Sub-Fund. In particular, it is noted that (i) the underlying fund or investment holding structure may not be the most efficient method of

investment for the Sub-Fund into the underlying asset; (ii) the vehicles comprising the underlying fund or investment holding structures may be subject to taxation (which may be significant) and any such taxation will decrease the amount of returns to the Sub-Fund; (iii) the underlying structures may result in additional tax or tax compliance obligations for the Sub-Fund or its investors; (iv) the Sub-Fund and its investors may be reliant on information provided by the Underlying Funds and the Intermediary Funds in respect of certain tax matters which could lead to increased tax costs if such information is not provided in a timely manner; (v) there may be tax risks inherent in the underlying fund or investment holding structures over which the Sub-Fund has no control and limited visibility and (vi) the tax risk factors included in the general part of the Prospectus may also apply to the underlying fund or investment holding structures which may amplify the impact of any such risks on the Sub-Fund and/or increase the risk of such tax risks crystallizing in a manner that could impact the Sub-Fund. In addition, the tax profile of the Sub-Fund in making investments in any Underlying Funds, Intermediary Funds or other investments will be different than the tax profile that an investor in the Sub-Fund would have if it made such investments directly, and an investor's direct and indirect tax burden may be higher by investing in the Sub-Fund than it would be if the investor could invest in the underlying investment directly.

As the Underlying Funds and Intermediary Funds in which the Sub-Fund may invest may have a particular focus on US investments and/or structures, the following recent US law changes (set out below) may affect the investment performance of the Underlying Funds or Intermediary Funds (as applicable) and as such the Sub-Fund's investment performance. The below may also impact any other US focused investments made by the Sub-Fund:

- In recent years, several changes to the U.S. federal tax code were enacted, including the Tax Cuts and Jobs Act (the "TCJA") in 2017, and the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") in 2020. In addition, the Inflation Reduction Act of 2022 (the "IR Act") was enacted on August 16, 2022. The changes made by the IR Act include, among other things, (i) a 15% alternative minimum tax on the "adjusted financial statement income" of certain large corporations (generally, corporations reporting at least \$1 billion average adjusted pre-tax net income on their consolidated financial statements) for tax years beginning after December 31, 2022, (ii) a new U.S. federal 1% excise tax on certain repurchases (including redemptions) of stock by publicly traded domestic corporations and certain domestic subsidiaries of publicly traded foreign corporations; and (iii) \$80 billion dollar investment in IRS funding to pursue tax compliance.
- A number of provisions enacted as part of the TCJA, the CARES Act and the IR Act are still subject to uncertainty as to scope and application. While certain regulations and guidance have been issued by the U.S. Treasury Department and the IRS, some of these regulations remain in proposed form and other interpretive guidance will be necessary to help reduce uncertainty in application. However, it may take a substantial amount of time for regulations to become final and guidance to be published, and, accordingly, the entities in which the Sub-Fund may invest may have significant uncertainties in their tax positions. Furthermore, the impact of this legislation on the state and local tax consequences of investments by the Sub-Fund is uncertain and will depend on whether and to what extent state and local jurisdictions conform applicable tax laws to these provisions and the interpretation thereof. In addition, there can be no assurance that U.S. tax laws, including laws impacting the corporate income tax rate, will not significantly change in the future. An increase in the corporate income tax rate would likely result in an increase of the overall tax burden borne by Sub-Fund (including in respect of any "blocker" entities) and its investments and may accordingly adversely affect the Sub-Fund's returns.
- In addition, the Biden administration may propose additional significant changes to the U.S. federal tax laws, some or all of which may be enacted. The passage of such legislation, as well as changes or modifications in existing judicial decisions or in the current positions of the IRS, could substantially modify the tax treatment of the structures into which the Sub-Fund invests, possibly on a retroactive basis. The Sub-Fund cannot predict whether the U.S. Congress or any other legislative body will enact new tax legislation or whether the IRS or any other tax authority will issue new regulations or other guidance, nor can it predict what effect such legislation or regulations might have. There

can be no assurance that new legislation or regulations, including changes to existing laws and regulations, will not have an adverse effect on the Sub-Fund's investment performance.



**ANNEX V  
CLASSES OF SHARES**

Class	Currency	Enrolled in the Hedging Program	Type of Investor	Type of Share	Minimum Initial Subscription and Minimum holding amount <sup>4</sup>	Minimum Subsequent Subscription <sup>5</sup>	Initial Subscription Price	Management Fee
Class I1	EUR	Yes	Institutional	Distribution	25,000	1,000	100	1.25%
Class I2	EUR	Yes	Institutional	Accumulating	25,000	1,000	100	1.25%
Class I3	USD	No	Institutional	Distribution	25,000	1,000	100	1.25%
Class I4	USD	No	Institutional	Accumulating	25,000	1,000	100	1.25%
Class I5	GBP	Yes	Institutional	Distribution	25,000	1,000	100	1.25%
Class I6	GBP	Yes	Institutional	Accumulating	25,000	1,000	100	1.25%
Class I7	CHF	Yes	Institutional	Distribution	25,000	1,000	100	1.25%
Class I8	CHF	Yes	Institutional	Accumulating	25,000	1,000	100	1.25%
Class I9	AUD	Yes	Institutional*	Distribution	40,000	1,500	100	1.25%
Class I10	AUD	Yes	Institutional*	Accumulating	40,000	1,500	100	1.25%
Class I11	SGD	Yes	Institutional*	Distribution	35,000	1,500	100	1.25%
Class I12	SGD	Yes	Institutional*	Accumulating	35,000	1,500	100	1.25%
Class A1	EUR	Yes	Advisory	Distribution	25,000	1,000	100	2.00%
Class A2	EUR	Yes	Advisory	Accumulating	25,000	1,000	100	2.00%
Class A3	USD	No	Advisory	Distribution	25,000	1,000	100	2.00%
Class A4	USD	No	Advisory	Accumulating	25,000	1,000	100	2.00%
Class A5	GBP	Yes	Advisory	Distribution	25,000	1,000	100	2.00%
Class A6	GBP	Yes	Advisory	Accumulating	25,000	1,000	100	2.00%
Class A7	CHF	Yes	Advisory	Distribution	25,000	1,000	100	2.00%
Class A8	CHF	Yes	Advisory	Accumulating	25,000	1,000	100	2.00%
Class A9	AUD	Yes	Advisory*	Distribution	40,000	1,500	100	2.00%
Class A10	AUD	Yes	Advisory*	Accumulating	40,000	1,500	100	2.00%
Class A11	SGD	Yes	Advisory*	Distribution	35,000	1,500	100	2.00%
Class A12	SGD	Yes	Advisory*	Accumulating	35,000	1,500	100	2.00%

<sup>4</sup> Note to investors: Certain sub-distributors and/or countries may have higher minimums.

<sup>5</sup> Note to investors: Certain sub-distributors and/or countries may have higher minimums.

Class A13	ILS	Yes	Advisory*	Distribution	100,000	5,000	100	2.00%
Class A14	ILS	Yes	Advisory*	Accumulating	100,000	5,000	100	2.00%
Class X1	EUR	Yes	Institutional	Distribution	25,000	1,000	100	0.00% <sup>6</sup>
Class X2	EUR	Yes	Institutional	Accumulating	25,000	1,000	100	0.00% <sup>7</sup>
Class X3	USD	No	Institutional	Distribution	25,000	1,000	100	0.00% <sup>8</sup>
Class X4	USD	No	Institutional	Accumulating	25,000	1,000	100	0.00% <sup>9</sup>
Class X5	GBP	Yes	Institutional	Distribution	25,000	1,000	100	0.00% <sup>10</sup>
Class X6	GBP	Yes	Institutional	Accumulating	25,000	1,000	100	0.00% <sup>11</sup>
Class X7	CHF	Yes	Institutional	Distribution	25,000	1,000	100	0.00% <sup>12</sup>
Class X8	CHF	Yes	Institutional	Accumulating	25,000	1,000	100	0.00% <sup>13</sup>
Class K1	EUR	Yes	Apollo-related*	Distribution	25,000	1,000	100	0.00%
Class K2	EUR	Yes	Apollo-related*	Accumulating	25,000	1,000	100	0.00%
Class K3	USD	No	Apollo-related*	Distribution	25,000	1,000	100	0.00%
Class K4	USD	No	Apollo-related*	Accumulating	25,000	1,000	100	0.00%
Class K5	GBP	Yes	Apollo-related*	Distribution	25,000	1,000	100	0.00%
Class K6	GBP	Yes	Apollo-related*	Accumulating	25,000	1,000	100	0.00%
Class K7	CHF	Yes	Apollo-related*	Distribution	25,000	1,000	100	0.00%
Class K8	CHF	Yes	Apollo-related*	Accumulating	25,000	1,000	100	0.00%

<sup>6</sup> Class X Shares will not bear any Management Fee but will indirectly bear Underlying Management Fees excluding any management fees in respect of ABMML.

<sup>7</sup> Class X Shares will not bear any Management Fee but will indirectly bear Underlying Management Fees excluding any management fees in respect of ABMML.

<sup>8</sup> Class X Shares will not bear any Management Fee but will indirectly bear Underlying Management Fees excluding any management fees in respect of ABMML.

<sup>9</sup> Class X Shares will not bear any Management Fee but will indirectly bear Underlying Management Fees excluding any management fees in respect of ABMML.

<sup>10</sup> Class X Shares will not bear any Management Fee but will indirectly bear Underlying Management Fees excluding any management fees in respect of ABMML.

<sup>11</sup> Class X Shares will not bear any Management Fee but will indirectly bear Underlying Management Fees excluding any management fees in respect of ABMML.

<sup>12</sup> Class X Shares will not bear any Management Fee but will indirectly bear Underlying Management Fees excluding any management fees in respect of ABMML.

<sup>13</sup> Class X Shares will not bear any Management Fee but will indirectly bear Underlying Management Fees excluding any management fees in respect of ABMML.

Subject to the sole discretion of the Board of Directors, each Investor will generally be eligible for Class I Shares, Class A Shares, Class X Shares and Class K Shares as follows:

Class I Shares are being offered exclusively to institutional and/or professional investors investing directly, financial intermediaries investing for their own account, investors who invest in their own name, investors who have account-based fee arrangements known as advisory/wrap accounts, discretionary managed accounts, or comparable fee arrangements with their financial intermediary and financial intermediaries within the European Union who: (i) must make investments for their own account; (ii) cannot receive distribution fees in accordance with applicable regulatory requirements and/or (iii) must only offer their clients Classes with no retrocessions in accordance with written agreements in place with their clients.

Class A Shares will generally be available to investors where the financial intermediary through which such investor acquired Shares provides such investor with ongoing reporting, administrative and/or other services.

Class X Shares will be available to investors where they, or their financial intermediary or underlying investor have entered into a specific prior written agreement with the Investment Manager or one of its Affiliates. For the avoidance of doubt, Class X Shares will be available to any such eligible investors until determined by the Board of Directors. Class X Shares will not bear any Management Fee but will indirectly bear Underlying Management Fees excluding any management fees in respect of ABMML.

It should be noted that: (i) only Apollo-related Investors (as defined more particularly below) will be eligible to hold Class K Shares. Class K Shares will not bear any Management Fee or Subscription Fee; and (ii) where an asterisk (\*) symbol is included in the "Type of Investor" column in the table above such Class is not eligible for subscription by Retail Investors in the EEA or UK.

Certain Classes, as indicated in the table above, are "Distribution Class" Shares and certain other Classes, as indicated in the table above are "Accumulating Class" Shares. Investors that subscribe for Distribution Class Shares will receive in cash any distributions that the Sub-Fund pays in respect of such Shares. For the avoidance of doubt, Investors may elect to reinvest such cash distributions into the Sub-Fund for additional Shares. In contrast, Investors that subscribe for Accumulating Class Shares will, in lieu of receiving cash distributions, have any such amounts reinvested in such Class. In each case, distributions (whether in cash to the Distribution Class Investors or reflected in the NAV of the Shares held by the Accumulating Class Investors) are made in the discretion of the Board of Directors and are subject to reasonable reserves for the payment of a *pro rata* portion of the Operating Expenses and any other obligations of the Sub-Fund attributable to such Shares and subject to deductions for any required tax withholdings or other tax amounts to be borne by the Investor. If an Investor does not indicate in its Subscription Agreement whether it is subscribing for Accumulating Class or Distribution Class Shares, the Investor's subscription will be for the relevant Accumulating Class.

Certain Classes, as indicated in the table above, may, from time to time, depending on the prevailing circumstances be fully or partially hedged from the relevant currency against the U.S. dollar (or such other currency as indicated in the table above) (the "**Hedging Program**"), without taking into consideration any hedging strategies separately entered into by any Investor, although there can be no assurance that any hedging strategies employed by the Sub-Fund will be effective in protecting against currency exchange rate fluctuations. Investors subscribing for Classes in any country in which U.S. dollars are not the local currency should note that changes in the value of foreign exchange between the U.S. dollar and such currency may have an adverse effect on the value, price or income of the investment to such Investors. Any costs associated with such hedging shall be allocated to the relevant Class which will reduce returns. In relation to currency hedging undertaken in the interest of a hedged Class, Investors should note that the various Classes do not constitute separate portfolios of assets and liabilities, and similar considerations may apply to any Underlying Fund, Intermediary Fund or other investment structure to the extent the hedging program is undertaken at such level. Accordingly, while gains and losses and the expense of the hedging program will be allocated to the hedged Classes only, the Sub-Fund and/or any Underlying Fund, Intermediary Fund or other investment structure as a whole, may be liable for obligations in connection with currency hedges. Additionally, any financing facilities or guarantees utilized in connection with the hedging program may be entered into by the Umbrella Vehicle in respect of the Sub-Fund and/or any Underlying Fund, Intermediary Fund or other investment structure and not any specific Class. Although a Class might benefit from the use of the hedging program, changes in currency exchange rates or other factors could result in poorer overall performance for such Class compared to what such Class' performance would have been if it had not been hedged. Any Class may, from time to time, be over-hedged or under-hedged, and the performance of any particular Class may diverge materially from the performance of the reference currency of such Class, and may diverge materially from the performance of any other Class.

Before making an investment decision each investor should consult with their financial intermediary (as applicable) regarding their eligibility for any Class.

For the purposes of this Sub-Fund Supplement, "**Apollo-related Investor**" means:

- a) any director, officer, member, manager, partner, consultant or employee or former director, officer, member, manager, partner, consultant or employee or other person engaged or formerly engaged in the business of a member of the Apollo Group;
- b) at the sole discretion of the Board of Directors, any such person's spouse or close relative;
- c) at the sole discretion of the Board of Directors, any entity controlled by any of the persons referred to in paragraphs (a) and (b) above or the trustees of a trust of which they are beneficiaries; and
- d) any Apollo Client, or the Investment Manager or any of its Affiliates,

provided, in each case, that the relevant person is considered by the Board of Directors (or its delegate) to be sufficiently sophisticated to understand the risks involved in investing in the Sub-Fund and meets any other requirements that the Board of Directors (or its delegate) deems appropriate from a legal, regulatory or liquidity perspective. For the avoidance of doubt, reference to any former employee(s) or person(s) formerly engaged in the business of a member of the Apollo Group includes only such persons who have ceased to be so employed or engaged following the acceptance of their subscription for Shares, unless otherwise agreed by the Board of Directors.

23. **SUB-FUND SUPPLEMENT: APOLLO REALTY INCOME SOLUTIONS EUROPE - SUB-FUND I**

to the Prospectus of **Apollo Private Markets SICAV**

relating to the sub-fund **Apollo Realty Income Solutions Europe – Sub-Fund I**

(hereinafter the "**Sub-Fund**")

**Important Notice**

This Sub-Fund Supplement summarizes selected features of the Sub-Fund in table format. Investors are strongly recommended to carefully read this Sub-Fund Supplement in conjunction with the general part of the Prospectus and the Articles and to seek professional advice before making any decision to subscribe for shares in the Sub-Fund. Terms not otherwise defined in this Sub-Fund Supplement shall have the meaning given to them in the Prospectus.

**Investment in the Sub-Fund is only intended for investors who: (i) understand the Sub-Fund's strategy, characteristics and risks in order to make an informed investment decision; and (ii) have knowledge of, and investment experience in, real estate products, including (in particular) those that may use borrowing to leverage investment (such as this Sub-Fund) and financial markets generally.**

**Participation in the Sub-Fund will be offered primarily through Financial Intermediaries, which generally have client net worth thresholds and other requirements. Accordingly, the Sub-Fund is primarily intended for investors who have established relationships with such Financial Intermediaries. Investors should consult with their Financial Intermediary to discuss potential eligibility and suitability requirements for investment in the Sub-Fund.**

**Investors are specifically referred to the risk factors in the general part of the Prospectus and in this Sub-Fund Supplement, under "Risk Factors" and as set out in Annex II.**

In the Prospectus and Subscription Agreement for Shares in the Sub-Fund, each Investor confirms that it has read and understood the aforementioned documentation and that it has sought professional advice in respect to such documentation. By signing the Subscription Agreement, each Investor confirms its agreement with the content of the Prospectus (including all annexes and exhibits thereto), this Sub-Fund Supplement and the Articles.

Participation in the Sub-Fund involves intricate tax and regulatory matters that may differ from Investor to Investor. Each Investor is advised to clarify the actual tax and regulatory effects that participation in the Sub-Fund may have in its particular case with its personal tax and legal advisor.

References to the "Sub-Fund" in this Sub-Fund Supplement shall include, unless the context otherwise requires, the Umbrella Vehicle (or any agent thereof) acting in respect of the Sub-Fund.

**Notice to residents of the European Economic Area**

Pursuant to the EU Directive 2011/61/EU on the Alternative Investment Fund Managers Directive (the "**AIFMD**"), the Umbrella Vehicle will constitute an EU AIF whose AIFM is itself an EU AIFM. Each Member State of the European Economic Area has adopted legislation implementing the AIFMD into national law. Under the AIFMD, marketing of the Shares of the Sub-Fund to any (prospective) Investor domiciled or with a registered office in the European Economic Area will be restricted by such laws and no such marketing shall take place except as permitted by such laws. Potential Investors should ensure they are able to subscribe for Shares in the Sub-Fund in accordance with the above laws.

When marketed under the AIFMD marketing passport provided for in article 32 of the AIFMD, Shares in the Sub-Fund are only available for purchase by Professional Investors, being Investors that are considered to be a professional client or may, on request, be treated as a professional client, within the meaning of Annex II to Directive 2014/65/EU ("**MiFID II**").

For the avoidance of doubt, marketing to retail clients may take place, but only where this is permitted under applicable local law and to the extent that (where required) a PRIIPS KID has been made available to any retail investors.

#### **Notice to residents of Luxembourg**

In Luxembourg, Shares in the Sub-Fund may be subscribed by both retail investors and institutional investors. Retail investors in particular should note that investment in the Sub-Fund is only intended for investors who: (i) understand the Sub-Fund's strategy, characteristics and risks in order to make an informed investment decision; and (ii) have knowledge of, and investment experience in, products of this nature (including those that use borrowing to leverage investment (such as this Sub-Fund)) and financial markets generally.

#### **Notice to residents of the United Kingdom**

The Umbrella Vehicle is a collective investment scheme for the purposes of section 235 of the Financial Services and Markets Act 2000 ("**FSMA**") of the United Kingdom. It has not been authorized, or otherwise recognized or approved, by the FCA and as an unregulated scheme, it cannot be promoted in the United Kingdom to the general public. Accordingly, neither the Prospectus nor this Sub-Fund Supplement is to be distributed, delivered or passed on to any person resident in the United Kingdom, unless it is being made only to, or directed at persons falling within, the categories discussed below.

The communication of the Prospectus and this Sub-Fund Supplement (together, the "**Materials**") is directed at, and Shares are available only to, the following persons in the United Kingdom, namely (i) persons falling within any of the categories of "Investment Professionals" as defined in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**") (ii) persons falling within any of the categories of persons described in article 49(2) of the Financial Promotion Order, (iii) persons falling within the categories of "certified high net worth individual" described in article 48(2) of the Financial Promotion Order and "self-certified sophisticated investor" described in article 50A(1) of the Financial Promotion Order and (iv) any person to whom it may otherwise lawfully be made (each, a "**Relevant Person**"). Communication of the Materials to, or reliance on them by, any person who is not a Relevant Person is unauthorized and may contravene FSMA, and any such person should return them immediately.

No person, other than Relevant Persons, may act on the Materials and any investment or investment activity to which they relate is available only to Relevant Persons and will be engaged in only with such persons. Persons of any other description in the United Kingdom may not receive and should not act or rely on the Materials or any other marketing materials relating to the Sub-Fund. The Materials will only be distributed, and Shares will only be offered, in circumstances permitted under the Alternative Investment Fund Managers Regulations 2013 ("**UK AIFM Regulations**").

Potential Investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Sub-Fund, and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The Materials are not an approved prospectus for the purposes of Section 85 of the FSMA.

#### **Notice to residents of Germany**

The Shares in the Sub-Fund described in the Materials may only be distributed or offered to German resident investors being professional investors within the meaning of section 1 para. 19 no. 32 of the German Capital Investment Act (*Kapitalanlagegesetzbuch* – "**KAGB**"), or semi-professional investors within the meaning of section 1 para. 19 no. 33 of the KAGB. The Shares in the Sub-Fund described in the Materials must not be distributed or offered to retail investors within the meaning of section 1 para. 19 no. 31 KAGB. Please note that the Board of Directors may also not consent to transfers of the Shares to German resident transferees who are not

professional or semi-professional investors within the meaning of the KAGB. Potential investors or transferees may be required to provide evidence on their status as professional or semi-professional investors within the meaning of the KAGB.

### **Notice to residents of Italy**

The Shares in the Sub-Fund described in the Materials must not be marketed to any Italian potential Investors, other than professional investors as defined under AIFMD (and MiFID II) as well as non-professional investors, **provided that** such non-professional investors (in accordance with Article 14 of Ministerial Decree 30/2015):

- A. subscribe for Shares for at least an initial minimum (non-divisible) amount of EUR 500,000 (or the equivalent thereof in another currency);
- B. subscribe for Shares for at least an initial minimum (non-divisible) amount of EUR 100,000 (or the equivalent thereof in another currency) **provided that** – with respect to this sub-paragraph (B):
  - i. they have received investment advice; and
  - ii. as a result of the subscription, the overall amount of their investments in alternative investment funds reserved for subscription to special categories of investors (reserved funds) does not exceed 10% of their financial portfolio (including the value of their bank deposits, insurance-based investment products and financial instruments); or
- C. subscribe through entities licensed to provide portfolio management investing on their behalf in the context of such portfolio management.

### **Notice to residents of Switzerland**

The Umbrella Vehicle is not approved by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") for offering to non-qualified investors in Switzerland pursuant to Art. 120(1) and (2) of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("**CISA**"). Consequently, Shares may not be offered or advertised and the Prospectus, this or any Sub-Fund Supplement, the Articles, the Subscription Agreement and any other offering material or document relating to the Umbrella Vehicle, the Sub-Fund(s) and/or the Shares may not be distributed or otherwise made available in Switzerland to non-qualified investors within the meaning of the CISA. Investors in the Umbrella Vehicle do not benefit from the specific investor protection provided by the CISA and the supervision by FINMA in connection with the approval for offering.

The Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement and any accompanying documentation do not constitute an issuance prospectus pursuant to the Swiss Federal Act on Financial Services of 15 June 2018, as amended (the "**FinSA**"), nor otherwise under Swiss law, and may therefore not comply with the corresponding disclosure standards. Furthermore, the Shares have not been and are not expected to be listed on any stock exchange or other regulated trading venue in Switzerland and, consequently, the information presented in the Prospectus, this or any Sub-Fund Supplement or any accompanying documentation does not necessarily comply with the disclosure standards set out in the relevant listing rules. Neither the Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement nor any other offering or marketing materials relating to the Umbrella Vehicle or the Shares have been or will be filed with, or approved by, any Swiss governmental authority.

In Switzerland, the Umbrella Vehicle and the Shares may only be advertised or offered, and the Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement or any other advertising or offering materials relating to the Umbrella Vehicle or the Shares may solely be provided, to qualified investors pursuant to art. 10 para. 3 CISA (i.e. professional clients or institutional clients in accordance with art. 4 para. 3 to 5 or art. 5 para. 1 and 4 of the FinSA). Certain persons may on a discretionary basis be considered eligible for investment in the Umbrella Vehicle (a) under

art. 10 para. 3ter CISA if they intend to subscribe in the context of a long-term, remunerated investment management or investment advisory agreement with a prudentially regulated financial intermediary, or (b) if an intended subscription comes about at the express initiative of the potential investor that was not preceded by any advertising by the Umbrella Vehicle, its affiliates, agents or representatives.

The Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement and any accompanying documentation do not constitute investment advice. Said materials may only be used by those persons to whom they have been delivered in connection with the Umbrella Vehicle or the Shares and may neither be copied nor directly or indirectly distributed or made available to other persons.

The Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement and/or key information documents as well as annual and semi-annual reports may be obtained free of charge from the Swiss Representative.

In respect of the Shares offered in Switzerland, the place of performance is the registered office of the Swiss Representative. The place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or place of residence of the Investor.



**The Sub-Fund Supplement**

<p><b>Sub-Fund</b></p>	<p>Apollo Realty Income Solutions Europe – Sub-Fund I (the "<b>Sub-Fund</b>") is an open-ended investment compartment (<i>compartment</i>) of the Umbrella Vehicle.</p>
<p><b>Investment Objective and Strategy</b></p>	<p>It is intended that the Sub-Fund will invest at least 85% of its assets, with the balance intended to be used for (i) a liquidity reserve to facilitate Investor redemptions (the "<b>Liquidity Reserve</b>"); and (ii) any reserves for the payment of expenses, liabilities or other obligations of the Sub-Fund, in each case which may comprise cash, cash equivalents and/or liquid instruments, as a limited partner in Apollo Realty Income Solutions Europe (Master) SCSp (the "<b>Master Fund</b>"). The Master Fund is a non-regulated fund. Further details regarding the Master Fund are provided in Annex I to this Sub-Fund Supplement.</p> <p>The Master Fund in turn expects to invest, directly and indirectly, primarily in substantially stabilized income-generating European commercial and residential real estate properties, including through acquiring special purpose vehicles, equity derivatives, options, joint ventures, joint investments and preferred equity. To a lesser extent, the Master Fund will make investments: (i) on an opportunistic basis, in real estate related asset management platforms, which are believed to help further bolster the Master Fund's capabilities and resources to drive value-add initiatives within the Master Fund's investment portfolio; and (ii) for liquidity management purposes in, cash, cash equivalents and other short-term investments. The Master Fund may also opportunistically invest in other securities or debt instruments.</p> <p>The Master Fund will predominantly make investments in logistics and multi-let industrial, laboratory, office, residential, senior living and long-let triple net lease assets. The Master Fund will predominantly make investments in the United Kingdom, Germany, France, the Netherlands, Belgium, Denmark, Finland, Spain, Sweden, Italy and Ireland (the "<b>Tier 1 Countries</b>") but expects to also invest up to 35% of its NAV in investments in Norway, Portugal, Austria, Switzerland, Poland, the Czech Republic, Slovakia and Hungary (the "<b>Tier 2 Countries</b>").</p> <p>It should be noted that the Master Fund shall not invest more than:</p> <ul style="list-style-type: none"> <li>• 20% of its NAV at the time of acquisition in any single Property. Should such restriction be exceeded for any reason other than the purchase of one or more additional investments in a Property (for example market or currency fluctuations), no remedial action will be required for these reasons. For the purpose of the foregoing limitation, the value of any investment into a Property will take into account the allocated or expected indebtedness that the Investment Manager deems related to the investment being acquired, whether incurred specifically at the investment level or allocated from other Master Fund indebtedness;</li> <li>• 20% of its NAV at the time of investment in asset-backed securities, mortgage-backed securities, residential mortgage-backed securities, collateralized debt obligations and/or collateralized loan obligations;</li> </ul>

- 50% of its NAV at the time of acquisition of any Property, in Properties in any single Tier 1 Country; and
- 20% of its NAV at the time of acquisition of any Property, in Properties in any single Tier 2 Country.

For the purposes of this Sub-Fund Supplement, "Property" means (a) property consisting of land and/or buildings; (b) shareholdings in real estate companies whose exclusive object and purpose is the acquisition, promotion, sale, letting and/or agricultural lease of property, **provided that** such shareholdings must be at least as liquid as the property rights held by the Master Fund; (c) property related long-term interests in real estate such as surface ownership, lease-holds and option rights on real estate assets; and (d) any other assets if and to the extent that they are required to operate the asset set out in (a) above.

The above investment restrictions will not apply during a ramp-up period of four years after the Master Fund's first subscriptions from investors are received.

The Master Fund shall not originate loans to natural persons, the AIFM, the Investment Manager or any Affiliate thereof.

There can be no guarantee that the Master Fund, and in turn the Sub-Fund, will achieve their investment objectives.

In addition to the primary objective of generating favorable economic returns described above, the Sub-Fund promotes certain environmental and social characteristics in accordance with the strategy described in Annex V to this Sub-Fund Supplement (the "**E/S Promotion**"). The full details of the E/S Promotion are set out in the annex, but its key elements are described below.

The Sub-Fund promotes the environmental characteristic of advancing the climate and energy transition and the social characteristic of expanding social opportunities. These environmental and social characteristics promoted by the Sub-Fund may be aligned with one or more United Nations Sustainable Development Goals.

The Sub-Fund, through the Master Fund, will invest a certain proportion of assets in investments used to attain the environmental and/or social characteristics promoted by the Sub-Fund. In order to select these investments, the Investment Manager, as delegate of the AIFM, will apply binding investment criteria to the selection of underlying assets as part of its investment decision-making process. The binding investment criteria include negative screens as well as portfolio-level requirements set in respect of ESG scoring (using a proprietary ESG Risk Rating Framework (as defined below)) and engagement on ESG issues through the application of the Investment Manager's ESG Policy.

Additionally, for Significant Equity Investments (as defined below) used to attain the E/S Promotion, the Investment Manager will take steps in the Master Fund's ownership of underlying assets to seek to improve ESG practices in relation to the E/S Promotion. These steps will be based around the Real Estate Engagement Framework (as defined below), which is focused on climate change mitigation – decarbonisation of the real estate sector, which is aligned with the environmental characteristic promoted by the Sub-Fund, and

	<p>occupant satisfaction and wellbeing, which is aligned with the social characteristic promoted by the Sub-Fund. The attainment of the environmental and social characteristics promoted by the Sub-Fund through the E/S Promotion will be measured using sustainability indicators relevant to the environmental and social characteristics promoted by the Sub-Fund.</p> <p>The Investment Manager shall also, on behalf of the Sub-Fund, consider the principal adverse impacts of its investment decisions on sustainability factors by evaluating such decisions against certain adverse sustainability indicators.</p> <p>For more information, please see the "<i>SFDR</i>" section below, which sets out certain pre-contractual disclosures for the purposes of the SFDR.</p>
<b>Investment Manager</b>	<p>The AIFM has delegated its portfolio management function in respect of the Sub-Fund to Apollo Management International LLP (the "<b>Investment Manager</b>"), an English limited liability partnership and an Affiliate of Apollo Global Management, Inc ("<b>Apollo</b>"), with registered office at 1 Soho Place, London, W1D 3BG, England, pursuant to an investment management agreement entered into by the Investment Manager, the Umbrella Vehicle, acting in respect of the Sub-Fund, and the AIFM. The Investment Manager is authorized by the United Kingdom Financial Conduct Authority.</p> <p>The Investment Manager in turn intends to appoint Apollo Credit Management International Limited (the "<b>Sub-Investment Advisor</b>") as a sub-investment advisor in relation to the Sub-Fund, pursuant to a sub-investment advisory agreement to be entered into between (amongst others) the Investment Manager and the Sub-Investment Advisor. At no time will the Sub-Investment Advisor be involved in the final investment or divestment decision-making process of the Sub-Fund.</p> <p>The Investment Manager may, at any time, without the approval of Investors, terminate or assign the appointment of the Sub-Investment Advisor and appoint a replacement sub-investment advisor, sub-investment manager and/or Global Distributor <b>provided that</b> (1) such replacement shall not result in increased costs for the Investors; (2) prior notice of such termination and replacement is given to the AIFM in accordance with the AIFM Agreement; and (3) such replacement is appropriately authorized under applicable law (including, but not limited to, the Directive) to perform the relevant obligations.</p> <p>The Investment Manager may from time to time engage other Affiliates to undertake investment advisory or other functions and such relevant Affiliate will operate under the general oversight and supervision of the Investment Manager, which itself operates under the oversight by the AIFM.</p>
<b>Platform Advisor</b>	<p>S64 Ventures Limited, trading as S64 Capital Innovation, a limited company incorporated and registered in England and Wales with company number 11888553 whose registered office is at 91 Wimpole Street, London W1G 0EF, United Kingdom, will be appointed as the platform advisor (the "<b>Platform Advisor</b>") in relation to the Sub-Fund pursuant to a platform advisory agreement entered into between (amongst others) the Investment Manager and the Platform Advisor in respect of the Sub-Fund (the "<b>Platform Advisory Agreement</b>").</p>

	<p>In this capacity, the Platform Advisor may where necessary, support the Board of Directors in structuring the Sub-Fund, liaising with and facilitating the services to be provided by the Service Providers, providing assistance to the Board of Directors and the AIFM in governance, oversight and distribution related matters and more generally facilitate and support the day-to-day operations of the Sub-Fund. Further, the Platform Advisor may where necessary, assist in the lifecycle management and operational interface to Sub-Distributors and Investors, including through the provision of technological solutions and/or platforms to facilitate all of the foregoing. For the avoidance of doubt, at no time will the Platform Advisor provide any investment advice to or in relation to the Sub-Fund.</p>
<b>Term</b>	<p>The Sub-Fund will continue for an unlimited period of time, until being put into liquidation in certain specified circumstances including as described under the section "<i>Dissolution</i>" below. Investors may request the redemption of their Shares on a quarterly basis as described in the section "<i>Redemption of Shares</i>" below, subject to the limitations set out in such section.</p>
<b>Currency of the Sub-Fund</b>	<p>The Sub-Fund is denominated in Euro (EUR).</p> <p>The Sub-Fund may offer Classes (as defined below) denominated in other currencies. Subscription payments and distributions will be made in the currency of the applicable Class.</p> <p>The NAV per Share for the applicable Class will be reported to the Investors, and Class returns will be calculated and reported, in the applicable Class currency.</p>
<b>Shares</b>	<p>All Shares will be fully paid-up at the time of subscription.</p> <p>More details regarding the subscription process can be found in the general part of the Prospectus as well as under the section "<i>Subscription of Shares</i>" below.</p> <p>All Shares of the Sub-Fund will be registered in the Share register of the Umbrella Vehicle as described in the general part of the Prospectus.</p> <p>Fractions of Shares up to 2 decimal spaces will be issued.</p>
<b>Share Classes</b>	<p>The Sub-Fund currently offers the classes of Shares set out in Annex III (each a "<b>Class</b>"): </p> <p>Subject to the sole discretion of the Board of Directors, each holder of Shares in the Sub-Fund (each an "<b>Investor</b>") will be required to meet the eligibility criteria for the relevant Class set out in Annex III:</p> <p>Except as otherwise described herein, the terms of each Class of Shares are identical. The Board of Directors has the authority to issue different Classes, sub-Classes, categories or sub-categories of Shares within the Sub-Fund. Details of the characteristics of each Class of Shares offered by the Sub-Fund will be determined by the Board of Directors and may have different rights, benefits, powers or duties, and may be subject to different terms, including with respect to fees, distributions and liquidity, which will be described in this Sub-Fund Supplement (as amended from time to time).</p>

<b>Type of Shares</b>	Registered Shares only.
<b>Hedging</b>	The Investment Manager may in its discretion, but is not obliged to, hedge exclusively interest rate and/or currency risks in connection with investments solely for portfolio management, but not for speculative purposes.
<b>Minimum Subscription</b>	The minimum initial and minimum subsequent subscription amount by each Investor in the Sub-Fund is as set out in Annex III. Each Investor shall maintain a minimum holding of the amount of the minimum initial subscription amount for such Class. Certain sub-distributors, countries and/or Share Classes may have higher minimums.
<b>Defaulting Investor</b>	If an Investor fails to fund its subscription, the respective application for subscription will not be accepted. The Sub-Fund, the Board of Directors, the AIFM, the Investment Manager, the Administrator and the Depositary have no liability for any delay or failure to issue Shares as a result of a Defaulting Investor failing to fund its subscription. A subscription will be held until cash is received. Cash must be received by the next available Dealing Date. If cash is not received by such date, the relevant subscription will be deemed to be revoked.
<b>Borrowing</b>	<p>The Sub-Fund may, directly and/or indirectly, utilize leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an investment, <b>provided that</b> the Sub-Fund shall not incur short-term indebtedness or provide other short-term credit support that would cause it to exceed the Short-Term Borrowings Limit or incur indebtedness, directly and/or indirectly, that would cause its leverage to exceed the Leverage Limit, <b>provided that</b> no remedial action will be required if the Short-Term Borrowings Limit or Leverage Limit is exceeded for any reason other than the incurrence of an increase in indebtedness (including the exercise of rights attached to an investment). <b>Provided further</b> that, the Leverage Limit may be exceeded on a temporary basis to satisfy short-term liquidity needs, refinance existing borrowings or for other obligations, but in each case the Leverage Limit will not exceed 75%.</p> <p>For the purposes of this section:</p> <p><b>"Loan-to-Value Ratio"</b> means Consolidated Borrowings expressed as a percentage of aggregate gross asset value of the assets held directly or indirectly by the Sub-Fund and the Master Fund (without duplication) (as determined by the AIFM or the Administrator) as at the date of assessment in accordance with the AIFM's valuation policy in respect of the Sub-Fund and taking into account any independent valuations of the Master Fund's, direct and indirect, Property investments; and</p> <p><b>"Consolidated Borrowings"</b> means the aggregate outstanding borrowings and guarantees (without duplication) of the Sub-Fund and the Master Fund (including their proportionate interest (calculated based on their equity ownership) of such outstanding borrowings and guarantees at the level of the Aggregator, its subsidiaries and the Properties) the proceeds of which are used to fund all or a portion of the capital necessary for an investment (for the avoidance of doubt, excluding (i) any internal indebtedness between the Sub-Fund, the Master Fund, the Parallel Entities (if any), the Aggregator, its subsidiaries and the Properties; and (ii) any credit facility for working</p>

	<p>capital purposes at the level of the Sub-Fund, the Master Fund or the Aggregator including any Short-Term Borrowings).</p> <p>The Sub-Fund may make use of a credit facility for working capital purposes, including bridging of subscriptions and redemptions, currency hedging and running expenses (the "<b>Short-Term Borrowings</b>").</p> <p>The leverage limit consists of an aggregate Loan-to-Value Ratio of 55% (the "<b>Leverage Limit</b>").</p> <p>"<b>ST Loan-to-Value Ratio</b>" means Short-Term Borrowings (including any other short-term indebtedness or other short-term credit support of the Sub-Fund but excluding for the avoidance of doubt leverage (including Consolidated Borrowings)) expressed as a percentage of aggregate gross asset value of the assets held directly or indirectly by the Sub-Fund (as determined by the AIFM or the Administrator) as at the date of assessment in accordance with the AIFM's valuation policy in respect of the Sub-Fund.</p> <p>The short-term borrowings limit consists of an aggregate ST Loan-to-Value Ratio of 10% (the "<b>Short-Term Borrowings Limit</b>").</p> <p>The maximum total aggregate leverage calculated pursuant to the gross method and commitment method set out in the AIFMD is respectively 500% and 400%.</p>
<b>Initial Subscription Price</b>	<p>Until the Sub-Fund has determined its first NAV per Share for any Class, the subscription price for Shares in the Sub-Fund shall be as set out in Annex IV unless otherwise determined by the Board of Directors (excluding, in each case, applicable Subscription Fees) (as set out more particularly in the section titled "<i>Fees</i>" below).</p>
<b>Underlying Investors</b>	<p>Investments in the Sub-Fund may be made (i) directly or (ii) by appointing a Financial Intermediary to hold Shares as financial intermediary of and trustee upon trust for, such underlying investor (each, an "<b>Underlying Investor</b>"), in accordance with and subject to the terms of the general part of the Prospectus.</p> <p>Any reference in the Prospectus and this Sub-Fund Supplement to "Investors" shall be read as a reference to the relevant Financial Intermediary and/or where appropriate, the Underlying Investor and any penalties, sanctions and requirements that can be imposed on an Investor will be, in respect of the relevant Financial Intermediary, applied to the relevant pro-rata portion of the relevant Financial Intermediary's Shares corresponding to the relevant Underlying Investor, in accordance with and subject to the terms of the general part of the Prospectus.</p> <p>Likewise, voting rights will be exercised by Financial Intermediaries through either (i) a split vote following voting instructions from each Underlying Investor or (ii) exercising voting rights further to a general power of attorney to vote on behalf of each Underlying Investor.</p>
<b>Eligibility</b>	<p>Each potential Investor wishing to subscribe for Shares in the Sub-Fund is required to execute a Subscription Agreement and make certain representations and warranties to the Sub-Fund, the Board of Directors, the AIFM and/or the Investment Manager. Each potential</p>

	Investor must also satisfy the Eligible Investor qualifications as set out in the Subscription Agreement.
<b>Genuine Diversity of Ownership</b>	<p>The application of certain aspects of the UK tax code may partially depend on whether the Umbrella Vehicle and/or the Sub-Fund meet the "genuine diversity of ownership" condition in Regulation 75 of the UK Offshore Funds (Tax) Regulations (SI 2009/3001) (the "<b>GDO Condition</b>").</p> <p>In this regard, the Board of Directors confirms that the Sub-Fund is intended for and marketed to a wide range of investors (including retail clients, where permitted).</p> <p>For the purposes of the GDO Condition, the Board of Directors undertakes that interests in the Sub-Fund:</p> <ul style="list-style-type: none"> <li>• are and will continue to be widely available; and</li> <li>• are, and will continue to be, marketed to, and made available sufficiently widely, to reach the intended categories of investors mentioned above and in a manner appropriate to attract these kinds of investors.</li> </ul>
<b>Communication and announcements to the Investors</b>	To the extent permitted by the 1915 Law, the 2010 Law or any other Luxembourg laws or regulations, an electronic secure platform may be used for the transmission of all notifications and announcements of the Board of Directors and the Sub-Fund, such as, for instance information notices, financial reports and corporate information.
<b>Subscription of Shares</b>	<p>Prospective Investors and/or Investors may submit subscription requests to purchase Shares on an ongoing basis, but prospective Investors and/or Investors may only purchase Shares pursuant to accepted subscription orders as of the first Business Day of each month (the "<b>Dealing Date</b>"). The first Dealing Date is expected to occur on 1 March 2024. A prospective Investor and/or Investor generally must notify the Administrator of its desire to subscribe for Shares (i) for new subscriptions, by 5.pm. Central European Time on the Business Day, at least 5 Business Days prior to the Dealing Date, and (ii) for subsequent subscriptions, by 5.pm. Central European Time on the Business Day, at least 5 Business Days prior to the Dealing Date (in each case, unless such notice period is waived by the Board of Directors and/or the Administrator).</p> <p>To be accepted, a subscription request must be accompanied by an executed Subscription Agreement completed to the satisfaction of the Administrator, including (a) satisfying any additional requirements imposed by the prospective Investor and/or Investor's broker-dealer and/or other Financial Intermediary, (b) satisfying the know your client (KYC), terrorist financing and anti-money laundering checks carried out by the Administrator or such other person appointed by the Board of Directors by 5.pm. Central European Time on the Business Day at least 5 Business Days prior to the Dealing Date and (c) payment of the full purchase price of the Shares being subscribed by 5.pm. Central European Time on the Business Day at least 4 Business Days prior to the Dealing Date (in each case, unless waived by the Board of Directors).</p> <p>The Board of Directors has the discretion to accept or reject subscription requests in full or in part, and in particular the Board of Directors may determine in the best interests of Investors that all or</p>

	<p>part of a subscription request should be deferred to a later Dealing Date. The Board of Directors may also declare additional or more frequent Dealing Dates.</p> <p>The purchase price per Share of each Class will be equal to the NAV per Share for such Class as of the immediately preceding Valuation Day to the relevant Dealing Date. As set out in Annex II, monthly NAV per Share for each Class and sub-Class (if any) as at such Valuation Day will generally be available by the 24<sup>th</sup> Business Day after the applicable Dealing Date. Prospective Investors and/or Investors will therefore not know the NAV per Share of their subscription until after the subscription has been accepted.</p> <p>The issue, subscription and redemption price of Shares for each Class and sub-Class (if any) will be made publicly available at <a href="https://gwms.apollo.com/realtyincomesolutionseurope">https://gwms.apollo.com/realtyincomesolutionseurope</a>.</p> <p>Investors may also be required to pay Subscription Fees to their Financial Intermediary (as set out more particularly in the section titled "Fees" below).</p> <p>The Board of Directors may in its discretion agree to issue Shares to one or more Investors as consideration for a contribution in kind in compliance with the conditions set forth by Luxembourg law.</p>
<p><b>Conversion of Shares</b></p>	<p>Investors may request the conversion of Shares between Classes in the Sub-Fund, including, for the avoidance of doubt, between Accumulation and Distribution Classes, <b>provided that</b> such Investor meets investor eligibility criteria and conditions applicable to such Class as set out in this Sub-Fund Supplement and the Prospectus. Accordingly, references to a "Class" in this Section shall include such Classes.</p> <p>The Board of Directors may suspend conversions in respect of Shares during any period that the determination of the NAV of the relevant Class is suspended in accordance with the rules set out in the Articles and the Prospectus.</p> <p>An Investor may request the conversion of all or part of its Shares of a Class on any Dealing Date; <b>provided that</b> the Investor fulfils the eligibility criteria of the relevant Class into which the conversion is requested and subject to the written consent of the Investor's broker or other financial intermediary, if applicable, and the Board of Directors or its delegate. Any conversion request which, when executed, would cause the Investor's investment to fall below the applicable minimum holding requirement, will be considered as a request for a full conversion for that Investor's Shares in that particular Class.</p> <p>Written conversion requests should be sent to the Administrator by at least 5 pm Central European Time on the Business Day at least 5 Business Days before the Dealing Date (unless such notice period is waived by the Board of Directors and/or the Administrator) (the "<b>Conversion Cut-Off</b>").</p> <p>All conversion requests must contain the following information:</p> <ul style="list-style-type: none"> <li>• the Dealing Date in respect of which the conversion request is made;</li> </ul>



	<ul style="list-style-type: none"> <li>• the full name(s) in which the Shares to be converted are registered;</li> <li>• the Class and its ISIN code from which Shares are to be converted and the Class and its ISIN code to which Shares will be converted; and</li> <li>• either the monetary amount or the number of Shares to be converted.</li> </ul> <p>If accepted by the Administrator, conversion requests received by the Administrator before the relevant Dealing Date (in respect of which the conversion request is made) will be dealt with on such Dealing Date on the basis of the NAV of the relevant Classes prevailing on that Dealing Date. Any conversion requests received after the Conversion Cut-Off for a Dealing Date will be processed on the next Dealing Date on the basis of the NAV of the relevant Classes prevailing on such Dealing Date.</p> <p>The number of Shares to be allocated in the new class (the "<b>New Class</b>") will be determined by dividing (a) the aggregate NAV of the number of Shares of the existing Class (the "<b>Initial Class</b>") to be converted (adjusted for currency exchange), by (b) the NAV per Share of the New Class, in each case with the NAV determined on the relevant Valuation Day.</p> <p>Following such conversion of Shares, the Administrator will inform the applicable Investor of the number of Shares of the New Class obtained by conversion and the price thereof. Fractions of Shares in the New Class to two decimal places may be issued.</p> <p>The Board of Directors (or its delegate) may in its own discretion at any time convert Shares from one Class into another Class of Shares where (i) the holding by the applicable Investor of Shares in a particular Class has fallen below the minimum investment and holding requirement for that Class as set out in the Prospectus and/or this Sub-Fund Supplement, (ii) an Investor does not meet or ceases to meet investor eligibility criteria and conditions set out in the Prospectus, this Sub-Fund Supplement and/or the Investor's Subscription Agreement, (iii) Investors are not otherwise entitled to acquire or possess these Shares, or (iv) the Board of Directors or its delegate determines that such conversion is necessary or advisable and not inequitable to Investors.</p> <p>The calculation procedure set out above will apply to any conversions so conducted at the direction of the Board of Directors and/or its delegate.</p>
<b>Redemption of Shares</b>	<p>Investors may request quarterly Share redemptions subject to and in accordance with the redemption process of the Master Fund. Investors will generally be able to request Share redemptions on a quarterly basis, effective as of the close of the last Business Day in March, June, September, and December each year (each a "<b>Redemption Date</b>"). Investors may generally make a redemption request with a view to redeeming part or all of their Shares as at a Redemption Date by submitting a notice to the Administrator (in the form made available by the Sub-Fund) before 5.p.m. Central European Time on the Business Day that is at least 31 Business Days prior to the applicable Redemption Date (unless such notice period is waived by the Administrator). Once a redemption notice has been submitted,</p>

the Investor may not withdraw or revoke the redemption request save with the Board of Directors' consent. Any revocation request must be submitted before 5.p.m. Central European Time on the Business Day that is at least 31 Business Days prior to the relevant Redemption Date in respect of which such redemption request is made.

Amounts distributed in connection with a redemption will be based upon the NAV per Share of the applicable Class of Shares being redeemed as of the coinciding Valuation Day to the relevant Redemption Date. As set out in Annex II, the monthly NAV of the Sub-Fund will generally be available by the 25<sup>th</sup> Business Day following the Valuation Day. Investors will therefore not know the NAV per Share of their redeemed Shares until after the redemption has been processed.

The Sub-Fund expects that settlements of Share redemptions will generally be made within 30 Business Days of the Redemption Date. Investors whose redemption requests are accepted will cease to be Investors with respect to such redeemed Shares as of such Redemption Date and will therefore cease to be entitled to the rights of an Investor with respect to the redeemed Shares as of such date, including the right to receive distributions, and will not be entitled to interest on redemption payments.

The aggregate NAV of total redemptions (on an aggregate basis (without duplication) across the Sub-Fund, the Master Fund and any Parallel Entities (if any) (as described in Annex II)) is generally limited to 5% of the aggregate NAV per calendar quarter of the Sub-Fund, the Master Fund and any Parallel Entities (if any) (measured using the average of such aggregate NAV as of the end of the immediately preceding quarter), except in the event of exceptional circumstances described below.

Redemption requests will only be fulfilled to the extent that the Sub-Fund may redeem corresponding units in the Master Fund, unless otherwise agreed by the Board of Directors.

The Board of Directors has the discretion to accept or reject redemption requests or to modify or suspend the redemption program in full or in part, and to determine in the best interests of Investors whether and to what extent to fulfil redemptions, and the timing of such fulfilment.

The Board of Directors may suspend redemptions entirely in certain circumstances, as more particularly set out in the general part of the Prospectus at "Section 8: Redemption and Withdrawal" and "Section 11: Suspension of the Calculation of the Net Asset Value" being: (a) if the Board of Directors (or its delegate) determines that such redemption would be reasonably likely to have a material adverse effect on the Sub-Fund, the Investors (when considered as a whole) or any investment; (b) if the calculation of the Sub-Fund's Net Asset Value has been suspended in accordance with "Section 11: Suspension of the Calculation of the Net Asset Value" of the general part of the Prospectus; or (c) if the Board of Directors (or its delegate) determines that it is necessary to implement a redemption suspension period to protect the Investors remaining in the Sub-Fund and in the Articles. For the avoidance of doubt, it is intended that, in the absence of any market shifts or extraordinary market conditions, in which redemptions could be expected to be suspended, the Board of Directors expect suspensions of redemptions to take place in exceptional circumstances (as more particularly set out above and in

	<p>the general part of the Prospectus at "Section 8: Redemption and Withdrawal" and "Section 11: Suspension of the Calculation of the Net Asset Value") and not on a systematic basis.</p> <p>In determining whether to suspend redemptions, the Board of Directors shall at all times take into account whether such redemption is considered to be in the best interests of the Sub-Fund and its Investors as a whole and/or if other such Investors are not harmed by such redemption, such as when redemptions of Sub-Fund Shares would place an undue burden on the Sub-Fund's liquidity, adversely affect the Sub-Fund's operations, risk having an adverse impact on the Sub-Fund that would outweigh the benefit of redemptions of Shares or as a result of legal or regulatory changes.</p> <p>In making such a determination to suspend redemptions, the Board of Directors will have regard to the liquidity available to the Sub-Fund, including without limitation (i) utilizing the Liquidity Reserve, (ii) relying on a credit facility, or (iii) using distributable proceeds, <b>provided that</b> the Sub-Fund is under no obligation to take any of the above actions, or to realize investments, solely for the purpose of meeting redemption requests. As a general matter, however, an investment in the Sub-Fund should be considered to be illiquid.</p> <p>Material modifications to the Sub-Fund's redemption program, including any amendment to the 5% quarterly limitations on redemptions and suspensions of the redemption program will be promptly disclosed to Investors via the Sub-Fund's electronic secure platform or otherwise. If the redemption program is suspended, then the Board of Directors will be required to evaluate on a quarterly basis whether the continued suspension of the redemption program is in the best interests of the Sub-Fund and the Investors as a whole.</p> <p>In the event that, pursuant to the limitations above, not all of the Shares submitted for redemption during a given quarter are to be accepted for redemption by the Sub-Fund, Shares submitted for redemption during such quarter will be redeemed on a <i>pro rata</i> basis (measured on an aggregate basis (without duplication) across the Sub-Fund, the Master Fund and any Parallel Entities (if any) as applicable). All unsatisfied redemption requests will be automatically resubmitted for the next available Redemption Date, unless an Investor withdraws or revokes its redemption request with the consent of the Board of Directors before such Redemption Date in the manner described above.</p> <p>Corresponding redemption and suspension procedures apply at the level of the Master Fund, as more particularly set out in the documentation governing the Master Fund, which includes, for the avoidance of doubt, the quarterly redemption of units in the Master Fund as at each Redemption Date.</p>
<p><b>Transfers</b></p>	<p>Investors may transfer part or all their Shares in the Sub-Fund upon prior consent from the Board of Directors, in its sole discretion, which shall be provided within 30 Business Days from its notification. The absence of a favorable response within 30 Business Days shall be considered a refusal to such transfer.</p> <p>Any Transferee must provide the Administrator with a duly completed Subscription Agreement, any required AML/KYC documents and any additional information or documentation as requested by the Administrator in connection with the transfer and by the Transferee's</p>

	<p>broker or financial intermediary, as applicable, including, without limitation, a written transfer agreement signed by the Transferor and Transferee in relation to the Shares being transferred.</p> <p>Any Transferee must meet investor eligibility criteria and conditions applicable to the relevant Class of Shares as set out in this Sub-Fund Supplement and the Prospectus</p>
<b>Distributions</b>	<p>With respect to Accumulation Class Shares, the Sub-Fund does not anticipate declaring or paying cash dividends on such Shares. Accordingly, the Sub-Fund retains all realized net capital gains as to the Accumulation Class Shares, if any, and investment income to increase the Sub-Fund's net assets.</p> <p>With respect to Distribution Class Shares, any distributions the Sub-Fund makes are at the discretion of the Board of Directors, considering factors such as earnings, cash flow, capital needs, taxes and general financial condition and the requirements of applicable law. As a result, the Sub-Fund's distribution rates and payment frequency may vary from time to time. There is no assurance the Sub-Fund will pay distributions in any particular amount, if at all. For the avoidance of doubt, in the event amounts are distributed with respect to any Accumulation Class Shares, those shall be reinvested by the Board of Directors in such Class.</p> <p>It should be noted that the amount of distributions per Share on Class A Shares (if any) and Class I Shares (if any) will generally differ as the higher Management Fees applicable to Class A Shares will be deducted from gross distributions attributable to Class A Shares. Accordingly, distributions on Class A Shares (if any) will be lower than Class I Shares.</p> <p>It should also be noted that the amount of distributions per Share on Class K Shares (if any) will generally differ from that in relation to other Classes of Shares. No Management Fees or Subscription Fees will be deducted from gross distributions attributable to Class K Shares. Accordingly, distributions on Class K Shares (if any) will be higher than Class A Shares or Class I Shares.</p> <p>Investors holding Shares with a functional currency other than Euro are exposed to fluctuations of the Euro foreign exchange rate and/or hedging costs, which may lead to variations on the amount to be distributed.</p>
<b>Net Asset Value</b>	<p>The AIFM will be responsible for the proper and independent valuation of the Sub-Fund's assets (within the meaning of the 2013 Law) with the support of the Investment Manager. The Investment Manager will provide valuation advice and assist the AIFM in the valuation of the assets of the Sub-Fund, while the AIFM ensures that the valuation function is independent from the Investment Manager, and performed in accordance with the 2013 Law. The calculation of the Sub-Fund's NAV will be carried out by the Administrator (under the supervision of the AIFM), respectively, in accordance with the rules set out in Section 10 of the Prospectus and Annex I to this Sub-Fund Supplement.</p> <p>Under the supervision of the AIFM, the Administrator will determine the NAV per Share for each Class and sub-Class (if any) of the Sub-Fund as of the last Business Day of each calendar month (the "<b>Valuation Day</b>"). The monthly NAV per Share for each Class and sub-Class (if any) will generally be available around 25 Business Days</p>

	<p>following the Valuation Day. The NAV of the Sub-Fund will be expressed in Euro. The NAV per Share for each Class and sub-Class (if any) of the Sub-Fund shall be expressed in the reference currency for such Class and sub-Class, as applicable.</p> <p>The monthly NAV per Share for each Class and sub-Class (if any) will be made publicly available at <a href="https://gwms.apollo.com/realtyincomesolutionseurope">https://gwms.apollo.com/realtyincomesolutionseurope</a>.</p>
<p><b>Fees</b></p>	<p><b>Management Fee</b></p> <p>In consideration for its services to the Sub-Fund, the Investment Manager shall be entitled to payment of a management fee (the "<b>Management Fee</b>") payable by the Sub-Fund in respect of Class I Shares equal to 1.25% and Class A Shares equal to 2.00% of the Sub-Fund's NAV per annum attributable to Class I Shares or Class A Shares as applicable, payable monthly in arrears, before giving effect to any accruals for the Management Fee, the Performance Fee, redemptions for that month, any distributions and any impact to NAV solely caused by currency fluctuations for non-Euro Share Classes. The Investment Manager has agreed to waive the Management Fee for the first six months following the date on which the Sub-Fund's first subscriptions from Investors are received.</p> <p>No Management Fee will be borne by holders of Class K Shares.</p> <p>The Investment Manager may waive or reduce the Management Fee charged to certain Investors at its sole discretion. Any such waiver may be effected either by way of rebate to the relevant Investor's account or by purchase of additional Shares by the Investment Manager for the Investor.</p> <p>The Investment Manager will use some of its investment Management Fee to remunerate certain financial intermediaries. In such cases, a portion of the fee will be allocated to an Investor's representative at the Financial Intermediary through which such Investor was placed in the Sub-Fund, in order to compensate such representative for reporting, administrative and/or other services provided by such representative. Investors should be aware that the receipt of this fee by an Investor's representative will result in a conflict of interest between the interests of the Investor and the interests of the relevant representative.</p> <p><b>Performance Fee</b></p> <p>The Investment Manager (or any entity designated by the Investment Manager to receive the Performance Fee) (the "<b>PF Recipient</b>") is paid a performance fee (the "<b>Performance Fee</b>") by the Sub-Fund in respect of Class A Shares and Class I Shares equal to 12.5% of the Performance Metric subject to a 5% annual Hurdle Amount and a High Water Mark with 100% Catch-Up (each as defined below), crystalized on 31 December of each year (subject to pro-rating for partial years).</p> <p>Specifically, the PF Recipient is paid a Performance Fee in an amount equal to:</p> <ul style="list-style-type: none"> <li>• first, if the Performance Metric for the applicable period exceeds the sum of (i) the Hurdle Amount for that period and (ii) the Loss Carryforward Amount (any such excess, "<b>Outperformance Amount</b>"), 100% of such annual</li> </ul>

	<p>Outperformance Amount until the total amount paid to the PF Recipient equals 12.5% of the sum of (x) the Hurdle Amount for that period and (y) any amount paid to the PF Recipient pursuant to this paragraph (the "<b>Catch-Up</b>"); and</p> <ul style="list-style-type: none"> <li>• second, to the extent there is any remaining Outperformance Amount, 12.5% of such remaining Outperformance Amount.</li> </ul> <p>The PF Recipient will also be paid a Performance Fee with respect to all Shares (other than Class K Shares) of the Sub-Fund that are redeemed in an amount calculated as described above with the relevant period being the portion of the Reference Period (as defined below) for which such Share was outstanding, and proceeds for any such Share redemption are reduced by the amount of any such Performance Fee.</p> <p>The PF Recipient may elect to receive the Performance Fee in cash or in Shares in the Sub-Fund. If the Performance Fee is paid in Shares, such Shares may be redeemed at the PF Recipient's request and will be subject to the redemption restrictions set out in the section "<i>Redemption of Shares</i>" above.</p> <p>No Performance Fee will be borne by holders of Class K Shares.</p> <p><b>"Performance Metric"</b> for any period since the end of the Prior Reference Period shall equal the sum of:</p> <ol style="list-style-type: none"> <li>i. all distributions accrued or paid (without duplication) on Shares (other than Class K Shares) of the Sub-Fund outstanding at the end of such period since the beginning of the then-current Reference Period; plus</li> <li>ii. the change in aggregate NAV of such Shares since the beginning of the Reference Period before giving effect to (x) changes resulting solely from the proceeds of issuances of Shares and; (y) any allocation/accrual to the Performance Fee; minus</li> <li>iii. Operating Expenses of the Sub-Fund (if any).</li> </ol> <p>For the avoidance of doubt, the calculation of the Performance Metric will (i) include any appreciation or depreciation in the NAV of Shares (other than Class K Shares) issued during the then-current Reference Period, (ii) treat any tax withholdings on distributions from the Sub-Fund as part of the distributions accrued or paid on Shares (other than Class K Shares) and (iii) exclude (a) the proceeds from the initial issuance of such Shares and (b) any impact to the Performance Metric solely caused by currency fluctuations and/or currency hedging activities and costs for non-Euro Share classes.</p> <p><b>"Hurdle Amount"</b> for any period during a Reference Period means that amount that results in a 5% annualized internal rate of return on the NAV of Shares (other than Class K Shares) outstanding at the beginning of the then-current Reference Period and all Shares (other than Class K Shares) issued since the beginning of the then-current Reference Period, calculated in accordance with recognized industry practices and taking into account:</p>
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	<p>i. the timing and amount of all distributions accrued or paid (without duplication) on all such Shares minus all Operating Expenses of the Sub-Fund (if any); and</p> <p>ii. all issuances of Shares (other than Class K Shares) over the period.</p> <p>The ending NAV of Shares used in calculating the internal rate of return will be calculated before giving effect to any allocation/accrual to the Performance Fee. For the avoidance of doubt, the calculation of the Hurdle Amount for any period will exclude (a) any Shares (other than Class K Shares) redeemed during such period, which Shares will be subject to the Performance Fee upon redemption as described above and (b) any impact to the Hurdle Amount solely caused by currency fluctuations and costs for non-Euro Share classes.</p> <p>Except as described in Loss Carryforward Amount below, any amount by which the Performance Metric falls below the Hurdle Amount will not be carried forward to subsequent periods.</p> <p>The PF Recipient will not be obligated to return any portion of the Performance Fee paid due to the subsequent performance of the Sub-Fund.</p> <p><b>"Loss Carryforward Amount"</b> shall initially equal zero and shall cumulatively increase by the absolute value of any negative annual Performance Metric and decrease by any positive annual Performance Metric; <b>provided, that</b> the Loss Carryforward Amount shall at no time be less than zero and <b>provided further</b> that the calculation of the Loss Carryforward Amount will exclude the Performance Metric related to any Shares (other than Class K Shares) redeemed during the applicable Reference Period, which Shares will be subject to the Performance Fee upon redemption as described above. The effect of the Loss Carryforward Amount is that the recoupment of past annual Performance Metric losses will offset the positive annual Performance Metric for purposes of the calculation of the performance participation allocation. This is referred to as a <b>"High Water Mark."</b></p> <p><b>"Reference Period"</b> means the year ending 31 December.</p> <p><b>Subscription Fees</b></p> <p>Certain financial intermediaries through which an Investor subscribes to the Sub-Fund may charge such Investor upfront selling commissions, placement fees, subscription fees or similar fees ("<b>Subscription Fees</b>") on Shares sold in the offering that are paid by the Investor outside of its investment in the Sub-Fund and not reflected in the Sub-Fund's NAV. In certain circumstances, the Subscription Fees may be paid to Apollo and paid over, in whole or in part, to the Financial Intermediary that placed the Investor into the Sub-Fund. No Subscription Fees will be paid with respect to reinvestments of distributions for accumulating Share Classes. No Subscription Fees will be borne by holders of Class K Shares.</p> <p><b>Special Fees</b></p> <p>Special Fees (as defined more particularly below) in connection to the Sub-Fund's direct investments will be set off against the Management</p>
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	<p>Fee as contemplated by "Section20: Conflicts of Interest" of the general part of the Prospectus.</p> <p><b>Other Fees</b></p> <p>Other Fees (as defined more particularly below) associated with the Sub-Fund will be borne by the Sub-Fund, including as further described in the section "Organizational Expenses" below.</p> <p><b>All fees referenced above are exclusive of any applicable tax unless otherwise stated.</b></p> <p><b>Fees arising at multiple levels</b></p> <p>To the extent the Management Fee and/or the Performance Fee may apply at the level of the Sub-Fund, the Master Fund, the Aggregator and/or any other intermediary vehicle or Parallel Entity, Investors will only be charged such Management Fee and/or Performance Fee by the Investment Manager (or its designated Affiliate) once.</p>
<p><b>Other Fees, Costs and Expenses</b></p>	<p><b>Fees of the AIFM</b></p> <p>The AIFM is entitled to receive from the Sub-Fund, such fees as set out in the AIFM fee letter. The fees for the AIFM are subject to a minimum amount of EUR 50,000 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to Investors upon request free of charge at the registered office of the Umbrella Vehicle. The AIFM may be entitled to be reimbursed by the Sub-Fund for any expenses related to the advice of legal counsel and any other out-of-pocket expenses to the extent agreed by the Umbrella Vehicle and/or the Sub-Fund in the AIFM Agreement and the AIFM fee letter and such costs shall fall within scope of the Operating Expenses of the Sub-Fund.</p> <p><b>Fees of the Depositary</b></p> <p>The Depositary is entitled to receive from the Sub-Fund, depositary fees as set out in the Depositary Agreement.</p> <p>The fees for the Depositary and the Administrator are subject to a minimum amount of EUR 100,000.- per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to Investors upon request free of charge at the registered office of the Umbrella Vehicle.</p> <p><b>Fees of the Administrator</b></p> <p>The Administrator is entitled to receive from the Sub-Fund administration fees as set out in the Administration Agreement.</p> <p>The fees for the Depositary and the Administrator are subject to a minimum amount of EUR 100,000.- per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to Investors upon request free of charge at the registered office of the Umbrella Vehicle.</p>



	<p><b>Platform Advisory Fee</b></p> <p>The Platform Advisor is entitled to receive an advisory fee as set out in the Platform Advisory Agreement (the "<b>Platform Advisory Fee</b>"). The Platform Advisory Fee will be borne by the Investment Manager out of the Management Fee, however, Investors should note that the Sub-Fund shall bear certain fees, costs and expenses in relation to the role of the Platform Advisor as Operating Expenses, as more particularly described below.</p> <p><b>Fees of the Auditor</b></p> <p>The Auditor is entitled to receive from the Sub-Fund, such fees as set out in an audit fee letter. The fees for the Auditor are subject to a minimum amount of EUR 38,250 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant audit fee letter, which will be made available to Investors upon request free of charge at the registered office of the Umbrella Vehicle.</p> <p><b>Other costs</b></p> <p>As more particularly described in "Section 13: Costs and Expenses" of the general part of the Prospectus, the Board of Directors will charge to the Sub-Fund (and the same will be met out of the assets of the Sub-Fund) all Operating Expenses, including expenses, liabilities and costs incurred by the Board of Directors or charged by third party service providers in connection with the Sub-Fund, if and to the extent such expenses, liabilities and costs are directly incurred in connection with the investments or the management of the Sub-Fund, its subsidiaries or, as determined by the Investment Manager in good faith, any Additional Vehicle. The Sub-Fund will also bear its proportionate share of any costs, liabilities and expenses arising at the level of the Master Fund in connection with the investments and management of the Master Fund, as determined by the general partner of the Master Fund in its discretion acting reasonably. All fees, costs and expenses incurred in respect of any particular Investor, may be borne by such Investor, as determined by the Board of Directors acting in good faith, including by deducting such amounts from distributions that would otherwise have been made to such Investor.</p> <p><b>All fees referenced above are exclusive of any applicable tax unless otherwise stated.</b></p>
<p><b>Organizational Expenses</b></p>	<p>All Organizational Expenses associated with the Sub-Fund and as determined by the Investment Manager in good faith, any Additional Vehicle will be borne by the Sub-Fund, as further described in the general part of the Prospectus (including its share of the payments, fees, costs, expenses and other liabilities incurred in connection with the formation and organization of the Umbrella Vehicle allocated to it by the Board of Directors in its discretion acting reasonably). The Sub-Fund will also bear its proportionate share of the organizational and offering expenses of the Master Fund, as determined by the general partner of the Master Fund in its discretion acting reasonably.</p> <p>The Investment Manager has agreed to advance, or procure that one of its Affiliates will advance, all of the Sub-Fund's Organizational Expenses on the Sub-Fund's behalf up to and including the first anniversary of the date on which the Sub-Fund accepts its first subscription (the "<b>Effective Date</b>"). The Sub-Fund will reimburse the Investment Manager for such advanced expenses ratably over the 60</p>

	<p>months following the Effective Date. For the purposes of calculating the Sub-Fund's NAV, the Organizational Expenses paid by the Investment Manager and/or one of its Affiliates up to and including the Effective Date are not recognized as expenses or as a component of equity and will not be reflected in the Sub-Fund's NAV until the Sub-Fund reimburses the Investment Manager and/or one of its Affiliates (as applicable) for these expenses.</p>
<p><b>Operating Expenses</b></p>	<p>In relation to the Sub-Fund, "Operating Expenses" shall include the following payments, fees, costs, expenses and other liabilities and obligations resulting from, related to, associated with, arising from or incurred in connection with: (i) (a) the discovery, evaluation, investigation, development, acquisition, consummation, structuring, ownership, maintenance, monitoring, hedging, portfolio and risk management or disposition of investments (including brokerage, sales and underwriting commissions, private placement, syndication, solicitation, pricing and valuation (including appraisal), arranger, transaction, advisory, investment banking, custodial, depository, trustee, transfer agent, record-keeping and administrative fees, clearing, settlement and bank charges, deposits (including earnest money deposits), consent or other third-party fees or payments, closing, execution and transaction costs, other fees, costs and expenses in respect of derivative contracts (including any payments under, and any margin expenses relating to, such derivative contracts or any posting of margin or collateral with respect to such derivative contracts), investment costs, and other closing, execution and transaction costs, travel and related expenses (including with respect to potential investments) and other administrative fees, costs and expenses), irrespective of whether any such investment is ultimately consummated (including any broken deal expenses and Reverse Break-Up Fees), (b) any indebtedness, credit facility, guarantee, line of credit, loan commitment, letter of credit, equity commitment letter, hedging guarantee or similar credit support or other indebtedness involving the Umbrella Vehicle and/or Sub-Fund or any investment (including any payment of principal or fees, costs and expenses incurred in obtaining, negotiating, entering into, effecting, maintaining, varying, refinancing or terminating such borrowings and indebtedness and interest arising out of such borrowings and indebtedness, and including fees, costs and expenses incurred in obtaining lines of credit, loan commitments and letters of credit for the account of the Umbrella Vehicle and/or the Sub-Fund), securing the same by mortgage, charge, pledge, assignment (including an assignment by way of security) or other lien on any assets of the Umbrella Vehicle and/or the Sub-Fund or otherwise encumbering assets in connection with or in furtherance of the acquisition of all or a portion of or the financing of an investment; and (c) attending conferences in connection with the evaluation of future investments or particular sector opportunities (including the evaluation of potential investments, irrespective of whether any such investment is ultimately consummated); (ii) risk management assessments and analysis of the Umbrella Vehicle and/or the Sub-Fund's direct or indirect assets; (iii) taxes and other governmental charges incurred or payable by the Umbrella Vehicle and/or the Sub-Fund (including any entity-level taxes imposed on, with respect to, or otherwise borne by the Umbrella Vehicle and/or the Sub-Fund, to the extent not allocated to one or more Investors; (iv) any actuaries, accountants, advisors, auditors, administrators (whether or not third party), brokers (including prime-brokers), counsel, custodians, appraisers, depositories, valuation experts, distributors (including, for the avoidance of doubt: (a) the</p>

	<p>Global Distributor and any distribution platforms or networks; and (b) fees, costs and expenses related to, associated with, arising from or incurred in connection with their partnership programs, distribution support services, client relations support services, expert networks/research resources, technology platforms, client events, hosted webinars, public relations services, operational and onboarding support services, transactional information services and the attending and/or sponsoring of their events and conferences (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expense in connection with any such events and conferences)) and other Service Providers that provide services to or with respect to the Umbrella Vehicle and/or the Sub-Fund, and legal expenses incurred in connection with claims or disputes related to the Sub-Fund or one or more investments or one or more actual, unconsummated or proposed investments; (v) the engagement of professionals (including Apollo Consulting and Lapithus) (including all fees, costs, incentive compensation and expenses on account of compensation and benefits of its employees) and any industry executives, advisors, consultants (including operating consultants and sourcing consultants), any platform advisor (including, in respect of the Platform Advisor, any fees, costs and/or expenses incurred by or payable to the Platform Advisor in respect of the provision to the Sub-Fund of access to the Platform Advisor's digital infrastructure and technology platforms (including where the same is implemented in connection with the Sub-Fund's marketing and distribution activities), the Platform Advisor's assistance with distributor onboarding processes, Investor subscription processes, liquidity management (including share class hedging), financial management and ongoing reporting, and any other services or materials provided by the Platform Advisor falling into the other sub-categories described in this section), any ESG consultants, operating executives, subject matter experts or other persons acting in a similar capacity) who provide services to or in respect of the Umbrella Vehicle and/or the Sub-Fund or its operating entities, or other subsidiaries or related investments (including with respect to potential investments, and including allocable overhead of Apollo Consulting and Lapithus, including all costs, incentive compensation and expenses on account of compensation and benefits of its employees and also including, among other things, (A) conducting due diligence on or analysis of industry, geopolitical or other operational issues, and (B) operational improvement initiatives relating to such investments, and developing and implementing such initiatives (including, but not limited to, the operating executives engaged by the Umbrella Vehicle and/or the Sub-Fund, Lapithus, the Investment Manager or any other Affiliated Service Provider); (vi) all fees, costs and expenses in connection with entities comprising Apollo Consulting, including those incurred in the organization, operation, maintenance, restructuring and dissolution of such vehicles; (vii) (a) obtaining research and other information, including information service subscriptions, as well as the operation and maintenance of information systems and information technology systems used to obtain such research and other related information, and (b) attending industry events (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expense in connection with any such industry events), in each case, for the benefit of the Umbrella Vehicle and/or the Sub-Fund; (viii) developing, implementing or maintaining computer software and technological systems for the benefit of the Umbrella Vehicle and/or the Sub-Fund, the Investors or its</p>
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	<p>investments (including potential investments); (ix) fees, costs and expenses incurred in connection with systems, including, but not limited to, licenses, development and hosting; (x) premiums and fees for insurance (including costs, liabilities and expenses of any litigation, investigation, judgments or settlements paid in connection therewith) allocated in good faith to the Sub-Fund by the Investment Manager (including Apollo's group insurance policy, general partner's, directors' and officers' liability or other similar insurance policies, errors and omissions insurance, financial institution bond insurance and any other insurance for coverage of liabilities to any person or entity that are incurred in connection with the activities of the Umbrella Vehicle and/or the Sub-Fund); (xi) any governmental inquiry, investigation or proceeding or any litigation involving or otherwise applicable to the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager or any of their respective Affiliates in connection with the activities of the Umbrella Vehicle and/or the Sub-Fund or any investment, any subsidiaries or any potential investment (including fees, costs and expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of any such inquiry, investigation, proceeding or litigation and the amount of any judgments, settlements or fines paid in connection therewith) and other extraordinary expenses related to the Umbrella Vehicle and/or the Sub-Fund, any investment, subsidiary or any potential investment (including fees, costs and expenses that are classified as extraordinary expenses under the applicable accounting principles); (xii) the preparation of all reports or information requests for one or more Investors (including all fees, costs and expenses incurred to audit such reports, provide access to a database or other internet forum and for any other operational, legal, secretarial or postage expenses relating thereto or arising in connection with the distribution of the same), and any other financial, tax, accounting, legal or fund administration reporting functions for the benefit of the Umbrella Vehicle and/or the Sub-Fund or any Umbrella Vehicle and/or any Sub-Fund vehicle or Umbrella Vehicle and/or Sub-Fund subsidiary, the preparation of financial statements, tax returns; (xiii) meetings of the Board of Directors and/or the Investment Manager with any Investor(s) (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expense in connection with any such meetings); (xiv) the Umbrella Vehicle and/or the Sub-Fund's respective indemnification obligations (including those incurred in connection with indemnifying Indemnified Parties (as defined in the Prospectus), and advancing fees, costs and expenses incurred by any such Indemnified Party in defense or settlement of any claim that may be subject to a right of indemnification under the constituent documents of the Umbrella Vehicle and/or the Sub-Fund); (xv) complying with (or facilitating compliance with) any applicable law, rule or regulation (including legal fees, costs and expenses), regulatory filing or other expenses of the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager, including any compliance, filings or other obligations, in each case, involving or otherwise related to the Umbrella Vehicle and/or the Sub-Fund (including the amount of any judgements, settlements or fines paid in connection therewith) but, for the avoidance of doubt, excluding any ordinary course compliance, filings or other obligations imposed on the Investment Manager or any of its Affiliates under the Advisers Act (such as the preparation and filing of Apollo Global Real Estate Management, L.P.'s and/or the Investment Manager's or any of their respective Affiliates' Form ADV) or by the Luxembourg Commission de Surveillance du Secteur Financier and/or the United Kingdom</p>
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	<p>Financial Conduct Authority, that do not relate directly to the affairs of the Umbrella Vehicle and/or the Sub-Fund; (xvi) a Default by Defaulting Investor; (xvii) a Transfer of an Investor's Shares or an Investor's withdrawal or admission permitted or required under this Prospectus, the Articles and/or the Sub-Fund Supplement (but only to the extent not paid by the Investor or assignee or withdrawing Investor, as applicable); (viii) redemptions of Investors' Shares; (xix) any amendments, modifications, revisions or restatements to the constituent documents of the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager (other than any such amendments, modifications, revisions or restatements related solely to the affairs of the Investment Manager not related to the affairs of the Umbrella Vehicle and/or the Sub-Fund); (xx) distributions to the Investors, (xxi) administering and operating the Sub-Fund, preparing and maintaining the books and records of the Sub-Fund, including internal costs that the Investment Manager may incur to produce the Sub-Fund's books and records, external costs in cases where the Investment Manager hires a third-party administrator to maintain the Umbrella Vehicle and/or the Sub-Fund's books and records and any costs of the Investment Manager to oversee and manage such third-party administrator and fees, costs and expenses incurred in the organization of special purpose vehicles, subsidiaries of the Umbrella Vehicle and/or the Sub-Fund or alternative investment vehicles including costs associated with establishing and maintaining a permanent residence in certain jurisdictions (such as rent for office space, related overhead and employee salaries and benefits) which fees, costs and expenses may, in the sole discretion of the Board of Directors or the Investment Manager, be allocated solely to or paid solely by Investors participating therein); (xxii) negotiating and entering into, and compliance with, actual and prospective other agreements, whether executed or not (which fees, costs and expenses may, in the sole discretion of the Board of Directors, be allocated solely to or paid solely by the Investor(s) to which they relate), and "most favored nations" elections processes in connection therewith; (xxiii); the winding-up, dissolution and termination of the Umbrella Vehicle and/or the Sub-Fund; (xxiv) all similar fees, costs and expenses in connection with Additional Vehicles, special purpose vehicles and subsidiaries of the Umbrella Vehicle and/or the Sub-Fund or such Additional Vehicles, including those incurred in the organization, operation, maintenance, restructuring, winding-up and dissolution of such vehicles; (xxv) all fees, costs and expenses in connection with forming, organizing, maintaining, administering, operating and negotiating joint ventures or arrangements and Platform Investments; (xxvi) the Sub-Fund's allocable portion of any carried interest, incentive allocation, management fees or other similar fees, costs and expenses or compensation (including expense reimbursement), in each case, payable or allocable to joint venture partners or Platform Investment partners of the Sub-Fund, any intermediate vehicle, any special purpose vehicle, any subsidiary or any investment; (xvii) to the extent agreed by the Investment Manager in its sole discretion, all similar operating expenses of an Investor that is a vehicle sponsored or managed by a placement agent, the Global Distributor, a Sub-Distributor or any of their respective Affiliates and which placement agent, Global Distributor, Sub-Distributor or Affiliate thereof is entitled to receive distribution fees or placement fees in connection with or as a result of placing Investors indirectly into the Sub-Fund through such Investor; (xxviii) an allocable portion of the fees, costs and expenses incurred in connection with organizing, maintaining, administering and operating any Umbrella Vehicle and/or</p>
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	<p>any Sub-Fund entity that serves as the alternative investment fund manager or general partner thereof or in a similar capacity (including rent, salaries and ancillary costs of such entities, and costs and expenses of Service Providers of such entities); and (xxix) costs of currency hedging.</p> <p>For the avoidance of doubt, the Sub-Fund will also bear its proportionate share of the operating expenses of the Master Fund.</p> <p>To the extent that the Sub-Fund or an Apollo Client is participating in an investment or potential investment, any and all expenses not paid by a portfolio company or other person will be borne by the Sub-Fund or the Apollo Client to the extent applicable, <i>pro rata</i> in proportion to the amount of funds to be invested or proposed to be invested by each of the foregoing, or in such manner as the Board of Directors and/or the Investment Manager, in their sole discretion, deem to be fair and equitable under the circumstances.</p>
<p><b>Other Fees</b></p>	<p>In relation to the Sub-Fund, the term "Other Fees" means: (i) fees, costs or expenses that comprise or constitute Organizational Expenses or Operating Expenses; (ii) salary, fees, expenses or other compensation of any nature paid by an investment to any individual (or to the Investment Manager or any of its Affiliates (including Apollo Consulting) with respect to such individual) who acts as an officer of, or in an active management role at, such investment (including industry executives, advisors, consultants (including operating consultants and sourcing consultants), operating executives, subject matter experts or other persons acting in a similar capacity engaged or employed by Apollo Consulting); (iii) without limiting the foregoing clauses (i) and (ii), fees, costs or expenses paid to or in respect of Apollo Consulting or any industry executives, advisors, consultants (including operating consultants and sourcing consultants), operating executives, subject matter experts or other persons acting in a similar capacity who provide services to the Umbrella Vehicle or its investments (including allocable overhead or other amounts or compensation of Apollo Consulting, including all costs and expenses on account of compensation and benefits of its employees); (iv) payments, fees, costs, expenses and other liabilities, allocable overhead or other amounts or compensation (such as arranger, brokerage, placement, syndication, solicitation, underwriting, agency, origination, sourcing, structuring, collateral management, SPV (including any SPV of an investment), capital markets, debt advisory or subsidiary management or administration, advisory, commitment, facility, float or other fees, discounts, spreads, commissions and concessions, but not merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of an investment) earned by or paid to an Affiliated Service Provider, or another person with respect to services rendered by such Affiliated Service Provider or other person; <b>provided, that</b> if such Affiliated Service Provider is engaged in the relevant activity or service on a for-profit basis with respect to the Sub-Fund or an investment, as determined by the Board of Directors in good faith, then, the applicable fees paid to it for such services will be on an arm's-length basis or not materially less favorable to the Sub-Fund or the applicable investment than the fees that could be paid to a third party with commensurate skill, expertise or experience (to the extent applicable) except where the Board of Directors obtains advice from or the recommendation of an independent third-party consultant or expert that is not an Affiliate of the Investment Manager with requisite skill,</p>

	<p>expertise or experience in the applicable subject matter that the terms of such transaction are on an arm's length basis or not materially less favorable to the Sub-Fund or the applicable investment; (v) amounts earned by or for the account of any Apollo Client (directly or indirectly through an expense offset mechanism); (vi) fees, costs and expenses for any and all services whatsoever (including merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of an investment) paid or otherwise borne by any investment or issuer of any securities or other financial instruments that constitute debt investments or investments with respect to which Apollo does not exercise direct control with respect to the decision to engage the services giving rise to such fees, costs and expenses; (vii) and any fees, costs or expenses determined by the Board of Directors in good faith to be similar in nature to any of the foregoing.</p>
<b>Special Fees</b>	<p>The Investment Manager and any of its respective Affiliates (including Affiliated Service Providers) or any employees of any of the foregoing will receive 100% of any net consulting (including management consulting) or monitoring fees (including any early termination fee or acceleration of any such management consulting fee on a one-time basis), break-up fees, directors' fees, closing fees and merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of a direct investment by the Sub-Fund (other than debt investments or investments with respect to which Apollo does not exercise direct control with respect to the decision to engage the services giving rise to the relevant fees, costs and expenses), and similar fees (including Equity Bridge to Financing fees), whether in cash or in kind, including options, warrants and other non-cash consideration paid to the Investment Manager or any of its respective Affiliates or any employees of any of the foregoing in connection with actual or contemplated direct investments by the Sub-Fund (and allocable to the Sub-Fund) that are allocable to those Investors who bear Management Fee (collectively, "<b>Special Fees</b>"). Such Special Fees will be applied to reduce the Management Fee paid by such management fee-bearing Investors.</p>
<b>Reporting</b>	<p>The Sub-Fund will prepare and distribute its annual report to the Investors within 180 calendar days after the end of each financial year. The annual report will contain financial statements audited by an internationally recognized accounting firm.</p> <p>In addition, and in accordance with the requirements of the 2010 Law, the Sub-Fund will prepare and distribute an unaudited semi-annual report to Investors within three months following the period to which it refers.</p>
<b>SFDR</b>	<p>This section of the Sub-Fund Supplement sets out certain pre-contractual disclosures for the purposes of the EU Sustainable Finance Disclosure Regulation (2019/2088) ("<b>SFDR</b>").</p> <p>For the purposes of SFDR, the AIFM, and not the Investment Manager, is the "financial market participant" required to make pre-contractual disclosures in relation to the Sub-Fund. In this section of the Sub-Fund Supplement, all references to the Investment Manager are references to the Investment Manager providing portfolio management services to the Sub-Fund as delegate of (and subject to the overall supervision and oversight of) the AIFM.</p>

	<p><b>Status under SFDR</b></p> <p>The AIFM has categorized the Sub-Fund as falling under Article 8 of SFDR, for financial products which promote environmental and social characteristics. For the purposes of the EU Taxonomy, the Sub-Fund discloses under Article 6 of the EU Taxonomy.</p> <p>Further information about the environmental and social characteristics promoted by the Sub-Fund and required by the EU Taxonomy is available at Annex V to this Sub-Fund Supplement.</p> <p><b>Impact of Sustainability Risks on Returns</b></p> <p>The Investment Manager, an Affiliate of Apollo, has implemented the Apollo Sustainable Investing and Environmental, Social, and Governance Policy (the "<b>ESG Policy</b>") in respect of the integration of sustainability risks in the investment decision-making process, which is available on Apollo's website at: <a href="https://www.apollo.com/~media/Files/A/Apollo-V3/documents/apollo-sustainable-investing-and-esg-policy-final-6-12-23.pdf">https://www.apollo.com/~media/Files/A/Apollo-V3/documents/apollo-sustainable-investing-and-esg-policy-final-6-12-23.pdf</a>. Further information on the manner in which sustainability risks are integrated into investment decisions is set out under the "Integration of Sustainability Risks into Investment Decisions" section below. The Investment Manager considers that sustainability risks are relevant to the returns of the Sub-Fund and Master Fund. A "sustainability risk" is an environmental, social or governance ("<b>ESG</b>") event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.</p> <p>Assessment of sustainability risks is complex and may be based on data which is difficult to obtain, incomplete, estimated, out of date and/or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager will correctly assess the impact of sustainability risks on the Sub-Fund and Master Fund's investments.</p> <p>To the extent that an event contemplated by a sustainability risk occurs, or such event occurs in a manner that is not anticipated by the Investment Manager, there may be a sudden, material negative impact on the value of an investment. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the net asset value of the Sub-Fund and Master Fund.</p> <p>The impacts following the occurrence of an event contemplated by a sustainability risk may be numerous and vary depending on the specific risk and asset class. In general, where an event contemplated by a sustainability risk occurs in respect of an asset, there may be a material negative impact on, and may be an entire loss of, its value. For example, this may be because of damage to a business' reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital, and/or fines and other regulatory sanctions. The time and resources of a business' management team may be diverted from furthering its business and be absorbed in seeking to manage the events contemplated by such sustainability risk, including changes to business practices and managing investigations and litigation. Sustainability risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and</p>
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	<p>value of assets held by businesses to which the Sub-Fund and Master Fund is exposed may also be adversely impacted by a sustainability risk.</p> <p>Sustainability risks are relevant as both standalone risks, and also as cross-cutting risks which manifest through many other risk types which are relevant to the assets of the Sub-Fund and Master Fund. For example, the occurrence of an event contemplated by a sustainability risk can give rise to financial and business risk, including through a negative impact on the credit worthiness of other businesses. The increasing importance given to sustainability considerations by both businesses and consumers means that the occurrence of an event contemplated by a sustainability risk may result in significant reputational damage to affected businesses. The occurrence of an event contemplated by a sustainability risk may also give rise to enforcement risk by governments and regulators, and also litigation risk.</p> <p>Events contemplated by a sustainability risk may arise and impact a specific investment or may have a broader impact on economic sectors, geographical regions and/or jurisdictions and political regions.</p> <p>Many economic sectors, regions and/or jurisdictions, including those in which the Sub-Fund and Master Fund may invest, are currently and/or in the future may be, subject to a general transition to a greener, lower carbon and less polluting economic model. Drivers of this transition include governmental and/or regulatory intervention, evolving consumer preferences and/or the influence of non-governmental organizations and special interest groups.</p> <p>Laws, regulations and industry norms play a significant role in controlling the impact on sustainability factors of many industries, particularly in respect of environmental and social factors. Any changes in such measures, such as increasingly stringent environmental or health and safety laws, can have a material impact on the operations, costs and profitability of businesses. Further, businesses which are in compliance with current measures may suffer claims, penalties and other liabilities in respect of alleged prior failings. Any of the foregoing may result in a material loss in value of an investment linked to such businesses.</p> <p>Further, certain industries face considerable scrutiny from regulatory authorities, non-governmental organizations and special interest groups with respect to their impact on sustainability factors, such as compliance with minimum wage or living wage requirements and working conditions for personnel in supply chain. The influence of such authorities, organizations and groups along with the public attention they may bring can cause affected industries to make material changes to their business practices which can increase costs and result in a material negative impact on the profitability of such businesses. Such external influence can also materially impact the consumer demand for a business's products and services which may result in a material loss in value of an investment linked to such businesses.</p> <p>Sectors, regions, businesses and technologies which are carbon-intensive, higher polluting or otherwise cause a material adverse impact on sustainability factors may suffer from a significant fall in demand and/or obsolescence, resulting in stranded assets the value</p>
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	<p>of which is significantly reduced or entirely lost ahead of their anticipated useful life. Attempts by sectors, regions, businesses and technologies to adapt so as to reduce their impact on sustainability factors may not be successful, may result in significant costs being incurred, and future ongoing profitability may be materially reduced.</p> <p>In addition to the above, a description of certain other sustainability risks identified by the Investment Manager as being potentially relevant to the investments made by the Sub-Fund and Master Fund and (as a consequence, the Sub-Fund and Master Fund's NAV) is set out below. This description is for illustrative purposes only and is not intended to be exhaustive.</p> <p><b>Environmental</b></p> <p>Environmental risks are associated with environmental events or conditions and their effect on the value of assets to which the Sub-Fund and Master Fund may have exposure. Such risks may arise in respect of a company itself, its Affiliates, or its supply chain, and/or apply to a particular economic sector, geography, or political region. Environmental risks that may affect the utility and value of investments may include, for example: (i) risks related to climate change, such as the occurrence of extreme weather events (for example major droughts, floods, or storms), extreme heat waves, increased localized or widespread flooding and rising sea levels, and associated operational risks and costs of insurance; (ii) access to and scarcity of natural resources, such as water; and/or (iii) measures introduced by governments or regulators to transition to a low-carbon economy and more broadly reduce pollution and control and reduce waste.</p> <p><b>Social</b></p> <p>Social risks may be internal or external to a company and may be associated with and arise in respect to a company itself, its Affiliates, company employees, supply chain, local communities, and/or customers of companies in which the Sub-Fund and Master Fund may have exposure. Social risks that may affect the utility and value of investments may include, for example: (i) human capital considerations, such as human rights violations, modern slavery, workforce health and safety, and fines or other regulatory sanctions and/or investigations and litigation; and (ii) external social factors, such as cybersecurity threats and consumer data privacy violations, local community engagement, and fines and other regulatory sanctions and/or investigations and litigation.</p> <p><b>Governance</b></p> <p>Governance risks are associated with the quality, effectiveness, and process for the oversight of day-to-day management of companies in which the Sub-Fund and Master Fund may have exposure. Such risks may arise in respect of the company itself, its board and/or management team, its Affiliates, or in its supply chain. Governance risks that may affect the utility and value of investments may include, for example: (i) the adequacy of a company's internal and external audit functions; (ii) the effectiveness of a company's controls to detect and prevent bribery and corruption; (iii) the effectiveness of the measures taken by a company to protect personal data of employees and customers; and (iv) the presence of appropriate and effective</p>
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	<p>safeguards for employment-related risks, such as workplace harassment and discrimination, and workforce health and safety risks.</p> <p><b>Integration of Sustainability Risks into Investment Decisions</b></p> <p>Apollo has adopted the ESG Policy, which describes the manner in which sustainability risks are integrated in its investment decision-making processes. This section provides a summary of the relevant information set forth in the ESG Policy.</p> <p>The ESG Policy sets forth Apollo's longstanding commitment to the following principles of sustainable investing that are built into the firm and its investment processes: integrating, engaging, and being transparent with respect to ESG factors. The ESG Policy articulates Apollo's belief that managing relevant ESG risks and realizing ESG opportunities can make it a better investor, and better steward of investor's capital, by positioning Apollo-managed funds, portfolio companies and other investments for sustainable financial success.</p> <p>Importantly, the ESG Policy notes that the issuers, entities and assets in which Apollo-managed funds invest varies significantly across and within certain asset classes and strategies and so, accordingly, the approaches described in the ESG Policy are applied to the extent feasible and appropriate given the nature of the investment, strategy, asset class, fund, data availability, ownership structure, influence, and other factors. Broadly speaking, though, the ESG Policy explains that Apollo seeks to integrate, engage, and be transparent as follows, where appropriate: integrate ESG matters through conducting due diligence prior to making an investment and ongoing monitoring of the investment; engage with ESG matters through for example written correspondence, meetings, or the provision of operational support; and, being transparent on ESG matters by, for certain Apollo-managed funds and strategies, encouraging companies to take part in Apollo's annual ESG reporting process and/or providing reports to investors on ESG-related data and additional engagement details.</p> <p><b>Amendments</b></p> <p>The Board of Directors, in consultation with the AIFM and the Investment Manager, shall have the power to amend this section and Annex V from time to time, including (without limitation) to take account of or reflect any additional or alternative minimum criteria and/or to include a commitment to make sustainable investments and/or vary the minimum proportion thereof and/or to reflect any additional or alternative binding investment criteria used to select the investments to attain the environmental or social characteristics promoted by the Sub-Fund. This may include (without limitation) amending any such minimum criteria or commitments or binding investment criteria to reflect investments which were made during the previous financial year and/or to reflect the investments which are held by the Sub-Fund as at the date of the relevant updates to this section and/or Annex V.</p>
<p><b>Certain Tax Considerations</b></p>	<p><b>Certain French Tax Considerations</b></p> <p>This section describes certain general French tax considerations relevant to Investors not resident for tax purposes in France. This section does not describe the tax regime applicable in France to Investors resident for tax purposes in France or having a permanent</p>

establishment in France. Also, this section does not describe the tax treatment applicable to the Umbrella Vehicle's investments.

Prospective Investors are urged to consult their tax advisors for advice with respect to the tax consequences of an investment in the Shares, based on their particular circumstances.

### **French 3% Tax**

#### **Introduction**

According to Article 990 D of the French tax code, French or foreign entities which hold, directly or indirectly, real estate assets located in France or real rights over these assets ("**French Real Estate**") are within the scope of an annual tax equal to three percent (3%) of the entity's direct or indirect proportional interest in the market value of the French Real Estate as determined on 1<sup>st</sup> January of each year ("**French 3% Tax**").

The Sub-Fund is expected to invest in French Real Estate. As a result, the Sub-Fund is expected to fall within the scope of the French 3% Tax and to file an annual return with the French tax authorities disclosing the identity of the Investors holding more than one percent (1%) of its Shares to benefit from an exemption from the French 3% Tax.

The French 3% Tax is applied on a joint and several liability basis, such that the Sub-Fund or the French Real Estate Companies (as defined below) of the Sub-Fund may be liable for the French 3% Tax if one or more Investors or Indirect Investors, as defined below, do not benefit from an exemption or fail to comply with filing requirements or fail to provide the required information.

To protect the Sub-Fund and the French Real Estate Companies from such liability, each prospective Investor, other than an individual investing directly in the Sub-Fund, will be required to represent and warrant for itself and for its direct and indirect members, shareholders, partners and/or holders of beneficial interest other than individuals (each an "**Indirect Investor**") that they qualify for an exemption from the French 3% Tax and that they will take all necessary actions to continue to qualify for this exemption. Each prospective Investor will be required to provide satisfactory documentation evidencing the exemption from the French 3% Tax, for itself and its Indirect Investors.

Individuals are not within the scope of French 3% Tax, but their identity may need to be disclosed to the French tax authorities to allow the relevant entity to benefit from an exemption from the French 3% Tax.

Each prospective Investor should consult its own tax advisors or otherwise seek professional advice regarding the implications of French 3% Tax with respect to its own situation.

#### **Outline of exemptions from the French 3% Tax**

Certain Investors may be eligible for an automatic exemption from the French 3% Tax while others may need to file an annual return. If an Investor is outside the scope of the French 3% Tax or can benefit from one of the exemptions set out in Article 990 E 1°, 2°-a, 2°-b, 3°-a, 3°-b or 3°-c of the French tax code, its Indirect Investors will not be required to avail themselves of an exemption.

	<p>(a) Article 990 E 2°-a of the French tax code: entities whose French assets are not predominantly real estate assets</p> <p>An entity which owns assets located in France is exempt from the French 3% Tax if the fair market value of its French Real Estate is less than fifty percent (50%) of its total French assets. The numerator of the 50% ratio does not take into account real estate assets located in France or real rights over these assets allocated to the professional activity of that entity or certain entities belonging to its group <b>provided that</b> activity is not a real estate activity.</p> <p>(b) Article 990 E 1° of the French tax code: international organizations, sovereign states and their political and local subdivisions</p> <p>International organizations, sovereign states or their political and territorial sub-divisions are exempt from the French 3% Tax. The exemption also applies to any legal body, trust and similar institution whose share capital is held at fifty percent (50%) at least directly or indirectly by a sovereign State or which is established by one or more sovereign States predominantly for their benefit.</p> <p>(c) Article 990 E 2-b of the French tax code: listed entities and their wholly owned subsidiaries</p> <p>An entity whose shares, units or other types of rights are significantly and regularly traded on a regulated market is exempt from the French 3% Tax. The exemption also applies to legal entities which are wholly owned (or at least ninety-nine percent (99%) owned if a one hundred percent (100%) ownership is not permitted under applicable law), directly or indirectly, by an entity which is exempt from the French 3% Tax on the basis of its listing.</p> <p>(d) The following entities are exempt from the French 3% Tax, <b>provided that</b> their registered office and effective management are located in France, in another EU Member State, in a country or territory having entered into an agreement with France on administrative assistance to fight tax fraud and avoidance or in a State having entered into a treaty with France allowing them to benefit from the same treatment as the entities having their registered office in France (i.e. treaty containing a non-discrimination clause).</p> <p>(i) Article 990 E 3°-a of the French tax code: entities holding non-material French Real Estate</p> <p>Entities holding directly or indirectly French Real Estate whose market value represents less than €100,000 or five percent (5%) of the market value of the French Real Estate (such thresholds being computed asset by asset) are exempt from the French 3% Tax.</p> <p>(ii) Article 990 E 3°-b of the French tax code: retirement or pension funds entities recognized as acting in the public interest and non-profit making entities</p> <p>Retirement or pension funds, entities recognized as acting in the public interest (<i>reconnues d'utilité publique</i>) and non-profit-making entities provided in all cases that the holding of the French Real Estate is justified either by the activities carried on by such entities or by the financing of such activities (i.e., the ownership of the assets or rights</p>
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	<p>is justified if it provides a source of income used directly for the purpose of such entities) are exempt from the French 3% Tax.</p> <p>(iii) Article 990 E 3°-c of the French tax code: French regulated property collective investment schemes or other non-French entities subject to similar regulations</p> <p>French regulated property collective investment schemes constituted as French open-ended property investment companies (<i>sociétés de placement à prépondérance immobilière à capital variable</i>) or as open-ended property investment funds (<i>fonds de placement immobilier</i>) which are not constituted under the form of a professional collective property investment entity (<i>organisme professionnel de placement collectif immobilier</i>) and any non-French entities subject to similar regulations in the State or territory where they are established are exempt from the French 3% Tax.</p> <p>(iv) Article 990 E 3°-d or 990 E 3°-e of the French tax code: entities making annual filings or undertaking to disclose information to the French tax authorities</p> <p>Entities filing a form 2746 (or any successor form) with the French tax authorities on or before May 15 of each year in which the French 3% Tax would otherwise be due, disclosing <i>inter alia</i>, the identity and address of all members, shareholders, partners and/or holders of beneficial interest which own more than one percent (1%) of the shares or rights in such entity are exempt from the French 3% Tax.</p> <p><b>French 3% Tax position of the Sub-Fund</b></p> <p>The Sub-Fund and any of the entities through which the Sub-Fund invests or invested in French Real Estate (each a "<b>French Real Estate Company</b>") are expected to be exempt from the French 3% Tax on the basis of the exemption set out in Article 990 E 3°-d of the French tax code by filing an annual return, although there is no guarantee it will always be able to fully avail itself of the exemption.</p> <p>The Sub-Fund expects to file, on an annual basis with the French tax authorities, the specific information required, including the identities, addresses and number of Shares held, of all Investors (both individuals and entities) holding more than one percent (1%) of the Sub-Fund.</p> <p><b>Representations and warranties required of the Investors</b></p> <p>Each Investor will be required to represent and warrant for itself as well as for its Indirect Investors that they are either (i) not within the scope of the French 3% Tax; or (ii) exempt from the French 3% Tax under one of the exemptions provided by Article 990 E of the French tax code and will take all necessary actions to comply with the appropriate requirements and criteria in order to continue to be exempted from the French 3% Tax, or (iii) willing to bear the French 3% Tax in relation to all French Real Estate directly or indirectly owned by the Sub-Fund.</p> <p>Each Investor willing to bear the French 3% Tax, or in respect of which an Indirect Investor is willing to bear the French 3% Tax, will be required to represent and warrant, or procure for its Indirect Investor,</p>
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that it will pay the French 3% Tax to the French tax authorities each year in due time in accordance with French law.

**Undertaking to disclose information**

Each Investor (other than an individual) will be required to undertake to provide to the Sub-Fund, on the date of subscription in the Sub-Fund and within a two (2)-month period following any amendment thereto, a diagram or a spreadsheet setting out the complete structure of its Indirect Investors up to members, shareholders, partners and/or holders of beneficial interests that are outside the scope of the French 3% Tax, and describing, for each of them, on which ground they are outside the scope or exempted from the French 3% Tax. The diagram will be provided together with the relevant supporting documentation, such as registers or certificates, evidencing the ownership of the shares, units or other rights.

Where an Investor and/or an Indirect Investor seeks an exemption from the French 3% Tax on the grounds of Article 990 E 3°-d of the French tax code, such Investor or Indirect Investor shall file with the French tax authorities an annual French 3% Tax return (form n°2746, to be filed electronically). The Sub-Fund will provide (or procure to provide by its Service Providers) each year to such Investor the relevant factual information needed for it (and/or its Indirect Investor as the case may be) to prepare their annual French 3% Tax return (form n°2746).

The Investor will undertake to provide, and procures that each of its relevant Indirect Investors will provide to the Sub-Fund on or before 31 May of each year with a copy of the French 3% Tax returns filed by them with the French tax authorities as well as with a copy of the corresponding acknowledgments of receipt from the French tax authorities providing evidence that is deemed satisfactory by the Sub-Fund that their French 3% Tax return was filed no later than 15 May of each year.

Where an Investor and/or an Indirect Investor is not exempted from the French 3% Tax, the Investor will undertake to provide, and procure that each of its relevant Indirect Investors will provide the Sub-Fund on or before 31 May of each year with a copy of the French 3% Tax returns filed by them with the French tax authorities, with a copy of the corresponding acknowledgments of receipt from the French tax authorities as well as with evidence that is deemed satisfactory by the Sub-Fund that the amount of French 3% Tax due was paid by them no later than 15 May of that same year.

In the event that an Investor (or any of its Indirect Investors) does not comply with the obligations set forth under the above paragraphs or is not validly exempt from the French 3% Tax, the Sub-Fund shall have the right to retain in escrow any distributions allocated to the Investor or to require that the Investor personally provides or bears the costs of any financial guarantee or of any other form of indemnification to be granted to the purchasers of the shares of a French Real Estate Company, in order to secure an indemnification obligation towards such purchasers for potential French 3% Tax liability and the Costs (as defined below) arising therefrom.

All documents provided to the Sub-Fund by an Investor and/or by any of its Indirect Investors under the paragraphs above shall be provided on a confidential basis provided, however, that the Sub-Fund shall be

entitled to disclose such documents to (i) the Sub-Fund's French legal advisors qualified as French *avocats*, (ii) the French tax authorities and (iii) the French legal advisors qualified as French *avocats* in case of a contemplated sale of shares in a French Real Estate Company.

#### **Consequences of misrepresentation**

Any Investor who makes a misrepresentation under the above provisions, or any Investor whose investment in the Sub-Fund may result, for whatever reason (including a reason related to its Indirect Investors), in the Sub-Fund or any French Real Estate Company becoming liable to pay the French 3% Tax, may be instructed by the Sub-Fund to indemnify and hold harmless the Sub-Fund and any relevant French Real Estate Company against the payment of such French 3% Tax and against all costs and expenses (including legal fees and all fees and expenses resulting from potential litigation with the French tax authorities), and against interests, fines and penalties (whether accrued and claimed or yet to accrue) arising therefrom (all these costs, expenses, interests, fines and penalties being referred to as the "**Costs**"). If the Investor fails to indemnify and hold harmless the Sub-Fund and any relevant French Real Estate Company, the Sub-Fund shall have, at its own discretion and irrespective of any pending litigation before the French tax authorities, French tax courts or before any competent authority with respect to the French 3% Tax claimed by the French tax authorities, full authority (but shall not be obliged) to deduct and set off an amount equal to the amount of the French 3% Tax liability and Costs arising therefrom against any distributions allocated to that Investor.

#### **Restrictions on transfers**

Each Investor (other than an individual) will be required to represent and warrant that if any of its direct or indirect members, shareholders, partners and/or holders of beneficial interest wish to transfer its interest in an Investor or in any of its Indirect Investors, it shall provide the Sub-Fund with renewed representations and warranties mentioned in the paragraphs above and with the relevant information or documents, updated so as to reflect the consequences of the proposed transfer. Should the Investor not renew these representations and warranties or not provide documentation that is deemed satisfactory by the Sub-Fund in this respect, or should the proposed transfer reduce the Investor's capacity to comply with its obligations in respect of the French 3% Tax, the Sub-Fund shall be entitled to request such Investor to withdraw from the Sub-Fund.

#### **Taxation – French Real Estate Wealth Tax**

Each Investor will be required to acknowledge that it is expected that the Sub-Fund will directly or indirectly own French Real Estate and therefore that it is expected that the Shares shall fall within the scope of the French real estate wealth tax (*impôt sur la fortune immobilière*) set forth under Articles 964 to 983 of the French tax code ("**French Real Estate Wealth Tax**").

The French Real Estate Wealth Tax applies only to individuals.

For non-French resident individuals, subject to applicable double tax treaties, the French Real Estate Wealth Tax applies to French Real Estate properties or French Real Estate rights, owned directly or indirectly, when the fair market value of their taxable net French Real



	<p>Estate assets (or of their fiscal household) is equal to or greater than €1,300,000 as at 1<sup>st</sup> January of each year. In case of indirect ownership of real estate assets through interposed entities, French Real Estate Wealth Tax is generally applied on the fraction of the value of the interest in such entities representing real estate properties or real estate rights.</p> <p>Pursuant to Article 313 BQ quater of Appendix III to the French tax code and upon the Investor's written request, the Sub-Fund shall provide the Investor, on an annual basis and within 120 calendar days following 1<sup>st</sup> January of each year, with a certificate including the information required for the purposes of filing of the French Real Estate Wealth Tax return.</p> <p><b>Taxation – French Taxes upon Transfer of Shares</b></p> <p>Transfers or redemptions of the Shares by non-French tax resident Investors could give rise to French capital gains tax and French transfer tax if the Sub-Fund derived more than 50% of its value from French Real Estate assets.</p>
<b>Exclusivity</b>	The functions and duties which the Board of Directors, AIFM, Investment Manager and/or any of their Affiliates undertake on behalf of the Sub-Fund will not be exclusive and they perform similar functions and duties for themselves and for others and, without limitation, act as manager, investment advisor or general partner (or equivalent) in respect of other funds, accounts or other products.
<b>Dissolution</b>	The Sub-Fund may be put into liquidation by a decision of the Board of Directors. Any decision to put the Sub-Fund into liquidation will take into account the best interests of the Investors and will be subject to the prior non-objection of the CSSF.
<b>Benchmark Regulation</b>	The Sub-Fund is actively managed and will not make use of a benchmark within the meaning of Regulation (EU) No 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2004/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
<b>Securities Financing Transactions and TRS</b>	As of the date of the Prospectus, the AIFM and the Investment Manager do not contemplate that the Sub-Fund will enter into any securities financing transactions and/or total return swaps. However, in the event that the Sub-Fund expects to employ any of the foregoing transactions, the Sub-Fund Supplement will be updated prior to the use of such transactions as required by the AIFMD rules and European Union Regulation 2015/2365 of the European Parliament and of the Council of November, 25 2015 on transparency of securities financing transactions and of reuse and amending European Union Regulation 648/2012 (the "SFTR"). With respect to any such securities financing transactions and total return swaps and should the Sub-Fund enter into such transactions, the information provided will include the rationale for their use, the type of assets that can be subject to them, the maximum and expected proportion of assets under management subject to them, criteria to select counterparties, acceptable collateral, valuation methodology and information on safekeeping of assets and collateral.

<b>Risk Factors</b>	<p><i>In addition to the risks set out in Annex II to this Sub-Fund Supplement, all risk factors and investment considerations detailed in the general part of the Prospectus should be considered applicable, directly or indirectly, to an investment in the Sub-Fund. An investment in the Shares of the Sub-Fund involves a significant degree of risk. There can be no assurance that the Sub-Fund will realize an attractive rate of return or that there will be any return of capital.</i></p> <p><i>Prospective Investors should carefully evaluate these considerations, which represent some but not all of the potential risks of an investment in the Shares of the Sub-Fund, before becoming an Investor in the Sub-Fund. For a summary of risk factors and potential conflicts of interest relevant to the Sub-Fund, see Annex II to this Sub-Fund Supplement, "Section 20: Conflicts of Interest" and "Section 19: Risk Factors" of the general part of the Prospectus.</i></p>
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## ANNEX I INVESTMENT INFORMATION

### Section 1.01 ARISE Overview

Apollo Realty Income Solutions Europe ("**ARISE**") is a real estate investment program operated through several entities. The primary vehicles through which participation in ARISE will be offered to prospective investors are the Sub-Fund and the Master Fund, and selection of the level at which an investor will participate will depend on (amongst other things) the regulatory and eligibility requirements applicable to such natural person or legal entity (as applicable) and investors' personal investment preferences. If it considers appropriate for any legal, tax, regulatory, compliance, structuring or other considerations of the Sub-Fund, the Master Fund or of certain prospective investors, the Board of Directors, the Investment Manager, the general partner of the Master Fund or any of their Affiliates may, in their sole discretion, establish one or more (i) feeder vehicles to invest into the Sub-Fund (each such vehicle a "**Part II UCI Feeder Entity**"), (ii) parallel vehicles to invest alongside the Sub-Fund into the Master Fund (each such vehicle a "**Part II UCI Parallel Entity**") (the Part II UCI Feeder Entities and the Part II UCI Parallel Entities, together the "**Feeder Entities**") and/or (iii) parallel vehicles to invest alongside the Master Fund (each such vehicle a "**Parallel Entity**").

As a real estate investment program, it is intended that ARISE will make its investments through a number of investment holding vehicles, which will typically be subsidiaries of the Aggregator (as defined below). The Sub-Fund will invest, as a feeder fund, substantially all of its assets into the Master Fund, a Luxembourg special limited partnership (*société en commandite spéciale*). The Master Fund typically will invest through a subsidiary established as a Luxembourg special limited partnership (*société en commandite spéciale*) (the "**Aggregator**") for the purpose of indirectly holding the Master Fund's investments but the general partner of the Master Fund, the Master AIFM and/or their relevant delegates will consider alternative structures on a case by case basis.

### Section 1.02 Master Fund

The investment objective and strategies, related risk factors and potential conflicts of interest, subscription and redemption terms, calculation of net asset value, fees and expenses and other aspects of the activities of the Sub-Fund and the Master Fund are substantially identical except as specifically identified in the Prospectus or the Sub-Fund Supplement. The Master Fund is a non-regulated fund.

#### (a) Governance

Apollo Realty Income Solutions GP S.à r.l. acts as manager (*gérant*) and unlimited partner (*associé commandité*) of the Master Fund and has appointed Carne Global Fund Managers (Luxembourg) S.A., a Luxembourg law governed public limited liability company (*société anonyme*), with registered office at 3, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg and registered with the RCS under number B148258, as its authorized alternative investment fund manager within the meaning of the 2013 Law (the "**Master AIFM**"). The Master AIFM has delegated its portfolio management function in respect of the Master Fund to the Investment Manager.

#### (b) Investment Policy

The information set out below describes the indirect investments of the Master Fund typically held through the Aggregator.

The Master Fund will predominantly make investments, directly or indirectly, in substantially stabilized income-generating European commercial and residential real estate, including through acquiring special purpose vehicles, equity derivatives, options, joint ventures, joint investments and preferred equity.

To a lesser extent, the Master Fund will make investments: (i) on an opportunistic basis, in real estate related asset management platforms, which are believed to help further bolster the Master Fund's capabilities and resources to drive value-add initiatives within the Master Fund's investment portfolio; and (ii) for liquidity management purposes in, cash, cash equivalents and other short-term investments. The Master Fund may also opportunistically invest in other securities or debt instruments.

The Master Fund will predominantly make investments in the logistics and multi-let industrial, laboratory, office, residential, senior living and long let triple net lease retail and hospitality real estate sectors. The Master Fund will predominantly make investments in the United Kingdom, Germany, France, the Netherlands, Belgium, Denmark, Finland, Spain, Sweden, Italy and Ireland (the "**Tier 1 Countries**") but expects to also invest up to 35% of its NAV in investments in Norway, Portugal, Austria, Switzerland, Poland, the Czech Republic, Slovakia and Hungary (the "**Tier 2 Countries**").

Investments may be made indirectly by the Master Fund. Intermediary vehicles may be set up below the Master Fund on different levels and any investment subsidiaries will be controlled by the Master Fund (and indirectly, the Sub-Fund). Special purpose vehicles may, but not necessarily always, be controlled by the Master Fund (and indirectly, the Sub-Fund).

In addition to the primary objective of generating favorable economic returns described above, the Master Fund promotes certain environmental and social characteristics. The Master Fund promotes the environmental characteristic of advancing the climate and energy transition and the social characteristic of expanding social opportunities. These environmental and social characteristics may be aligned with one or more United Nations Sustainable Development Goals.

The Master Fund will invest a certain proportion of assets in investments used to attain the environmental and/or social characteristics promoted by the Master Fund. In order to select these investments, the Investment Manager, as delegate of the AIFM of the Master Fund, will apply binding investment criteria to the selection of underlying assets as part of its investment decision-making process. The binding investment criteria include negative screens as well as portfolio-level requirements set in respect of ESG scoring (using the proprietary ESG Risk Rating Framework) and engagement on ESG issues through the application of the Investment Manager's ESG Policy.

Additionally, for investments where the Master Fund holds a significant equity stake and can exercise significant influence over the operations of an underlying asset that that are used to attain the E/S Promotion, the Investment Manager of the Master Fund will take steps in the Master Fund's ownership of underlying assets to seek to improve ESG practices in relation to the environmental and social characteristics promoted by the Master Fund. These steps will be based around a real estate engagement framework, which is focused on climate change mitigation – decarbonisation of the real estate sector, which is aligned with the environmental characteristic promoted by the Master Fund, and occupant satisfaction and wellbeing, which is aligned with the social characteristic promoted by the Master Fund.

The attainment of the environmental and social characteristics promoted by the Master Fund will be measured using sustainability indicators relevant to the environmental and social characteristics promoted by the Master Fund.

The Investment Manager of the Master Fund shall also, on behalf of the Master Fund, consider the principal adverse impacts of its investment decisions on sustainability factors by evaluating such decisions against certain adverse sustainability indicators.

(c) Investment Restrictions

The Master Fund shall not invest more than:

- 20% of its NAV at the time of acquisition in any single Property. Should such restriction be exceeded for any reason other than the purchase of one or more additional investments in a Property (for example market or currency fluctuations), no remedial action will be required for these reasons. For the purpose of the foregoing limitation, the value of any investment into a Property will take into account the allocated or expected indebtedness that the Investment Manager deems related to the investment being acquired, whether incurred specifically at the investment level or allocated from other Master Fund indebtedness;
- 20% of its NAV at the time of investment in asset-backed securities, mortgage-backed securities, residential mortgage-backed securities, collateralized debt obligations and/or collateralized loan obligations;
- 50% of its NAV at the time of acquisition of any Property, in Properties in any single Tier 1 Country; and
- 20% of its NAV at the time of acquisition of any Property, in Properties in any single Tier 2 Country.

**"Property"** means (a) property consisting of land and/or buildings; (b) shareholdings in real estate companies whose exclusive object and purpose is the acquisition, promotion, sale, letting and/or agricultural lease of property, **provided that** such shareholdings must be at least as liquid as the property rights held by the Master Fund; (c) property related long-term interests in real estate such as surface ownership, lease-holds and option rights on real estate assets; and (d) any other assets if and to the extent that they are required to operate the asset set out in (a) above.

These investment restrictions will not apply during a ramp-up period of four years after the Master Fund's first subscriptions from Investors are received.

(d) Leverage

The Master Fund may, directly and/or indirectly, utilize leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an investment, **provided that** the Master Fund shall not incur indebtedness, directly and/or indirectly, that would cause its leverage to exceed the Leverage Limit, **provided that** no remedial action will be required if the Leverage Limit is exceeded for any reason other than the incurrence of an increase in indebtedness (including the exercise of rights attached to an investment). **Provided further** that, the Leverage Limit may be exceeded on a temporary basis to satisfy short-term liquidity needs, refinance existing borrowings or for other obligations, but in each case the Leverage Limit will not exceed 75%.

For the purposes of this section:

**"Loan-to-Value Ratio"** means Consolidated Borrowings expressed as a percentage of aggregate gross asset value of the assets held directly or indirectly by the Sub-Fund and the Master Fund (without duplication) (as determined by the Master AIFM or the Administrator) as at the date of assessment in accordance with the Master AIFM's valuation policy in respect of the Master Fund and taking into account any independent valuations of the Master Fund's, direct and indirect, Property investments; and

**"Consolidated Borrowings"** means the aggregate outstanding borrowings and guarantees (without duplication) of the Sub-Fund and the Master Fund (including their

proportionate interest (calculated based on their equity ownership) of such outstanding borrowings and guarantees at the level of the Aggregator, its subsidiaries and the Properties) the proceeds of which are used to fund all or a portion of the capital necessary for an investment (for the avoidance of doubt, excluding (i) any internal indebtedness between the Sub-Fund, the Master Fund, the Parallel Entities (if any), the Aggregator, its subsidiaries and the Properties; and (ii) any credit facility for working capital purposes or other short-term borrowings at the level of the Sub-Fund, the Master Fund or the Aggregator).

The leverage limit consists of an aggregate Loan-to-Value Ratio of 55% (the "**Leverage Limit**").

The Master Fund's maximum total aggregate leverage calculated pursuant to the gross method and commitment method set out in the AIFMD is respectively 500% and 400%.

(e) Integration of sustainability risks

The Investment Manager of the Master Fund considers that sustainability risks are relevant to the returns of the Master Fund. The Investment Manager of the Master Fund, an Affiliate of Apollo, has implemented the ESG Policy in respect of the integration of sustainability risks in the investment decision-making process.

## **ANNEX II CALCULATION OF THE NET ASSET VALUE**

### **Section 2.01 Calculation Frequency and Process**

It is expected that the NAV for each Class of Shares will first be determined as of the end of the first full month after the Sub-Fund has accepted third party Investors and begun investment operations. Thereafter, the NAV for each Class of Shares will be calculated monthly by the Administrator under the oversight of the AIFM and with support from the Investment Manager. The AIFM is responsible for the proper and independent valuation of the Sub-Fund's assets in accordance with the valuation rules and adjustments set out in the Articles, the general part of the Prospectus, this Annex to the Sub-Fund Supplement, the AIFM's valuation policy and guidelines and article 17 of the 2013 Law. The calculation of the NAV of the Sub-Fund will be reviewed by the Auditor in accordance with procedures agreed upon between Umbrella Vehicle, the AIFM and the Auditor. The NAV of the Sub-Fund will be expressed in Euros.

The monthly NAV per Share of each Class will generally be available at the registered office of the Umbrella Vehicle and on the following website <https://gwms.apollo.com/realtyincomesolutionseurope> around 25 Business Days following the Valuation Day. Investors should note that where the NAV of the Master Fund is suspended, then the NAV of the Sub-Fund will also be suspended.

### **Section 2.02 Sub-Fund investment into the Master Fund**

The Sub-Fund is a feeder fund which will invest substantially all of its assets into the Master Fund. The Sub-Fund will be valued according to the principles outlined in Section 10 of the Prospectus, with the following additional considerations as described below.

The Sub-Fund's investment in the Master Fund will initially be valued at cost in the month in which the investment is made, and will subsequently be adjusted for income accruals until the Master Fund's next applicable NAV is available. Thereafter, the Sub-Fund's investment in the Master Fund will be valued based on the aggregate NAV of the Master Fund units held by the Sub-Fund, as determined from the most recent available Master Fund net asset value per unit.

The Master Fund's net asset value per unit is generally reported monthly by the 24<sup>th</sup> Business Day after the first Business Day of each month.

### **Section 2.03 Overview of Master Fund valuation**

The Master AIFM will value each investment of the Master Fund in accordance with its valuation policy, the constitutive documents of the Master Fund and in accordance with the requirements of Circular IML 91/75. In summary, the Master AIFM applies the same valuation principles as defined in the general part of the Prospectus. Investors may obtain a copy of the Master Fund valuation policy by contacting the Master AIFM. For the Master Fund's Property investments, the Master AIFM will apply the principles outlined in Section 10.4(b) of the Prospectus whereby:

- (i) Property valuations will initially be valued at cost based on percentage ownership but may be adjusted according to income, capital expenditure, distributions and redemptions. Such assessments are expected by the AIFM to represent the fair value at the time.
- (ii) Thereafter, the Master Fund and the AIFM will appoint a third party valuation agent to undertake Property on-site valuations on at least an annual basis with desktop valuations for all other monthly Valuation Days. On-site valuations will be undertaken on a rolling basis. Such valuations will be based on a fair value assessment.
- (iii) An independent valuation advisor will be appointed to assess the reasonableness of the third party agent valuations on at least an annual basis. Such appraisals will be based on both an asset and portfolio analysis of the investments including

consideration of current and forecasted operating revenues, expenses, leases and available comparators.

- (iv) The AIFM is entitled to rely on the valuations provided by the third party valuation agent without adjustment, except in circumstances where publicly available information would indicate otherwise.



### ANNEX III RISK FACTORS

Terms not otherwise defined in this Annex shall have the meaning given to them in the Prospectus and the Sub-Fund Supplement, as applicable.

#### **A. General Risk Factors**

*Sustainability Risks.* SFDR defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment. The AIFM, the Investment Manager, the Sub-Fund, the Master Fund, portfolio companies, and other parties, such as service providers or the Master Fund or portfolio company counterparties, may be negatively affected by sustainability risks. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment; however, there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materializes. The AIFM, the Investment Manager, the Sub-Fund, the Master Fund, portfolio companies, and other parties may maintain insurance to protect against certain sustainability risks, where available on reasonable commercial terms, although such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all losses. Sustainability risks may therefore adversely affect the performance of the Sub-Fund and its investments. Please also see the "SFDR" section above.

*Increasing Scrutiny and Changing Expectations.* Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to Apollo's ESG policies may impose additional costs or expose the AIFM, the Investment Manager, the Master Fund or the Sub-Fund to additional risks. Companies across all industries are facing increasing scrutiny relating to their ESG policies. Investor advocacy groups, certain lenders and other market participants are increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. The increased focus and activism related to ESG and similar matters may hinder access to capital, as lenders may decide to reallocate capital or to not commit capital as a result of their assessment of ESG practices. These limitations in both the debt and equity capital markets may affect the Sub-Fund's ability to grow, as its plans for growth may include accessing the equity and debt capital markets. If those markets are unavailable, or if the Sub-Fund is unable to access alternative means of financing on acceptable terms, or at all, the Sub-Fund may be unable to implement its business strategy, which would have a material adverse effect on its financial condition and returns and impair the Sub-Fund's ability to service its indebtedness. Further, the Sub-Fund will incur additional, material costs and require additional resources to monitor, report and comply with wide ranging ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on the Sub-Fund's business and overall returns.

*Categorization of the Sub-Fund under the SFDR.* There is legal uncertainty around the parameters applicable when categorizing a financial product under the SFDR and there is no guarantee that regulators will agree with the relevant categorization. In circumstances where there is a determination that the Sub-Fund has been categorized incorrectly, there could be a risk of investigation, enforcement proceedings and/or sanctions. Furthermore, certain aspects of the reporting requirements applicable to financial products categorized as falling under Article 8 and Article 9 of the SFDR are currently uncertain and market practice is yet to evolve.

*Investment in assets promoting environmental and/or social characteristics.* As described in the "Investment Objective and Strategy" section above, in addition to the primary objective of generating favorable economic returns, the Sub-Fund promotes certain environmental and social characteristics in accordance with the E/S Promotion. Pursuant to the E/S Promotion, the Sub-Fund (indirectly through the Master Fund) will invest a certain proportion of assets in investments which attain the environmental and/or social characteristics promoted by the Sub-Fund (each an "E/S Aligned Investment"). In pursuing E/S Aligned Investments, the AIFM and the Investment Manager may make decisions or otherwise pursue courses of action that may not be in the short-term operating or financial interest of a Sub-Fund (for example, in terms of increasing the profitability of an asset), but instead may be in the interest of achieving certain environmental

and/or social for consistency outcomes or achieving the E/S Promotion. Conversely, the Sub-Fund (indirectly through the Master Fund) may invest in certain assets that, while at the time of investment promote certain environmental and/or social characteristics, cease to be aligned with such characteristics in the interest of achieving economic outcomes. As a result, there can be no assurance that the Sub-Fund will achieve both successful economic and environmental and/or social for consistency outcomes, or even achieve either result.

*Nature of investments promoting environmental and/or social characteristics.* Investing a proportion of assets in E/S Aligned Investments subjects the Sub-Fund and the Master Fund to a variety of risks, not all of which can be foreseen or quantified. When evaluating potential investment opportunities, in addition to financial return, the AIFM and the Investment Manager will look at an investment's potential to achieve the environmental and/or social characteristics promoted by the Sub-Fund. As a result, the opportunity set for potential investments for the proportion of assets in E/S Aligned Investments will necessarily be smaller than it would otherwise be if the Sub-Fund were seeking to make investments solely on the basis of financial returns, and may forgo opportunities that are attractive from a financial perspective if they do not also meet the E/S Promotion. In addition, although pursuing the promotion of environmental and/or social characteristics may not necessarily negatively affect an investment's financial returns, and it can even enhance profitability, it is possible that the promotion of environmental and/or social characteristics may from time to time require decisions that favor one goal at the expense of the other.

Any determination about whether or not a potential investment is expected to be an E/S Aligned Investment will be made at the sole discretion of the AIFM. Any such determination made by the AIFM may not necessarily reflect the views of all investors. In addition, it is possible that the E/S Aligned Investments are unable to obtain or realize the environmental and/or social characteristics promoted by the Sub-Fund.

*General risks relating to investment strategies promoting environmental and/or social characteristics.* E/S Aligned Investments may not provide as favorable returns or protection of capital as other investments. The AIFM and Investment Manager may structure certain investments using non-standard terms that are less favorable than those traditionally found in the marketplace for investment strategies that do not promote environmental and/or social characteristics. Moreover, the AIFM and Investment Manager may determine to forgo an investment that could provide favorable returns because such investment would not achieve the environmental and/or social characteristics promoted by the Sub-Fund.

*Risks associated with multiple objectives for investments.* In addition to any financial outcome, the AIFM and the Investment Manager will take into account the E/S Promotion when making decisions regarding the selection, management and disposal of investments. In certain situations, this strategy may outweigh financial considerations. For example, the AIFM and the Investment Manager may choose to invest in an E/S Aligned Investment that has a lower expected financial return because it has greater potential to achieve the relevant environmental and/or social characteristics than other investments. In addition, the AIFM and the Investment Manager may reject an opportunity to increase the financial return of an existing investment in order to preserve the characteristics of an investment that achieve the environmental and/or social characteristics promoted by the Sub-Fund. Further, the AIFM and the Investment Manager may refrain from disposing of an underperforming investment in order to minimize any negative impact on the environmental and/or social characteristics promoted by the Sub-Fund. As a result of the foregoing, the Sub-Fund may achieve lower returns than if it did not seek to promote environmental and social characteristics. On the other hand, the AIFM and the Investment Manager may determine in any particular situation to take steps to preserve financial returns, notwithstanding any negative impact on the environmental and/or social characteristics promoted by the Sub-Fund.

## **B. Certain Risks Related to Real Estate**

*Risks Inherent to Real Estate Investing.* The Sub-Fund intends to, (indirectly through the Master Fund), invest in equity and debt investments related to real estate. Real estate historically has experienced significant fluctuations and cycles in performance that may result in reductions

in the value of the Sub-Fund's (indirectly through the Master Fund's) investments. The ultimate performance and value of such investments of the Sub-Fund may subject to the varying degrees of risk generally incident to ownership and operations of the properties to which the Sub-Fund will be exposed and which collateralize or support its investments. The ultimate performance and value of the Sub-Fund's (indirectly through the Master Fund's) investments depend upon, in large part, the ability to operate each such investment so that it provides sufficient cash flows necessary to pay the Sub-Fund's (indirectly through the Master Fund's) equity investment and a return on such investment, or to pay interest and principal due to the Sub-Fund (indirectly through the Master Fund) or a lender. Revenues and cash flows may be adversely affected by:

- changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics;
- government regulation including taking or condemnation losses and limitations on rent, such as rent control and rent stabilization;
- competition from other properties and changes in the supply and demand for competing properties in an area;
- fluctuations in building occupancy and the financial resources of tenants;
- changes in interest rates and in the state of the debt and equity capital markets, particularly the availability of debt financing which may render the sale or refinancing of properties difficult or impracticable;
- the ongoing need for capital improvements, particularly in older buildings;
- changes in real estate tax rates and other operating expenses;
- adverse changes in governmental rules and fiscal policies, pandemics, public health emergencies, civil unrest, acts of God, including earthquakes, hurricanes, floods, fires and other natural disasters, acts of war or terrorism, which may decrease the availability of or increase the cost of insurance or result in uninsured losses;
- adverse changes in zoning laws;
- the impact of present or future environmental legislation and compliance with environmental laws;
- the impact of lawsuits which could cause the Sub-Fund (indirectly through the Master Fund) to incur significant legal expenses and divert management's time and attention from day-to-day operations of the Sub-Fund and/or the Master Fund; and
- other adverse factors that are beyond the Sub-Fund's control.

In the event that any of the Sub-Fund's (indirectly through the Master Fund's) investments experience any of the foregoing events or occurrences, the value of, and return on, such investments would be negatively impacted.

*Investments in Less Developed Properties.* The Sub-Fund (indirectly through the Master Fund) may, acquire interests in undeveloped land or underdeveloped real property, including "broken" residential condominium projects, which may often be non-income producing. To the extent that the Sub-Fund (indirectly through the Master Fund), invests in such assets, it will be subject to risks normally associated with such assets and development activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction (including risks, such as weather or labor conditions or material shortages), defects in plans and specifications and the availability of both construction and permanent financing on favorable

terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the Sub-Fund and on the amount of funds available for distribution to the Investors. Properties under development or properties acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. Further, any delay in completing the development or redevelopment of an asset may result in increased interest and costs and the potential loss of previously identified purchasers or tenants. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced.

*Deployment of Capital.* In light of the nature of the Sub-Fund's continuous offering in relation to its investment strategy and the need to be able to deploy potentially large amounts of capital quickly to capitalize on potential investment opportunities, if there is difficulty identifying and purchasing suitable properties on attractive terms, there could be a delay between the time of receipt of net proceeds from the sale of Shares in this offering or any private offering and the time the Sub-Fund (indirectly through the Master Fund) invests the net proceeds. The Sub-Fund may also from time to time hold cash pending deployment or have less than its targeted leverage, which cash or shortfall in target leverage may at times be significant, particularly at times when the Sub-Fund is receiving high amounts of offering proceeds and/or times when there are few attractive investment opportunities. Such cash may be held in an account for the benefit of Investors that may be invested in money market accounts or other similar temporary investments, each of which may be subject to management fee.

In the event suitable investments cannot be identified such cash may be maintained for longer periods which would be dilutive to overall investment returns. This could cause a substantial delay in the time it takes for the investment to realize its full potential return and could adversely affect the Sub-Fund's ability to pay regular distributions of cash flow from operations to Investors. It is not anticipated that the temporary investment of such cash into money market accounts or other similar temporary investments pending deployment into investments will generate significant interest, and Investors should understand that such low interest payments on the temporarily invested cash may adversely affect overall returns. In the event the Sub-Fund fails to timely invest the net proceeds of sales of Shares or does not deploy sufficient capital to meet its targeted leverage, the Sub-Fund's results of operations and financial condition may be adversely affected.

*Risks Associated with Real Estate.* Real estate assets are subject to many risks. The Sub-Fund (indirectly through the Master Fund) may acquire properties that are subject to liabilities or that have problems relating to environmental condition, state of title, physical condition, or compliance with zoning laws, building codes, or other legal requirements. In each case, the Sub-Fund's (indirectly through the Master Fund's) acquisition of a real estate property may be without any recourse, or with only limited recourse, with respect to unknown liabilities or conditions. As a result, if any liability were asserted, against the Sub-Fund (indirectly through the Master Fund) relating to those properties, or if any adverse condition existed with respect to the properties, the Sub-Fund (indirectly through the Master Fund) might have to pay substantial sums to settle or cure it, which could adversely affect the cash flow and operating results of the Sub-Fund.

*Real Estate Title.* Disputes over ownership of land sometimes occur. In certain jurisdictions, title insurance is readily available to cover this risk, though typical exclusions from policies may render them ineffective in certain cases. Alternatively, the Sub-Fund (indirectly through the Master Fund) could rely on opinions of title from lawyers or other professionals, which may prove inaccurate. Furthermore, in some jurisdictions, certain social groups may have claims against property that otherwise appears to be properly entitled in the real estate registries, which may encumber title of property acquired by the Sub-Fund (indirectly through the Master Fund) or its investments. In other jurisdictions, the real estate registry commonly does not reflect the true holder of the real estate title, which complicates title research and may result in title problems. Finally, in some jurisdictions, a purchase of real property can be attacked as not meeting "true sale" requirements and recharacterized as secured financing in the event the seller becomes insolvent. If any of these events occurs in relation to any of the interests or properties of the Sub-

Fund (held indirectly through the Master Fund), the Sub-Fund (indirectly through the Master Fund) could lose certain of its rights in relation thereto.

*Laws Protecting Tenants.* Tenants in certain jurisdictions benefit from certain legal protections and customary contractual provisions that generally do not apply in other countries. In particular, during the term of a lease, a tenant is, in many cases, entitled to seek a rent reduction when market rents decrease, thereby exposing the Sub-Fund to additional risk of decreasing revenue. Leases of certain types of premises (e.g., retail) may also be regulated under the local legislation in certain jurisdictions, which may be largely pro-tenant and may afford tenants of certain types of premises various rights and remedies not typically available to tenants of other types of properties.

*Risks Inherent in Residential Leasing.* The Sub-Fund (indirectly through the Master Fund) may invest from time to time in residential real estate assets, which subjects the Sub-Fund (indirectly through the Master Fund) to particular economic, operating and regulatory risks. These risks relate to supply of and demand for living space in the local market, wage and job growth in the local market, availability of mortgage financing and homeownership affordability, tenant quality, the physical attributes of the building in relation to competing buildings (e.g., age, condition, design, appearance, amenities and location) and other housing alternatives, access to transportation and changes in regulatory requirements, among other factors. Competitive housing in a particular area and the potential affordability of apartment communities and single-family and multi-family homes available to rent or buy could adversely affect the Sub-Fund's (indirectly through the Master Fund's) investments' ability to retain its residents.

Increased levels of unemployment in multifamily markets could significantly decrease occupancy and rental rates. In times of increasing unemployment, multifamily occupancy and rental rates have historically been adversely affected by:

- oversupply or reduced demand for apartment homes;
- rental residents deciding to share rental units and therefore rent fewer units;
- potential residents moving back into family homes or delaying leaving family homes;
- a reduced demand for higher-rent units;
- a decline in household formation;
- persons enrolled in college delaying leaving college or choosing to proceed to or return to graduate school in the absence of available employment;
- rent control or rent stabilization laws, or other laws regulating housing, that could prevent the Sub-Fund's (indirectly through the Master Fund's) investments' from raising rents sufficiently to offset increases in operating costs;
- the inability or unwillingness of residents to pay rent increases; and
- increased collection losses.

Substantially all of the Sub-Fund's (indirectly through the Master Fund's) investments' multifamily leases are expected to be on a short-term basis. Because these leases generally permit the residents to leave at the end of the lease term without penalty, the Sub-Fund's (indirectly through the Master Fund's) investments' rental revenues would be impacted by declines in market rents more quickly than if the Sub-Fund's (indirectly through the Master Fund's) investments' leases were for longer terms.

*Commercial Sector Risks.* The Sub-Fund (indirectly through the Master Fund) may invest in commercial sector real estate assets. Investments in commercial properties are subject to the risk that tenants may be unable to make their lease payments or may decline to extend a lease

upon its expiration, in each case, including due to adverse developments in the local economy, the local labor market, the tenants' tax treatment under local law, the quality of life in the locality, and/or the tenant's business. Additionally, any increase in unemployment and/or trends towards telecommuting and co-utilization of office space would potentially diminish the demand for office space. A termination of the lease of an anchor tenant could provide other tenants with the right to modify or terminate their lease. Any such modifications or conditions would be unfavorable to the Sub-Fund and would decrease rents or expense recoveries. Moreover, technology changes may render a commercial property unsuitable for many tenants without large capital expenditures and the cost of refitting office space for a new tenant is often higher than the cost of refitting other types of properties for new tenants. In the event of default by any tenant, the Sub-Fund's (indirectly through the Master Fund's) investments may experience delays and costs in enforcing its rights as landlord to recover amounts due to the Sub-Fund (indirectly through the Master Fund) under the terms of its agreements with those parties.

*Hospitality Sector Risks.* The Sub-Fund (indirectly through the Master Fund) may, invest in hospitality sector real estate assets such as hotel properties. Because hotels are not used by individuals as their primary residence and are not subject to long-term lease arrangements, their performance is more sensitive to changes in economic conditions, overbuilding, competition (including from competitors focused on the sharing economy), and fluctuations in demand in the travel, tourism and convention industries (including those resulting from actual or potential acts of terrorism or hostilities, natural disasters, environmental disasters and outbreaks of illnesses) than many other forms of real estate. The hotel and lodging industry is generally seasonal in nature; different seasons affect different hotels depending on type and location. This seasonality can be expected to cause periodic fluctuations in a hospitality property's room and restaurant revenues, occupancy levels, room rates and operating expenses. In addition, the performance of hotel properties, as compared to that of other classes of real estate assets, is subject to greater risk from fluctuations in labor and other operating costs and from labor disturbances and shortages of labor. Demand for a given hotel is uniquely dependent on its franchise affiliation (or lack thereof) and the continued financial and brand strength of its franchisor and/or property manager. The desirability of a hotel property is also especially dependent on the solvency and competence of its owner and operator and continuing capital expenditures. Furthermore, a hotel's commercial success may partially depend on acquiring and maintaining a liquor license, which may not be transferrable if the Sub-Fund (indirectly through the Master Fund) acquires a real estate asset in connection with a foreclosure or otherwise.

*Retail Sector Risks.* The Sub-Fund (indirectly through the Master Fund) may invest in retail sector real estate assets. The performance of investments that are retail properties is subject to many of the risks associated with owning and operating other types of real estate. In addition, retail properties may be subject to special risks. For example, in many cases, the tenants of retail properties may negotiate leases containing certain exclusive rights to sell particular types of merchandise or services within a particular retail center. When leasing other space after vacancy by another tenant, these provisions may limit the number and types of prospective tenants for the vacant space. The failure to lease or re-lease on satisfactory terms could harm the operating results of the Sub-Fund's (indirectly through the Master Fund's) investment. In addition, certain retail properties may be anchored by department stores and other large nationally recognized tenants, and thus certain real estate assets would be especially susceptible to a decline in value if any of their "anchor" tenants default upon their contractual obligations and/or shut down. Certain department stores and national retail chains may continue to experience a decline in the number of customers patronizing their stores, including due to competition from other retailers and especially those that are primarily internet-based. Such retailers may be unable to meet their lease obligations, seek modifications on such leases unfavorable to the Sub-Fund and/or close their stores, which in each case might result in other tenants seeking modifications to their losses and other adverse consequences for one or more real estate assets and the Sub-Fund as a whole. While the Sub-Fund's (indirectly through the Master Fund's) investments are intended to focus on retail sector real estate assets that the Investment Manager believes have resilient rent rolls with lower risk of e-commerce displacement (e.g., grocers, restaurants, entertainment services and off-price retailers), there can be no assurance that e-commerce displacement will not have an adverse effect on these types of real estate assets and negatively affect the Sub-Fund's performance. Finally, retailers have been significantly impacted by COVID-19 and may be

impacted by similar events in the future. Such competition could adversely affect tenants and, consequently, revenues and funds available for distribution.

*Multifamily Residential Sector Risks.* The Sub-Fund (indirectly through the Master Fund) may invest in multifamily residential sector real estate assets. The performance of multifamily residential real estate assets is subject to many of the risks associated with owning and operating other types of real estate. In addition, competition in the residential real estate marketplace is strong. There are numerous housing alternatives which compete with multifamily properties in attracting residents. These include other multifamily condominium and rental apartments, and single family homes that are available for purchase or rent in the relevant market. A large number of factors may adversely affect the value and successful operation of a multifamily property, including: physical attributes of the apartment building, such as its age, condition, design, appearance, access to transportation, and construction quality; location of the property, for example, a change in the neighborhoods over time; ability of management to provide adequate maintenance and insurance; the types of services or amenities that the property provides; the property's reputation; the level of mortgage interest rates, which may encourage tenants to purchase rather than lease housing; presence of competing properties; the tenant mix, such as the tenant population being predominantly students or being heavily dependent on workers from a particular business or personnel from a local military base; governmental programs that provide rent subsidies to tenants pursuant to tenant voucher programs, which vouchers may be used at other properties and influence tenant mobility; adverse local or national economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy levels; federal, state, and local regulations, which may affect the building owner's ability to increase rent to market rent for an equivalent apartment; and government assistance/rent subsidy programs. If the demand for multifamily properties is reduced, or if competitors develop and/or acquire competing properties on a more cost-effective basis, income generated from the Sub-Fund's (indirectly through the Master Fund's) investments and the underlying value of such investments may be adversely affected.

In addition, certain jurisdictions regulate the relationship of an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees and notification to residents of changed land use, while prohibiting unreasonable rules, retaliatory evictions and restrictions on a resident's choice of unit vendors. Apartment building owners have been the subject of lawsuits under various "Landlord and Tenant Acts" and other general consumer protection statutes for coercive, abusive or unconscionable leasing and sales practices. A few jurisdictions may offer more significant protection. For example, there may be provisions that limit the bases on which a landlord may terminate a tenancy or increase its rent or prohibit a landlord from terminating a tenancy solely by reason of the sale of the owner's building. In addition to state regulation of the landlord-tenant relationship, numerous towns and municipalities impose rent control on apartment buildings. These ordinances may limit rent increases to fixed percentages, to percentages of increases in the consumer price index, to increases set or approved by a governmental agency or to increases determined through mediation or binding arbitration.

*Industrial Property Risks.* The Sub-Fund (indirectly through the Master Fund) may invest in commercial properties historically used for industrial, manufacturing and commercial purposes, which are more likely to contain, or may have contained, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. Investing in industrial properties that conduct industrial, manufacturing and commercial activities will cause the Sub-Fund (indirectly through the Master Fund) to be subject to increased risk of liabilities under environmental laws and regulations. The presence of hazardous or toxic substances, or the failure to properly remediate these substances, may adversely affect the Sub-Fund's (indirectly through the Master Fund's) ability to sell or rent an industrial property. See also "*Environmental Risks Associated with Real Estate Investment Transactions*" below.

The Investment Manager is unable at this time to predict how these trends will affect the revenues and profitability of tenants and operators (if any); however, if these trends continue, they may reduce the profitability of tenants and operators, which in turn could negatively affect their ability and willingness to comply with the terms of their leases with and/or renew those leases

upon expiration, which could have an adverse effect on the Sub-Fund's (indirectly through the Master Fund's) business, results of operations and financial condition.

*Environmental Risks Associated with Real Estate Investment Transactions.* The Sub-Fund (indirectly through the Master Fund) may be exposed to substantial risk of loss arising from investments involving undisclosed or unknown environmental, health or occupational safety matters or inadequate reserves, insurance or insurance proceeds for such matters that have been previously identified. Through its interest in real estate, the Sub-Fund (indirectly through the Master Fund) may be subject to a wide range of environmental, health and safety laws, ordinances and regulations, including, without limitation, those relating to the investigation, removal, and remediation of past or present releases of hazardous or toxic substances. Such laws may impose joint and several liability (including amongst the Sub-Fund, the Master Fund, other Apollo Clients and the applicable real estate asset) or liabilities or obligations that purport to extend to (and pierce any corporate veil that would otherwise protect) the ultimate beneficial owners of the owner or operator of the relevant property or operating company that stand to financially benefit from such property's or company's operations, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved, and may require that an owner or operator of an asset address prior environmental contamination, which could involve substantial cost and other liabilities. Such liability may also be imposed without regard as to whether the owner or operator knew of, caused, or was the owner or operator of the relevant real estate asset during the presence or release of such substances. In addition, persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by those persons. Furthermore, changes in environmental laws or regulations or the environmental condition of an investment may create liabilities that did not exist at the time of its acquisition and that could not have been foreseen.

*Climate Change Risks Associated with Real Estate Investment Transactions.* The Sub-Fund (indirectly through the Master Fund) may acquire real estate assets that are located in areas which are subject to climate change. Any real estate assets located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Sub-Fund's and the Master Fund's business and operations. These effects can impact the Sub-Fund's (indirectly through the Master Fund's) physical assets, tenants and overall operations. Physical impacts of climate change may include: increased storm intensity and severity of weather (e.g., floods or hurricanes); sea level rise; and extreme temperatures. As a result of these physical impacts from climate-related events, the Sub-Fund (indirectly through the Master Fund) may be vulnerable to the following: risks of property damage to the Sub-Fund's (indirectly through the Master Fund's) investments; indirect financial and operational impacts from disruptions to the operations of major tenants of the Sub-Fund's (indirectly through the Master Fund's) real estate assets from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage, for real estate assets in areas subject to severe weather; decreased net migration to areas in which real estate assets are located, resulting in lower than expected demand for both real estate assets and the products and services of the tenants of real estate assets; increased insurance claims and liabilities; increase in energy cost impacting operational returns; changes in the availability or quality of water or other natural resources on which the tenant's business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic disturbances arising from the foregoing.

*Commercial Real Estate Market Conditions.* In addition to general economic conditions, the commercial real estate markets in which the Sub-Fund (indirectly through the Master Fund) operates are also affected by a number of other factors which may significantly impact the value of commercial real estate investments, including interest rates and credit spreads, levels of prevailing inflation, the availability of financing, the returns from alternative investments as



compared to real estate and changes in planning, environmental, commercial lease, and tax laws and practices. In particular, commercial property values are dependent on current rental values and occupancy rates, prospective rental growth, lease lengths, tenant creditworthiness and solvency, and investment yields (which are, in turn, a function of interest rates, the market appetite for property investments in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned. Rental revenues and commercial real estate values are also affected by factors specific to each local market in which the property is located, including the supply of available space, demand for commercial real estate and competition from other available space. Any global economic downturn may cause demand for commercial real estate to decrease significantly, in part due to a significant reduction in the availability of new financing (including securitization of real estate assets). Such a decrease in tenant demand could increase vacant space and exert pressure to provide rental incentives to tenants, resulting in a decrease in the rental income, rental growth and property values of the Sub-Fund's (indirectly through the Master Fund's) portfolio.

Changes in the regulatory environment in Europe could result in the loosening of restrictions of public debt capital markets. If this occurs, it could negatively impact the Sub-Fund's (indirectly through the Master Fund's) investment strategy of providing private credit solutions to commercial real estate owners in Europe.

As a result of the above or other factors, the Sub-Fund's (indirectly through the Master Fund's) ability to maintain or increase the occupancy levels of its properties through the execution of leases with new tenants and the renewal of leases with existing tenants, as well as its ability to increase rents over the longer term, may be adversely affected. In particular, tenants going into administration, non-renewal of existing leases or early termination by significant existing tenants in the Sub-Fund's (indirectly through the Master Fund's) office portfolio would result in a significant decrease in the Sub-Fund's (indirectly through the Master Fund's) net rental income. If the Sub-Fund's (indirectly through the Master Fund's) net rental income declines, it would have less cash available to service and repay its indebtedness and the value of its properties would decline further as well. In addition, significant expenditures associated with each property, such as real estate taxes, new regulations compliance works service charges and renovation and maintenance costs, generally are not reduced in proportion to any decline in rental revenue from that property. If rental revenue from a property declines while the related costs do not decline, the Sub-Fund's (indirectly through the Master Fund's) income and cash receipts could be adversely affected. Any significant deterioration in economic conditions or conditions in the commercial real estate market which contributes to a decline in rental revenues or further decline in market values of the Sub-Fund's (indirectly through the Master Fund's) assets may materially adversely affect the business, results of operations and financial condition of the Sub-Fund (indirectly through the Master Fund).

*Office Real Estate Investments.* The Sub-Fund (indirectly through the Master Fund) may invest in office properties, which subjects the Sub-Fund to particular economic and operating risks. These risks relate to supply of and demand for office space in the local market, the impact of economic conditions on the local market and the building's tenants, tenant quality, diversification and the physical attributes of the building in relation to competing buildings (e.g., age, condition, design, appearance, amenities and location), and access to transportation. Changes in work patterns, such as telecommuting and shared space among workers, which trends have consolidated in recent years, could depress demand for office space and adversely affect the value of office assets. Some businesses are rapidly evolving to make employee telecommuting, flexible work schedules, open workplaces and teleconferencing increasingly common. These practices enable businesses to reduce their space requirements. A continuation of the movement towards these practices could, over time erode the overall demand for office space and, in turn, place downward pressure on occupancy, rental rates and property valuations, each of which could have an adverse effect on the Sub-Fund's financial position, results of operations, cash flows and ability to make expected distributions to the Sub-Funds' Investors. The Sub-Fund may also be negatively impacted by competition from other short-term office or shared space leasing companies.

*Shared Workspace Investments.* The Sub-Fund (indirectly through the Master Fund) may invest in shared workspace assets and/or operators, as well as other investments that employ a membership-based business model in which revenues are derived primarily from the sale and renewal of memberships that can be terminated by members on short notice. Such members are often small and medium-sized start-up or venture capital-backed companies focused in technology-related fields. In many cases, the companies have not yet achieved profitability and generally lack significant financial reserves or access to credit. Because of the foregoing factors, the members of shared workspace properties are subject to many of the same risks, such as availability of financing. Any adverse economic conditions affecting one member may be expected to also affect other members and could result in sudden and material losses in overall membership revenues due to terminations or defaults by existing members, decreases in sales to new members and other factors.

*Logistics Investments.* The Sub-Fund (indirectly through the Master Fund) may invest in logistics assets (including storage and warehouse facilities and distribution centers), which subjects the Sub-Fund to particular economic and operating risks. These risks relate to supply of and demand for such facilities in the local market, the impact of economic conditions on the local market and the building's tenants (including such tenants' products and inventories), tenant quality, diversification and the physical attributes of the building (e.g., age, condition, availability of electricity and/or refrigeration required to store certain products, among others). Declines in demand for the products stored in, or distributed through, such facilities could result in increased vacancies and lower rents, which would adversely affect the value of such assets.

Certain of the Sub-Fund's (indirectly through the Master Fund's) investments in industrial properties may include special use and/or build-to-suit properties. These types of properties are relatively illiquid compared to other types of real estate and financial assets. With such properties, if the current lease is terminated or not renewed, the property may require renovation or rent concessions may be required in order to lease the property to another tenant, finance the property or sell the property. In addition, in the event it is necessary to sell the property, it may be difficult selling it to a party other than the tenant due to the special purpose for which the property may have been designed. These and other limitations may affect the ability to sell or relet such industrial properties and adversely affect the results of operations at such properties.

*Student Housing Investments.* The Sub-Fund (indirectly through the Master Fund) may invest in student housing properties, which are typically leased during leasing seasons, and any such properties are therefore highly dependent on the effectiveness of marketing and leasing efforts and personnel during such seasons. Additionally, student housing properties are generally on short-term leases, which may expose the Sub-Fund to increased leasing risk. The terms of renewal or re-lease (including the cost of required renovations) may be less favorable than any prior lease. If it is not possible to lease or re-lease all or a substantial portion of such properties, or if the rental rates upon such leasing or re-leasing are significantly lower than expected rates, the Sub-Fund cash flows from operations could be adversely affected.

Prior to the commencement of each new lease period, the units would be prepared for new incoming residents. Other than revenue generated by in-place leases for returning residents, lease revenue is not generally recognized during this period, referred to as "turn," as no leases would be in place. In addition, during turn, expenses would be incurred preparing the units for occupancy, which would be recognized immediately. This expected lease turn period may result in seasonality in the Sub-Fund's operating results, and as a result, the Sub-Fund may experience significantly reduced cash flows during such periods.

In addition, the Sub-Fund may be adversely affected by a change in university admission policies. For example, if a university reduces the number of student admissions, the demand for student housing properties may be reduced and student housing occupancy rates may decline. Student housing properties also compete with university-owned student housing and other national and regional owner-operators of off-campus student housing in a number of markets as well as with smaller local owner-operators.

*Manufactured Housing Investments.* The Sub-Fund (indirectly through the Master Fund) may invest in manufactured housing properties. The manufactured housing industry is generally subject to many of the same national and regional economic and demographic factors that affect the housing industry generally. These factors, including shortage of consumer financing, public perception, consumer confidence, inflation, regional population and employment trends, availability of and cost of alternative housing, weather conditions and general economic conditions, tend to impact manufactured homes to a greater degree than traditional residential homes. Investments in manufactured housing investments may be adversely affected by: (i) competition from other available manufactured housing sites or available land for the placement of manufactured homes outside of established communities and alternative forms of housing (such as apartment buildings and site built single-family homes) and (ii) local real estate market conditions such as the oversupply of manufactured housing sites or a reduction in demand for manufactured housing sites in an area.

*Self-storage Investments.* The Sub-Fund (indirectly through the Master Fund) may invest in self-storage investments. Any self-storage investments will be subject to operating risks common to the self-storage industry, which include business layoffs or downsizing, industry slowdowns, relocation of businesses and changing demographics, changes in supply of, or demand for, similar or competing self-storage properties in an area and the excess amount of self-storage space in a particular market, changes in market rental rates and inability to collect rents from customers. The self-storage industry has at times experienced overbuilding in response to perceived increases in demand. A recurrence of overbuilding might cause any self-storage investments to experience a decrease in occupancy levels, as well as limit the ability to increase rents and offer discounted rents.

*Gaming Facilities Investments.* The Sub-Fund (indirectly through the Master Fund) may invest in real estate associated with gaming facilities, which are subject to risks associated with the gaming industry, including changes in consumer trends, the impact of gaming regulations, reductions in discretionary consumer spending and corporate spending on conventions and business development and preferences, changes in laws or foreign monetary policies that impact consumer behavior, and other factors over which the Sub-Fund has no control. Economic contraction, economic uncertainty or the perception by potential customers of weak or weakening economic conditions may cause a decline in demand for hotels, casino resorts, trade shows and conventions. Such investments may also be affected by risks relating to the tourism industry for the geographic areas in which any such properties are located, including cost and availability of air services or other travel methods.

The gaming industry is characterized by a high degree of competition among a large number of participants, including riverboat casinos, dockside casinos, land-based casinos, video lottery, sweepstakes and poker machines not located in casinos, gaming, internet lotteries and other internet wagering gaming services and, in a broader sense, gaming operators face competition from all manner of leisure and entertainment activities. Recently, there has been additional significant competition in the gaming industry as a result of the upgrading or expansion of facilities by existing market participants, the entrance of new gaming participants into a market, the growth of general internet and electronic sports-related gaming and legislative changes, including relating to sports betting. As competing properties and new markets are opened, the Sub-Fund (indirectly through the Master Fund) and its investments' may be negatively impacted.

*Investments Acquired from Financial Institutions.* The Sub-Fund (indirectly through the Master Fund) may acquire investments previously held by financial institutions, which involve specific risks. The financial institution that sold the investment could become insolvent, experience serious financial difficulty, or cease to exist, which may have a negative impact on the investment. In addition, under certain circumstances (depending on the applicable legal regime), payments to the Sub-Fund and distributions by the Sub-Fund to the Investors may be required to be returned if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment (or an analogous credit issue may exist).

*Inflation.* Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on the economies and financial markets. For example, wages

and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on the Sub-Fund's returns.

*Risks Associated with Real Estate Investment Transactions.* Success of the investment strategy will depend on the Investment Manager's ability to identify suitable real estate asset investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of real estate asset investments. There can be no assurance that the Investment Manager will be able to locate, finance on favorable terms, acquire, and/or exit, investments of real property that satisfy the target size range and rate of return objectives, or invest fully the Commitments. The Sub-Fund (indirectly through the Master Fund) may incur substantial bid, due diligence or other costs in attempting to accomplish any of the foregoing, whether or not it is successful. While the Sub-Fund (indirectly through the Master Fund) may incur significant expenses in connection with the identification of investment opportunities, some or all of which may not ultimately be consummated, there can be no assurance that the Sub-Fund (indirectly through the Master Fund) will receive income from properties that are acquired in the amount expected at acquisition, realize such properties' values in accordance with projections, or accurately project the costs ultimately incurred in attempting any of the foregoing.

The Sub-Fund's (indirectly through the Master Fund's) investments will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include the burdens of ownership of real property, general and local economic conditions, the supply and demand for properties, energy and supply shortages, fluctuations in average occupancy and room rates, the financial resources of tenants, changes in availability of debt financing which may render the sale or refinancing of properties difficult or impracticable, changes in building, environmental and other laws and/or regulations, zoning laws, changes in real property tax rates, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, negative developments in the economy that depress travel or leasing activity, environmental liabilities, contingent liabilities on disposition of assets, uninsured or uninsurable casualties, acts of God, terrorist attacks and war and other factors which are beyond the control of the Board of Directors and its Affiliates.

In addition, the Sub-Fund's (indirectly through the Master Fund's) direct and indirect investments will be subject to various risks which may cause fluctuations in occupancy, rental rates, operating income and expenses or which may render the sale or financing of its properties difficult or unattractive. For example, following the termination or expiration of a tenant's lease there may be a period of time before the Sub-Fund (indirectly through the Master Fund) will begin receiving rental payments under a replacement lease. During that period, the Sub-Fund (indirectly through the Master Fund) will continue to bear fixed expenses such as interest, real estate taxes, maintenance and other operating expenses. In addition, declining economic conditions may impair the ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants may require the making of capital improvements to properties which would not have otherwise been planned. Any unbudgeted capital improvements that are undertaken may divert cash that would otherwise be available for distribution to Investors. Ultimately, to the extent that it is not possible to renew leases or re-let space as leases expire, decreased cash flow from tenants will result, which could adversely impact the Sub-Fund's operating results.

The Sub-Fund (indirectly through the Master Fund) may be required to expend funds to correct defects or to make improvements before a property can be sold. No assurance can be given that the Sub-Fund (indirectly through the Master Fund) will have funds available to correct those defects or to make those improvements. In acquiring a property, the Sub-Fund's (indirectly through the Master Fund's) investment may be subject to lock-out provisions that materially restrict the selling of that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that property. These factors and others

that could impede the ability to respond to adverse changes in the performance of properties and could significantly affect the Sub-Fund's financial condition and operating results.

In some instances, the principal asset of the lessee of a real estate property may be only the tenant's improvements thereon, or the liability of the lessee may be limited to its interest in such improvements. In those cases, the Sub-Fund (indirectly through the Master Fund) will be required to rely on the lessee's equity interest in the improvements for its security. In the event of a default by a lessee or other premature termination of a lease, there may be delays in enforcing rights by the lessor, and the lessor may incur substantial costs in protecting its investment and may experience an impairment of value.

Real estate investments are relatively illiquid and, therefore, the Board of Directors', the AIFM's and the Investment Manager's (as applicable) ability to vary the Sub-Fund's (indirectly through the Master Fund's) portfolio promptly in response to changes in economic or other conditions may be limited. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made.

No assurance can be given that the fair market value of any real estate investments held by the Sub-Fund (indirectly through the Master Fund) will not decrease in the future.

Certain of the Sub-Fund's (indirectly through the Master Fund's) debt investments may be unsecured and may be structurally or contractually subordinated to substantial amounts of indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness or the provision of collateral to other indebtedness, and there may be no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including, without limitation, investor demand, changes in the financial condition of companies in which the Sub-Fund (indirectly through the Master Fund) invests, government fiscal policy and domestic or worldwide economic conditions.

The profitability of a significant portion of the Sub-Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Investment Manager will be able to predict accurately these price movements. With respect to the investment strategy utilized by the Sub-Fund (indirectly through the master Fund), there is always some, and occasionally a significant, degree of market risk.

*Risk of Losing Earnest Money Deposit in Acquiring an Investment.* At or prior to the time at which the Master Fund directly and/or indirectly enters into a contract to acquire real estate asset investments, it is expected that the Master Fund directly and/or indirectly will be obligated to pay a substantial earnest money deposit to acquire such property (each, an "**Earnest Money Deposit**"). If for any reason the purchaser withdraws from the transaction after making such a deposit but prior to closing and the transaction is ultimately not consummated, the Master Fund will likely lose up to the entire amount of its share of the Earnest Money Deposit, which may adversely affect the overall returns achieved by the Sub-Fund.

*Acquiring Properties with Existing Liabilities.* The Sub-Fund (indirectly through the Master Fund) may acquire real estate assets subject to liabilities or that have problems relating to undisclosed liabilities. These may include environmental obligations, claims by tenants, vendors or third parties relating to the previous owners of real estate assets, obligations from the ordinary course of business, and indemnification claims by former owners of the real estate assets or problems relating to state of title, physical condition, or compliance with zoning laws, building codes, or other legal requirements. In each case, the Sub-Fund's (indirectly through the Master Fund's) acquisition of a real estate property may be without any recourse, or with only limited recourse, with respect to unknown liabilities or conditions. As a result, if any liability were asserted against the Sub-Fund (indirectly through the Master Fund) relating to those properties, or if any adverse condition existed with respect to the properties, the Sub-Fund (indirectly through the Master Fund) might have to pay substantial sums to settle or cure it, which could adversely affect the cash flow and operating results of the Sub-Fund (indirectly through the Master Fund). As a

result of the foregoing, even if suitable investments are made, the Sub-Fund's (indirectly through the Master Fund's) financial condition and results of operations could be materially and adversely affected, and the objective of the Sub-Fund (indirectly through the Master Fund) may not be achieved.

*Risks Related to the Development of Property.* The development and construction of real estate assets is subject to timing, budgeting and other risks that may adversely affect the Sub-Fund's operating results. Any renovations, redevelopment, development and related constructions activities could subject the Sub-Fund (indirectly through the Master Fund) to a number of risks including:

- construction delays or cost overruns that may increase project costs;
- delays in obtaining, or the inability to obtain zoning, occupancy and other required government permits and authorizations;
- development costs incurred for projects that are not pursued to completion;
- acts of God such as earthquakes, hurricanes, floods, fires and other natural disasters that could adversely impact a project;
- inability to raise capital;
- inability to rent space in, or sell units in, newly developed projects;
- inability to repay construction or land loans at maturity;
- liability under completion, operating, deficiency or other guarantees which may be issued by the Sub-Fund (indirectly through the Master Fund); and
- governmental restrictions on the nature or size of a project. The Sub-Fund's (indirectly through the Master Fund's) inability to complete a project on time or within budget may adversely affect the value of, and return on, a Investor's investment.

*Force Majeure Risk.* Real estate assets may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, earthquakes, adverse weather conditions, assertion of eminent domain, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, riots and other types of civil unrest). Some force majeure events may adversely affect the ability of a party (including a real estate asset or a direct and/or indirect counterparty) or a real estate asset) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to a real estate asset or the Sub-Fund (indirectly through the Master Fund) of repairing or replacing damage resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Sub-Fund (indirectly through the Master Fund) may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more real estate assets or its assets, including through compulsory purchase or other similar legal process, could result in a loss to the Sub-Fund, including if its investment in such real estate asset is cancelled, unwound or acquired (which could be without what the Sub-Fund considers to be adequate compensation). Any of the foregoing may therefore adversely affect the performance of the Sub-Fund and its investments. Force majeure risks are generally uninsurable and, in some cases, agreements can be terminated if the force majeure event is so catastrophic that it cannot be remedied within a reasonable time period. While the Investment Manager will seek to utilize insurance and other risk management techniques (to the extent available on commercially reasonable terms) to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, it may not always be practicable or feasible to do so. Moreover, it may not be possible to insure against all such risks, and insurance proceeds may be inadequate.

*Risk of Compulsory Purchase and Other Governmental Takings.* Real estate assets may become subject to compulsory purchase or other similar proceedings brought by municipal governments and/or other governmental instrumentalities with the aim of acquiring one or more of the Sub-Fund's (indirectly through the Master Fund's) real estate assets. Such proceedings may divert the financial resources of the Sub-Fund, the Master Fund and the time of the employees of the AIFM or the Investment Manager away from the Sub-Fund's (indirectly through the Master Fund's) investment activities, and there cannot be any guarantee that the Sub-Fund or the Master Fund will be able to successfully prevent the acquisition of any real estate asset via such proceedings. If such governmental instrumentality successfully acquires a real estate asset held by the Sub-Fund (indirectly through the Master Fund) by way of a compulsory purchase or other similar proceeding, there is no guarantee that the Sub-Fund (indirectly through the Master Fund) will receive compensation for such real estate asset in an amount sufficient to compensate the Sub-Fund (indirectly through the Master Fund) either for such real estate asset's market value or the Sub-Fund's (indirectly through the Master Fund's) cost basis in such real estate asset. Additionally, a governmental instrumentality may impose restrictions on the use of real estate assets held by the Sub-Fund (indirectly through the Master Fund) that may or may not be considered "regulatory takings" depending upon applicable law and for which the Sub-Fund (indirectly through the Master Fund) may or may not be able to secure compensation, and if the Sub-Fund (indirectly through the Master Fund) is able to secure compensation, such compensation may be less than the diminution in value of the real estate asset attributable to the restriction.

*Risks Associated with Ground Leases.* The Sub-Fund (indirectly through the Master Fund) may acquire property on land owned by a third party, while the Sub-Fund (indirectly through the Master Fund) owns a leasehold, permit or similar interest. This means that while the Sub-Fund (indirectly through the Master Fund) has a right to use the real estate asset, it does not hold free title to the underlying land. Accordingly, the Sub-Fund (indirectly through the Master Fund) will have no economic interest in the land or, in many instances the improvements located on the land, at the expiration of the ground lease or permit. As a result, it will not share in any increase in value of the land associated with the underlying property. Further, because the Sub-Fund (indirectly through the Master Fund) does not own the underlying land, under certain circumstances a bankruptcy of the lessor could result in a termination of the Sub-Fund's (indirectly through the Master Fund's) ground leasehold interest. In addition, a default by the Sub-Fund (indirectly through the Master Fund) under the ground lease could cause a termination of the ground lease. Finally, there could be complexities associated with financing a ground leasehold interest or selling certain properties subject to the lease.

*Leasing Real Estate.* Rental income from real property, is expected to constitute a significant portion of the Sub-Fund's (indirectly through the Master Fund's) income. Delays in collecting accounts receivable from tenants could therefore adversely affect the Sub-Fund's (indirectly through the Master Fund's) cash flows and financial condition. In addition, the inability of a single major tenant or a number of smaller tenants to meet their rental obligations could adversely affect the Sub-Fund's (indirectly through the Master Fund's) income. Therefore, the Sub-Fund's (indirectly through the Master Fund's) financial success is expected to be indirectly dependent (at least in part) on the success of the businesses operated by the tenants in the Sub-Fund's (indirectly through the Master Fund's) properties or in the properties securing debts the Sub-Fund (indirectly through the Master Fund) may own. The weakening of the financial condition of or the bankruptcy or insolvency of a significant tenant or a number of smaller tenants and vacancies caused by defaults of tenants or the expiration of leases may adversely affect the Sub-Fund's (indirectly through the Master Fund's) operations, performance and the Sub-Fund's (indirectly through the Master Fund's) ability to pay distributions.

Tenants terminate leases, including before the term ends, for a variety of reasons. In addition, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection or termination of the tenant's lease or other adverse consequences to the landlord. The lessor may be thwarted in attempts to enforce its rights as lessor and, even where the lessor is successful in enforcing its rights, the Sub-Fund (indirectly through the Master Fund) may not be able to fully mitigate its losses or prevent future losses. After a lease has been terminated, the Sub-Fund (indirectly through the Master Fund) nonetheless bears the fixed costs

of ownership of the asset, such as real estate taxes, maintenance and other operating expenses and, if applicable, interest and amortizations on any related financing. Property that has been vacated by a tenant may not be relet at the same rental rate (or at all), thereby reducing the operating income from the property, and the Sub-Fund (indirectly through the Master Fund) may need to make unexpected capital investments to lease the property again. Any of the risks described herein could be exacerbated to the extent any tenant leases property from more than one of the Sub-Fund's (indirectly through the Master Fund's) investments.

It may not be possible to lease properties that are vacant or become vacant because a tenant decides not to renew its lease or by the continued default of a tenant under its lease. In addition, certain of the properties the Sub-Fund (indirectly through the Master Fund) acquires may have some level of vacancy at the time of acquisition. Certain other properties may be specifically suited to the particular needs of a tenant and may become vacant after the Sub-Fund (indirectly through the Master Fund) acquires them. Even if a tenant renews its lease or the lessor enters into a lease with a new tenant, the terms of the new lease may be less favorable than the terms of the old lease. In addition, the resale value of the property could be diminished because the market value may depend principally upon the value of the property's leases. If the lessor is unable to promptly renew or enter into new leases, or if the rental rates are lower than expected, the Sub-Fund's results of operations and financial condition will be adversely affected.

A lessor may seek to negotiate longer-term leases to reduce the cash flow volatility associated with lease rollovers; **provided that** contractual rent increases are generally included. In addition, where appropriate, the Sub-Fund's (indirectly through the Master Fund's) investments will seek leases that provide for operating expenses, or expense increases, to be paid by the tenants. These leases may allow tenants to renew the lease with pre-defined rate increases. If the Sub-Fund's (indirectly through the Master Fund's) investments do not accurately judge the potential for increases in market rental rates, or if the negotiated increases provide for a discount to then-current market rental rates (in exchange for lower volatility), the rental rates of these long-term leases will result in rental rates that are less than then-current market rental rates. Further, the lessor may be unable to terminate those leases or adjust the rent to then-prevailing market rates. As a result, the Sub-Fund's income and distributions to the Sub-Fund's Investors could be lower than if the Sub-Fund (indirectly through the Master Fund) did not enter into long-term leases.

*Net Lease Investments.* The Sub-Fund (indirectly through the Master Fund) may invest in commercial properties subject to net leases. Typically, net leases require the tenants to pay substantially all of the operating costs associated with the properties. As a result, the value of, and income from, investments in commercial properties subject to net leases will depend, in part, upon the ability of the applicable tenant to meet its obligations to maintain the property under the terms of the net lease. If a tenant fails or becomes unable to so maintain a property, the Sub-Fund (indirectly through the Master Fund) will be subject to all risks associated with owning the underlying real estate. In addition, the Sub-Fund (indirectly through the Master Fund) may have limited oversight into the operations or the managers of these properties, subject to the terms of the net leases.

Certain commercial properties subject to net leases in which the Sub-Fund (indirectly through the Master Fund) invests may be occupied by a single tenant and, therefore, the success of such investments is largely dependent on the financial stability of each such tenant. A default of any such tenant on its lease payments would cause the loss of revenue from the property and cause the need to find an alternative source of revenue to meet any loan payment and prevent a foreclosure if the property is subject to a mortgage. In the event of a default, the lessor may experience delays in enforcing its rights as landlord and may incur substantial costs in protecting the investment and re-letting the property. If a lease is terminated, significant losses may be incurred to make the leased premises ready for another tenant and experience difficulty or a significant delay in re-leasing such property.

*Related Party Leasing.* Subject to the terms of the Articles, the general part of the Prospectus and this Sub-Fund Supplement, the Sub-Fund's (indirectly through the Master Fund's) investments will, in certain circumstances, lease property to or from Apollo, other Apollo Clients and their investments and Affiliates and other related parties. The leases are generally expected



to, but may not always, be at market rates. Apollo may confirm market rates by reference to other leases it is aware of in the market, which Apollo expects to be generally indicative of the market given the scale of Apollo's real estate business. Apollo can be expected to nonetheless have conflicts of interest in making these determinations, and with regard to other decisions related to such assets and investments. There can be no assurance that the Sub-Fund's (indirectly through the Master Fund's) investments will lease to or from any such related parties on terms as favorable to the Sub-Fund's (indirectly through the Master Fund's) investments as would apply if the counterparties were unrelated. These conflicts related to leasing, acknowledges that these conflicts will not necessarily be resolved in favor of the Sub-Fund or the Master Fund, and Investors may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

*Net Income Volatility.* The net income derived from property investments can be especially volatile over time relative to other types of investments, and a precipitous drop in the net income of a real estate asset may require the recapitalization or refinance of the real estate asset in order for it to continue its operations and/or the sale of the real estate asset, potentially without realizing its full value and/or at a loss. The volatility of net operating income ("**NOI**") for a real estate asset may be influenced by matters such as the length of tenant leases, the creditworthiness of tenants, the level of tenant defaults, the ability to convert an unsuccessful property to an alternative use, new construction in the same market as the mortgaged property, rent control laws or other laws impacting operating costs, the number and diversity of tenants, the availability of trained labor necessary for tenant operations, the rate at which new rentals occur, the property's operating leverage (which is the percentage of total property expenses in relation to revenue), the ratio of fixed operating expenses to those that vary with revenues, and the level of capital expenditures required to maintain the property and to retain or replace tenants.

*Use and Availability of Leverage; Recent Changes in Credit Markets.* The availability of capital is generally a function of capital market conditions that are beyond the control of the Investment Manager and/or the Sub-Fund. The Sub-Fund's (indirectly through the Master Fund's) investments in Property will typically be leveraged with debt financing at the property level. Utilization of such leverage (including through credit facilities, guarantees, letters of credit, equity commitment letters or similar credit support (including on a joint and several or cross-collateralized basis or other forms of indebtedness or credit support)) will result in fees, expenses and interest costs borne by the Sub-Fund (indirectly through the Master Fund). Although the use of leverage may enhance returns and increase the number of investments that can be made by the Sub-Fund (indirectly through the Master Fund), it may also substantially increase the risk of loss. Furthermore, although the Investment Manager will seek to use leverage in a manner it believes to be appropriate under the circumstances, the use of leverage will increase the exposure of the applicable Property to adverse economic factors (such as rising interest rates, changes in commodity prices, downturns in the economy or a deterioration in the desirability of the Property), each of which may impair such Property's ability to finance its future operations and capital needs and may result in the imposition of restrictive financial and operating covenants. If any such factors cause or contribute to a Property's inability to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness or similar payments or obligations, such Property's flexibility to respond to changing market conditions may be constrained materially and the value of the Sub-Fund's (indirectly through the Master Fund's) investment in such Property could be significantly reduced or even eliminated.

*Cross-Collateralization.* The instruments and borrowing utilized by the Sub-Fund (indirectly through the Master Fund) to leverage investments may be collateralized by any, assets of the Sub-Fund (indirectly through the Master Fund) (and may be cross-collateralized with the assets of any Parallel Entity and/or Feeder Entities, subsidiary, financing vehicle or alternative investment vehicle or with the assets of any other Apollo Clients or any Property, and such entities may be held jointly and severally liable for the full amount of the obligations arising out of such instruments and borrowings).

In some cases the Master Fund may be required to provide a guaranty or indemnity with respect to 100% of the property-level debt even if the property is owned by a joint venture or other entity that is not wholly-owned by the Sub-Fund (indirectly through the Master Fund) and even if the conduct that results in the liability was engaged in by the operating partner or other co-

venturer. The Investment Manager may, but will not be required to, endeavor in such cases to make arrangements for appropriate reimbursement by the operating partner, co-venturer or Co-Investor of amounts paid under the guaranty or indemnity, but there can be no assurance that such arrangements will be successfully implemented or that it will be able to recover any amounts payable to it under such arrangements.

*Financing Arrangements.* To the extent that the Sub-Fund (indirectly through the Master Fund) enters into financing arrangements, such arrangements may contain provisions that expose it to particular risk of loss. For example, any cross-default provisions could magnify the effect of an individual default. If a cross-default provision were exercised, this could result in a substantial loss for the Sub-Fund (indirectly through the Master Fund). Also, the Sub-Fund, the Master Fund or any Property may, in the future, enter into financing arrangements that contain financial covenants that could require it to maintain certain financial ratios. If the Sub-Fund, the Master Fund or a Property were to breach the financial covenants contained in any such financing arrangement, it might be required to repay such debt immediately in whole or in part, together with any attendant costs, and it may be necessary to sell some of its assets to fund such costs. The Board of Directors might also be required to reduce or suspend distributions. Such financial covenants would also limit the ability of the Investment Manager to adopt the financial structure (e.g., by reducing levels of borrowing) which it would have adopted in the absence of such covenants.

*Fluctuations in Capitalization Rates.* Pricing of commercial real estate is commonly tracked through prevailing market capitalization rates. An asset's capitalization rate is its net operating income divided by its market value. If the market capitalization rate of an asset acquired by the Sub-Fund (indirectly through the Master Fund) rises above the capitalization rate at time of its acquisition, the value of the asset and the Sub-Fund's NAV would be negatively affected, absent offsetting increases to net operating income. If the Sub-Fund issues Shares at a NAV per Share below an individual Investor's investment basis, such Investor's interest would be diluted, and if such Investor requests a redemption of its Shares, such Shares would be redeemed at a price that is lower than the price at which such Investor originally purchased its Shares. There can be no assurance that capitalization rates will not increase from the time of acquisition.

*Lack of Liquidity of Investments.* Real estate and real estate related investments are highly illiquid and subject to industry cyclicality, downturns in demand, market disruptions, and the lack of available capital for potential purchasers. Any return of capital or realization of gains will generally require a disposition of some or all of an investment. The Sub-Fund's (indirectly through the Master Fund's) ability to dispose of investments may be limited for several reasons. The Investment Manager is unable to predict with confidence what, if any, exit strategies will ultimately be available for any given position. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors. The larger the transaction in which the Sub-Fund (indirectly through the Master Fund) is participating, the more uncertain the Sub-Fund's (indirectly through the Master Fund's) exit strategy tends to become. In view of these limitations on liquidity, which are illustrative only and not exhaustive, depending on the type of investment made by the Sub-Fund (indirectly through the Master Fund) in such entity, the Sub-Fund (indirectly through the Master Fund) may not be able to realize an investment in a privately-held entity until the sale of such entity. In some instances, the sale of investments held by the Sub-Fund (indirectly through the Master Fund) may require lengthy negotiations. There can be no assurance that the Sub-Fund (indirectly through the Master Fund) will be able to dispose of its investments at the price and at the time it wishes to do so. The possibility of partial or total loss of capital will exist, and prospective Investors should not invest unless they can bear the consequences of such loss.

*Investments and Acquisitions Through Other Partnerships and Joint Ventures.* Instead of purchasing properties directly, the Sub-Fund (indirectly through the Master Fund), may invest as a partner or a co-venturer with an unaffiliated third party, including as part of a programmatic investment. Joint venture investments may, under certain circumstances, involve risks not otherwise present, including the possibility that the Sub-Fund (indirectly through the Master Fund) will not be able to implement investment decisions or exit strategies because of limitations on control of the property and its general investment discretion under the applicable agreements with

a partner or co-venturer, or that a partner or co-venturer may become bankrupt, or may at any time have economic or business interests or goals that are inconsistent with those of the Sub-Fund, it may fail to fund its share of required capital contributions or otherwise default on its obligations, may make business decisions with which the Investment Manager does not agree, or may block or delay necessary decisions. Such a partner or co-venturer does not have fiduciary duties to the Sub-Fund or the Master Fund and may also be in a position to take action contrary to the Sub-Fund's objectives, including forcing the sale of a property prior to the end of the Master Fund's optimal holding period. Such investments may also have the potential risk of an impasse on decisions if neither partner nor coventurer has full control over the partnership or joint venture. The Sub-Fund (indirectly through the Master Fund) will, however, seek to maintain sufficient rights with respect to such partnerships, joint ventures or programmatic investments to permit the Sub-Fund's (indirectly through the Master Fund's) objectives to be achieved. Disputes between the Sub-Fund (indirectly through the Master Fund) and a partner or co-venturer may result in litigation or arbitration that would increase expenses and prevent the Investment Manager from focusing its time and effort on the Sub-Fund's business and investments. Consequently, actions by, or disputes with, a partner or coventurer might result in additional risks, including liability for the actions of a third-party partner or co-venturer and the inability to enforce fully, all rights one partner or co-venturer may have against the other. In the event of litigation, the Sub-Fund (indirectly through the Master Fund) could be found liable to its co-venturer or partner for a range of damages available under applicable law under theories arising in contract, tort, or otherwise, including consequential damages well in excess of amounts originally at stake.

Additionally, the Sub-Fund (indirectly through the Master Fund) and a co-venturer may provide joint guarantees or indemnities (or the Sub-Fund (indirectly through the Master Fund) may seek a back-to-back guarantee or indemnity from a coventurer) in connection with a joint venture and, to the extent the co-venturer does not satisfy all or a portion of such obligations (or does not assume any such obligations), the Sub-Fund (indirectly through the Master Fund) may be required to satisfy the entirety of such obligation or such shortfall. The Investment Manager may not have the opportunity to diligence the individual investments in which the Sub-Fund (indirectly through the Master Fund) participates pursuant to a joint venture and certain service contracts. Instead, the Investment Manager will need to depend on its arrangement with, and diligence of, the applicable sourcing or joint venture partner. The incentives of such a sourcing or joint venture partner, however, may not be aligned with those of the Sub-Fund, and such a partner will not owe any fiduciary or other similar duties to the Sub-Fund (indirectly through the Master Fund). Certain joint venture or sourcing arrangements may entail the Investment Manager's binding commitment of a minimum amount to such an arrangement. In connection with a sourcing or joint venture arrangement, the Sub-Fund (indirectly through the Master Fund) may be obligated to bear retainers, closing, performance or other fees paid to sourcing, operating and joint venture partners, unless the Sub-Fund (indirectly through the Master Fund) is reimbursed for such fees. Sourcing, operating or joint venture partners may receive compensation calculated on investment performance, which may incentivize the making of higher risk investments, and may incur substantial expenses that are borne by the Sub-Fund (indirectly through the Master Fund). In addition, the Sub-Fund (indirectly through the Master Fund) or a Property may compensate sourcing, operating and/or joint venture partners for certain services, even where the Investment Manager has the capacity to provide and/or has historically provided the same services to Sub-Fund (indirectly through the Master Fund) or other Apollo Clients without charge. In connection with certain investments, sourcing, operating and/or joint venture partners may receive origination fees, commitment fees, ticking fees and break-up fees, upfront fees, amendment fees, prepayment premiums and other types of third party fees not shared with the Sub-Fund (indirectly through the Master Fund).

*Over-Commitment.* In order to facilitate the acquisition of an investment, the Sub-Fund (indirectly through the Master Fund) may make (or commit to make) an investment that exceeds the desired amount with a view to selling a portion of such investment to Co-Investors or other persons generally prior to or within a brief period after the closing of the acquisition. In such event, the Sub-Fund (indirectly through the Master Fund) will bear the risk that the transaction will not be consummated, or that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, the Sub-Fund (indirectly through the Master Fund) may bear the entire portion of any break-up fee or other fees, costs and

expenses related to such investment (including earnest money deposits), and hold a larger than expected portion of such investment or may realize lower than expected returns from such investment. The Investment Manager endeavors to address such risks by requiring such investments to be in the best interests of the Master Fund, regardless of whether any sell-down ultimately occurs. None of the Investment Manager nor any of its Affiliates will be deemed to have violated any duty or other obligation to the Sub-Fund or the Master Fund or any of their investors by engaging in such investment and sell-down activities.

*Control Person Liability.* The Master Fund is expected to have controlling interests in a number of Properties. The fact that the Sub-Fund (indirectly), the Master Fund or the Investment Manager exercises control or exerts influence (or merely has the ability to exercise control or exert influence) over a company may give rise to risks of liability (including under various theories of parental liability and piercing the corporate veil doctrines) for, among other things, personal injury and/or property or environmental damage claims arising from an accident or other unforeseen event, product defects, employee benefits (including pension and other fringe benefits), failure to supervise management, violation of laws and governmental regulations (including securities laws, anti-trust laws, employment laws, anti-bribery (and other anticorruption) laws) and other types of liability for which the limited liability characteristic of business ownership and the Sub-Fund itself (and the limited liability structures that may be utilized by the Sub-Fund (indirectly through the Master Fund) in connection with its ownership of Properties or otherwise) may be ignored or pierced, as if such limited liability characteristics or structures did not exist for purposes of the application of such laws, rules regulations and court decisions. These risks of liability may arise pursuant to U.S. and non U.S. laws, rules, regulations, court decisions or otherwise (including the laws, rules, regulations and court decisions that apply in jurisdictions in which Properties or their subsidiaries are organized, headquartered or conduct business).

Such liabilities may also arise to the extent that any such laws, rules, regulations or court decisions are interpreted or applied in a manner that imposes liability on all persons that stand to economically benefit (directly or indirectly) from ownership of Properties, even if such persons do not exercise control or otherwise exert influence over such Properties (e.g., Investors). Lawmakers, regulators and plaintiffs have recently made (and may continue to make) claims along the lines of the foregoing, some of which have been successful. If these liabilities were to arise with respect to the Sub-Fund, the Master Fund or its Properties, the Sub-Fund might suffer significant losses and incur significant liabilities and obligations. The having or exercise of control or influence over a Property could expose the assets of the Sub-Fund, the Master Fund, the Investment Manager and their respective Affiliates to claims by such Property, its security holders and its creditors and regulatory authorities or other bodies. While the Investment Manager intends to minimize exposure to these risks, the possibility of successful claims cannot be precluded, nor can there be any assurance to whether such laws, rules, regulations and court decisions will be expanded or otherwise applied in a manner that is adverse to Properties and the Sub-Fund and its investors. Moreover, it is possible that, when evaluating a potential investment, the Investment Manager may choose not to pursue or consummate such investment, if any of the foregoing risks may create liabilities or other obligations for any of the Sub-Fund, the Master Fund, the Investment Manager or any of their respective Affiliates.

*Costs of Complying with Regulations.* The operations of the Sub-Fund, the Master Fund and tenants in properties owned by the Sub-Fund (indirectly through the Master Fund) are subject to material federal, state and local laws and regulations, which could materially adversely affect the Sub-Fund. Generally, real estate properties are subject to various laws, ordinances and regulations, including regulations relating to lien sale rights and procedures. In addition, property management activities are often subject to state real estate brokerage laws and regulations as determined by the particular real estate commission for each state. Changes in local laws and regulations could negatively affect the ability of the tenants in properties owned by the Sub-Fund (indirectly through the Master Fund) to make lease payments to the Master Fund, and therefore cash available for distribution to the Sub-Fund, and therefore holders of interests, if any.

*Technological Innovations.* Recent technological innovations have disrupted numerous established industries and those with incumbent power in them. As technological innovation continues to advance rapidly, it could impact the strategy of the Sub-Fund. For example, the value

of hospitality properties is affected by competition from the non-traditional hospitality sector (such as short-term rental services), office properties are affected by competition from shared office spaces (including co-working environments), retail properties may be affected by changes in consumer behavior, including increased shopping via the internet, and warehouse industrial properties may be affected if supply chains evolve in a way that decreases the need for traditional warehousing. Any of these new approaches could damage the Sub-Fund's (indirectly through the Master Fund's) investments, significantly disrupt the markets in which it operates and subject it to increased competition, which could materially and adversely affect its business, financial condition and results of investments. Moreover, given the pace of innovation in recent years, the impact on a particular investment may not have been foreseeable at the time the Master Fund made such investment and may adversely impact the Sub-Fund (indirectly through the Master Fund). Furthermore, the Investment Manager could base investment decisions on views about the direction or degree of innovation that prove inaccurate and lead to losses.

**C. Certain Risks Related to Real Estate Debt Investments**

*CRE Debt Investments.* The Sub-Fund (indirectly through the Master Fund) may invest in commercial real estate ("**CRE**") debt and credit-related instruments, including convertible debt securities in connection with investments in equity or equity-related securities or debt investments that have an expected return comparable to equity or equity-related securities. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. Certain debt instruments in which the Sub-Fund (indirectly through the Master Fund) may invest may have speculative characteristics. A secured debt investment is subject to the same risks as the underlying asset securing the debt. However, such debt investments may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions.

There are no restrictions on the credit quality of the investments of the Sub-Fund (indirectly through the Master Fund). Rating agencies rate debt securities based upon their assessment of the likelihood of the receipt of principal and interest payments. Rating agencies do not consider the risks of fluctuations in market value or other factors that may influence the value of debt securities. Therefore, the credit rating assigned to a particular instrument may not fully reflect the true risks of an investment in such instrument. Credit rating agencies may change their methods of evaluating credit risk and determining ratings. These changes may occur quickly and often. While the Sub-Fund (indirectly through the Master Fund) may give some consideration to ratings, ratings may not be indicative of the actual credit risk of the investments of the Sub-Fund (indirectly through the Master Fund) in rated instruments.

Generally, investments in speculative securities offer a higher return potential than higher-rated securities, but involve greater volatility of price and greater risk of loss of income and principal. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

*Incidental Risks.* Investments made by the Sub-Fund (indirectly through the Master Fund) in CRE debt instruments will be subject to the risks incidental to the underlying assets, including, but not limited to, the issues discussed at the sections headed "*Casualty Losses; Uninsurable Losses*", "*Environmental Risks on Real Estate*" and "*Adverse Real Estate Market Conditions*" below and the risks associated with ownership, transferability, valuations and transparency in relation to investments in real estate discussed in Section B (*Certain Risks Related to Real Estate*) above.

*Casualty Losses; Uninsurable Losses.* The Investment Manager will attempt to ensure that each underlying borrower of CRE debt investments made by the Sub-Fund (indirectly through the Master Fund) maintains adequate (in the opinion of the Investment Manager) insurance coverage for the underlying property against liability to third parties and property damage as is customary for similarly situated businesses. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. Insurance against certain risks, such as earthquakes or floods, may be unavailable, available in amounts that are less than the full market value or replacement cost of investment properties or subject to a large deductible. In addition, there can be no assurance that the particular risks that are currently insurable will continue to be insurable on an economic basis. The repayment of a CRE debt investment may also be at risk in the event of the borrower incurring an uninsured liability to third parties.

*Environmental Risks on Real Estate.* There is a risk that the underlying borrowers of any CRE debt investments held by the Sub-Fund (indirectly through the Master Fund) (being the entities that directly own the real estate) could face substantial loss from environmental claims based on environmental problems associated with the properties held directly by them as well as from occupational safety issues and concerns. The cost of any required remediation and the borrower's liability therefore as to any property may not be limited under the applicable environmental laws and could exceed the value of the property and/or the aggregate assets of the borrower. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the borrower's ability to sell the real estate or to borrow using such property as collateral. This may adversely affect the ability of the borrower to repay or refinance the relevant investments held by the Sub-Fund (indirectly through the Master Fund).

*Adverse Real Estate Market Conditions.* The business of the Sub-Fund and the values of the Sub-Fund's (indirectly through the Master Fund's) investments may be adversely affected by periods of economic slowdown or recession, which may be accompanied by decreased demand for commercial credit and declining real estate values. Any material decline in real estate values reduces the ability of borrowers of mortgage loans to use equity to support borrowings and increases the LTV ratios of loans previously made, thereby weakening collateral coverage and increasing the possibility of a loss in the event of default. In addition, delinquencies, foreclosures and losses generally increase during economic slowdowns.

*Risks of Acquiring Real Estate Loans and Participations.* Real estate loans or participation interests therein acquired by the Sub-Fund (indirectly through the Master Fund) may be non-performing at the time of their acquisition or may become non-performing after their acquisition for a wide variety of reasons. Such non-performing real estate loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial writedown of the principal of such loan. However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, replacement "takeout" financing will not be available. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control. It is possible that the Investment Manager may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by the Sub-Fund (indirectly through the Master Fund). The foreclosure process varies jurisdiction by jurisdiction and can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan including, without limitation, lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. In some states or other jurisdictions, foreclosure actions can take up to several

years or more to conclude. During the foreclosure proceedings, a borrower may have the ability to file for bankruptcy, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property.

*"Bad Boy" Guarantees.* Generally, commercial real estate financings are structured as non-recourse to the borrower, which limits a lender's recourse to the property pledged as collateral for the loan, and not the other assets of the borrower or to any parent of borrower, in the event of a loan default. However, lenders customarily will require that a creditworthy parent entity enter into so-called "recourse carveout" guarantees to protect the lender against certain bad-faith or other intentional acts of the borrower in violation of the loan documents. A "bad boy" guarantee typically provides that the lender can recover losses from the guarantors for certain bad acts, such as fraud or intentional misrepresentation, intentional waste, willful misconduct, criminal acts, misappropriation of funds, voluntary incurrence of prohibited debt and environmental losses sustained by lender. In addition, "bad boy" guarantees typically provide that the loan will be a full personal recourse obligation of the guarantor, for certain actions, such as prohibited transfers of the collateral or changes of control and voluntary bankruptcy of the borrower. It is expected that the financing arrangements with respect to the Sub-Fund's (indirectly through the Master Fund's) direct and/or indirect investments generally will require "bad boy" guarantees which the Sub-Fund (indirectly through the Master Fund) may be liable under, and in the event that such a guarantee is called, the Sub-Fund's (indirectly through the Master Fund's) assets could be adversely affected.

*Portfolio Borrower and Revolver Seller Fraud; Breach of Covenant.* The Sub-Fund (indirectly through the Master Fund) may acquire funded and unfunded senior secured revolving credit facilities ("**Revolvers**") having structural, covenant and other contractual terms providing adequate downside protection, but there can be no assurance that such features and terms will achieve their desired effect, and, accordingly, potential Investors should regard an investment in the Sub-Fund as being speculative and having a high degree of risk. Of paramount concern in acquiring such a loan is the possibility of material misrepresentation or omission on the part of the Revolver seller, the borrower thereunder (the "**Portfolio Borrower**") or other credit support providers, or breach of covenant by any such parties. Such inaccuracy or incompleteness or breach of covenants may adversely affect the valuation of the collateral underlying the loans or the ability of the Revolver lenders to perfect or effectuate a lien on the collateral securing the loan or the ability of the Sub-Fund (indirectly through the Master Fund) to otherwise realize on or avoid losses in respect of the investment. The Sub-Fund (indirectly through the Master Fund) will rely upon the accuracy and completeness of representations made by any such parties to the extent reasonable, but cannot guarantee such accuracy or completeness.

*Investments in Bank Loans and Participations.* The Sub-Fund (indirectly through the Master Fund) may acquire bank loans and participations. The risks associated with investing in these obligations include: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) environmental liabilities that may arise with respect to collateral securing the obligations; (iii) adverse consequences resulting from participating in such instruments with other institutions with lower credit quality; (iv) limitations on the ability of the Sub-Fund, the Master Fund, the Master Fund's general partner, the Board of Directors and/or the Investment Manager to directly enforce any of their respective rights with respect to participations; and (v) generation of income that is subject to U.S. federal income taxation as income effectively connected with a U.S. trade or business. The Investment Manager will attempt to balance the magnitude of these risks against the potential investment gain prior to entering into each such investment. Successful claims by third parties arising from these and other risks may be borne by the Sub-Fund (indirectly through the Master Fund).

Bank loans generally are transferable among financial institutions and other entities. However, they do not currently have the liquidity of conventional debt securities and are often subject to restrictions on resale. For example, third party approval is often required for the assignment of interests in bank loans. Due to the illiquidity of bank loans, the Sub-Fund (indirectly through the Master Fund) may not be able to dispose of its investments in bank loans in a timely fashion and at a fair price, which could adversely affect their respective performance. With respect

to any bank loans acquired as participations by the Sub-Fund (indirectly through the Master Fund) because the holder of a participation generally has no contractual relationship with a borrower, the Sub-Fund (indirectly through the Master Fund) will have to rely upon a third party to pursue appropriate remedies against a borrower in the event of a default. As a result, the Sub-Fund (indirectly through the Master Fund) may be subject to delays, expenses and risks that are greater than those that would be involved if it could enforce its rights directly against a borrower or through the agent. Bank loans acquired as participations also involve the risk that the Sub-Fund (indirectly through the Master Fund) may be regarded as a creditor of a third party rather than a creditor of the borrower. In such a case, the Sub-Fund (indirectly through the Master Fund) would be subject to the risk that a selling participant may become insolvent.

The Sub-Fund (indirectly through the Master Fund) may invest in broadly syndicated loans indirectly through acquiring participation interests in all or a portion of a loan. Participations in a loan will result in a contractual relationship between the Master Fund and the institution participating out (such institution, the "**Underlying Lender**"), or selling, the relevant portion of the loan and not with the Portfolio Borrower under the loan. Participation interests will only give the Sub-Fund (indirectly through the Master Fund) the right to receive payments of principal and interest from the Underlying Lender, and not directly from the Portfolio Borrower. The Underlying Lender will generally retain all voting and consent rights, and the Sub-Fund (indirectly through the Master Fund) will typically have limited or no voting or consent rights with respect to amendments of the underlying credit documents or other related matters. The Underlying Lender may have economic or business interests or goals that are inconsistent with those of the Sub-Fund, and may vote in a manner which is detrimental to the interests of the Sub-Fund. The Underlying Lender may also require the Sub-Fund (indirectly through the Master Fund) to post collateral with it in order to secure the Sub-Fund's (indirectly through the Master Fund's) portion of the funding obligation under such loan. However, in the event that the Underlying Lender becomes insolvent and is subject to bankruptcy proceedings, the collateral posted in relation to the loan may become subject to claims in the bankruptcy and the position of the Sub-Fund (indirectly through the Master Fund) may be that of a general unsecured creditor. In addition, the interest of the Sub-Fund (indirectly through the Master Fund) in the loan may be compromised due to the insolvency of the Underlying Lender or any other loan participant's failure to make payments to the Underlying Lender to fund a loan. In these circumstances, the Sub-Fund (indirectly through the Master Fund) would also not have direct contractual recourse to the Underlying Lender and recovery would be dependent upon the grantor performing its contractual obligations under the participation, the failure of which may not be easily remediable.

Further, independent action by the grantor could have a negative effect on recoveries. It is possible that the Sub-Fund (indirectly through the Master Fund) will not realize its investment objectives by selling certain loan positions in advance of their anticipated maturities. However, if it should need to sell positions or other investments it holds as a result of a restructuring, in some cases, the Sub-Fund (indirectly through the Master Fund) may be legally, contractually or otherwise prohibited from selling such investments for a period of time or otherwise be restricted from disposing of them, and illiquidity may also result from the absence of an established market for certain investments. The realizable value of a highly illiquid investment, at any given time, may be less than its intrinsic value. In addition, certain types of investments held by the Sub-Fund (indirectly through the Master Fund) may require a substantial amount of time to liquidate. As discussed further below, the Sub-Fund (indirectly through the Master Fund) does not expect to be able to realize their investment objectives by sale or other disposition of Revolver positions or other investments it holds as a result of a restructuring.

*Prepayment Risk.* The frequency at which prepayments (including voluntary prepayments by obligors and accelerations due to defaults) occur on bonds and loans will be affected by a variety of factors, including the prevailing level of interest rates and spreads, as well as economic, demographic, tax, social, legal and other factors. Generally, obligors tend to prepay their fixed-rate obligations when prevailing interest rates fall below the coupon rates on their obligations. Similarly, floating rate issuers and borrowers tend to prepay their obligations when spreads narrow.



In general, "premium" securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments. Since many fixed-rate obligations will be premium instruments when interest rates and/or spreads are low, such debt instruments and asset-backed instruments may be adversely affected by changes in prepayments in any interest rate environment.

The adverse effects of prepayments may impact the Sub-Fund's (indirectly through the Master Fund's) portfolio in several ways, including the following. First, particular investments may experience outright losses, as in the case of an interest-only instrument in an environment of faster actual or anticipated prepayments. Second, particular investments may underperform relative to hedges that the Investment Manager may have constructed for these investments, resulting in a loss to the Sub-Fund's (indirectly through the Master Fund's) overall portfolio. In particular, prepayments (at par) may limit the potential upside of many instruments to their principal or par amounts, whereas their corresponding hedges often have the potential for unlimited loss.

*Restructurings; Time Required for Maturity of Investments.* The Master Fund may make certain of its investments by way of a debt security over real estate. Particularly in the case of bank or borrower-led restructurings, the advance of a debt security may require a substantial amount of workout negotiations and/or restructuring discussions, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down on the principal of such debt security. However, even if a restructuring is successfully accomplished, a risk exists that, upon maturity of such debt security, replacement "takeout" financing will not be available. Furthermore, certain assets acquired by the Master Fund in a restructuring may have maturities longer than the term of the Master Fund and certain such assets may have grace periods of several years. Furthermore, the Master Fund may, in connection with collateral held by it, acquire non-marketable common or preferred equity securities and other illiquid assets with equity participation features, which, to the extent that they have value at all, will likely not have realizable value for a significant period of time. Accordingly, certain investments may need to be disposed of upon dissolution of the Master Fund for less than their potential value.

*Reliance on Borrowers.* The return on any investments in CRE debt held by the Sub-Fund (indirectly through the Master Fund) will depend on the performance of the real estate and the performance of the real estate will in part be a function of the effective management of the real estate by the borrower, its Affiliates and third party service providers that it engages to assist with the management. As a result, failure to perform and/or underperformance by these persons could adversely impact the return on any such CRE debt investments.

*Obligor Defaults.* If the Sub-Fund (indirectly through the Master Fund) makes investments in CRE debt, some of its income may be derived from repayments of principal received in respect of such loans. A wide range of factors may adversely affect an obligor's ability to make repayments, including: adverse changes in the financial condition of such obligor or the industries or regions in which it operates; the obligor's exposure to counterparty risk; systemic risk in the financial system and settlement; changes in law or taxation; changes in governmental regulations or other policies; natural disasters; terrorism; social unrest, civil disturbances; or general economic conditions. Default rates tend to accelerate during economic downturns.

It should be noted that underlying borrowers may have a leveraged capital structure, which increases these borrowers' exposure to adverse economic factors (such as rising interest rates, competitive pressures, downturns in the economy or deterioration in the condition of the borrower or its industry) and to the risk of unforeseen events. This leverage may result in more serious adverse consequences to any such borrower (including to its overall profitability or solvency) if these factors arise or events occur when compared to the consequences that may be suffered by less leveraged borrowers. For example, rising interest rates may significantly increase a borrower's interest expense, or a significant industry downturn may affect a borrower's ability to generate positive cash flow, in either case causing an inability to service outstanding debt. If a borrower cannot generate adequate cash flow to meet its debt obligations, the borrower may default on its loan agreements or be forced into bankruptcy or insolvency (which may lead to restructuring or liquidation). As a result, the Sub-Fund (indirectly through the Master Fund) may

suffer a partial or total loss of capital invested in that borrower, particularly if the relevant investments are subordinated relative to other debt interests in the capital structure.

Any defaults will have a negative impact on the value of any such investments held by the Sub-Fund (indirectly through the Master Fund) and may reduce the return that the Sub-Fund (indirectly through the Master Fund) receives from its investments in certain circumstances. While some amount of annual defaults can be expected to occur in the portfolio of the Sub-Fund (indirectly through the Master Fund), defaults in or declines in the value of the investments held by the Sub-Fund (indirectly through the Master Fund) in excess of these expected amounts may result in breaches of covenants under their financing arrangements, triggering credit enhancement requirements or accelerated repayment provisions and, if not cured within the relevant grace periods, permitting the finance provider to enforce its security over any assets of the Sub-Fund (indirectly through the Master Fund) pledged as collateral.

In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of an obligor, holders of debt instruments ranking senior to the investments held by the Sub-Fund (indirectly through the Master Fund) would typically be entitled to receive payment in full before the Sub-Fund (indirectly through the Master Fund) receives any distribution in respect of its investment. After repaying the senior creditors, such obligor may not have any remaining assets to repay its obligations to the Sub-Fund (indirectly through the Master Fund). In the case of debt ranking equally with the loans or debt securities in which the Sub-Fund (indirectly through the Master Fund) invests, the Sub-Fund (indirectly through the Master Fund) would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant investee company. Each jurisdiction in which the Sub-Fund (indirectly through the Master Fund) invests has its own insolvency laws. As a result, investments in similarly situated investee companies in different jurisdictions may well confer different rights in the event of insolvency. Furthermore, although the Sub-Fund (indirectly through the Master Fund) is likely to have certain contractual remedies upon the default by any borrowers under CRE debt investments, such as enforcing upon the underlying real estate or collecting rents generated therefrom, certain legal requirements may limit the ability of the Sub-Fund (indirectly through the Master Fund) to effectively exercise such remedies. Furthermore, the right of a mortgage lender to convert its loan position into an equity interest may be limited by certain legal prohibitions, which may operate to prevent a lender from exercising conversion rights from debt to equity interests. The Sub-Fund (indirectly through the Master Fund) could therefore experience significant legal difficulties and impediments in taking possession of, or otherwise in enforcing its rights with respect to, certain kinds of collateral. These factors may adversely affect the value and collectability of the investments.

It is also possible that the Master Fund may find it necessary or desirable to foreclose on collateral securing one or more real estate loans advanced by it. The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions through various means, even when the grounds for their resistance may have no basis in fact, in an effort to prolong the foreclosure action. In some cases, foreclosure actions can take up to several years to conclude. At any time during the foreclosure proceedings, the borrower may file for protection under bankruptcy or other similar law, which would have the effect of staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may disrupt ongoing leasing and management of the property. In addition, it is likely that any economic downturn could adversely affect the ability of the participants of such loans to repay principal and interest thereon and increase the incidence of default for such loans.

In addition, the Sub-Fund (indirectly through the Master Fund) may be adversely affected by the borrower's right of redemption, the enforceability of assignments of rents, due on sale and acceleration clauses in loan instruments, as well as other creditors' rights provided in such documents. The Sub-Fund (indirectly through the Master Fund) may be subject to liability as a lender with respect to its negotiation, administration, collection and/or foreclosure of real estate loans. Moreover, the Sub-Fund (indirectly through the Master Fund) may attempt to obtain contractual rights to participate in or substantially influence the management of properties by borrowers which may result in an increased likelihood that a borrower may claim that the Sub-

Fund (indirectly through the Master Fund) interfered with the borrower's business, acted in bad faith in exercising its management rights or otherwise acted in a manner giving rise to a claim for lender liability (as further described below). As a lender, the Sub-Fund (indirectly through the Master Fund) may also be subject to penalties for violation of usury limitations, which penalties may be triggered by contracting for, charging or receiving usurious interest. In addition, bankruptcy laws may delay the ability of the Sub-Fund (indirectly through the Master Fund) to realize on collateral for loan positions held by it or may adversely affect the priority of such loans through doctrines such as equitable subordination or may result in a restructure of the debt through principles such as the "cramdown" provisions of the bankruptcy laws.

*Existing and Potential Investments in Non-Performing Assets.* The Sub-Fund (indirectly through the Master Fund) may make investments in debt secured by or otherwise relating to non-performing assets, underperforming assets, undercapitalized real estate companies, properties operating in workout mode or under bankruptcy protection laws, or other troubled assets, all of which are expected to experience severe financial difficulties. These financial difficulties may never be overcome and may lead to uncertain outcomes, including causing the relevant real estate asset to become subject to bankruptcy proceedings, including proceedings relating to the Sub-Fund's (indirectly through the Master Fund's) investment therein. Such investments could, in certain circumstances, subject the Sub-Fund (indirectly through the Master Fund) to certain additional potential liabilities that may exceed the value of the Sub-Fund's (indirectly through the Master Fund's) original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. Furthermore, such investments may be adversely affected by applicable bankruptcy laws, fraudulent conveyance laws, and/or statutes related to, among other things, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions. Applicable laws relating to these matters may also vary from jurisdiction to jurisdiction.

The possibility of litigation between the participants in a reorganization is another consideration that makes any evaluation of the outcome of such an investment uncertain. Such uncertainties may also be increased by legal and other factors that limit the ability of the Investment Manager to be able to obtain reliable and timely information concerning material developments affecting an obligor, or which lengthen a reorganization or liquidation proceeding.

*Senior Loans Risk.* The Sub-Fund (indirectly through the Master Fund) may make investments in senior secured CRE loans. Senior secured loans are usually rated below investment grade or may also be unrated. As a result, the risks associated with senior secured loans are similar to the risks of below investment grade fixed income instruments, although senior secured loans are senior and secured in contrast to other below investment grade fixed income instruments, which are often subordinated or unsecured. Investment in senior secured loans rated below investment grade is considered speculative because of the credit risk of their issuers. Such companies are more likely than investment grade issuers to default on their payments of interest and principal owed to the Sub-Fund (indirectly through the Master Fund), and (if such investments are made) such defaults could have a material adverse effect on the performance of the Sub-Fund (indirectly through the Master Fund). An economic downturn would generally lead to a higher non-payment rate, and a senior secured loan may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a senior secured loan may decline in value or become illiquid, which would adversely affect the senior secured loan's value. There may also be less readily available and reliable information about most senior secured loans than is the case for many other types of securities. As a result, the Investment Manager will rely primarily on its own evaluation of a borrower's credit quality rather than on any available independent sources. Therefore, the Sub-Fund (indirectly through the Master Fund) will be particularly dependent on the analytical abilities of the Investment Manager in relation to such investments.

In general, the secondary trading market for senior secured loans is not well developed. No active trading market may exist for certain senior secured loans, which may make it difficult to

value them. Illiquidity and adverse market conditions may mean that the Sub-Fund (indirectly through the Master Fund) may not be able to sell senior secured loans quickly or at a fair price. To the extent that a secondary market does exist for certain senior secured loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

*Subordinated Loans or Securities.* Certain of the investments held by the Sub-Fund (indirectly through the Master Fund) may consist of loans or securities, or interests in pools of securities, in each case that are subordinated or may be subordinated in right of payment and ranked junior to other securities issued by, or loans made to, obligors. If an obligor experiences financial difficulty, holders of its more senior securities will be entitled to payments in priority to the Sub-Fund (indirectly through the Master Fund). If the Sub-Fund (indirectly through the Master Fund) holds asset-backed investments, such investments may also have structural features that divert payments of interest and/or principal to more senior classes of loans or securities backed by the same assets when loss rates or delinquency exceeds certain levels. This may interrupt the income the Sub-Fund (indirectly through the Master Fund) receives from its investments, which may lead to the Sub-Fund (indirectly through the Master Fund) having less income to distribute to investors.

*Adjustments to Terms of Investments.* If the Sub-Fund (indirectly through the Master Fund) makes investments in CRE debt, the terms and conditions of the relevant loan agreements and related assignments may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement must include a majority or a supermajority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders. Consequently, the terms and conditions of the payment obligation arising from loan agreements could be modified, amended or waived in a manner contrary to the preferences of the Sub-Fund (indirectly through the Master Fund) if a sufficient number of the other lenders concurred with such modification, amendment or waiver. There can be no assurance that any obligations arising from a loan agreement will maintain the terms and conditions to which the Sub-Fund (indirectly through the Master Fund) originally agreed. Because the Sub-Fund (indirectly through the Master Fund) may invest in CRE debt through participation interests and derivative securities, it is possible that the Sub-Fund (indirectly through the Master Fund) may not be entitled to vote on any such adjustment of terms of such agreements.

The exercise of remedies may also be subject to the vote of a specified percentage of the lenders thereunder. The Investment Manager (or its delegate) will have the authority to cause the Sub-Fund (indirectly through the Master Fund) to consent to certain amendments, waivers or modifications to the investments requested by obligors or the lead agents for loan syndication agreements. The Investment Manager (or its delegate) may, in accordance with its investment management standards, cause the Sub-Fund (indirectly through the Master Fund) to extend or defer the maturity or adjust the outstanding balance of any investment, reduce or forgive interest or fees, release material collateral or guarantees, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. The Investment Manager (or its delegate) will make such determinations in accordance with its investment management standards. Any amendment, waiver or modification of an investment could adversely impact the Sub-Fund's (indirectly through the Master Fund's) investment returns.

*Loan Origination and Sourcing.* The investment program of the Sub-Fund (indirectly through the Master Fund) may include the origination of loans, including, but not limited to, secured and unsecured notes, senior and second lien loans, mezzanine loans, and other similar investments. From time to time, the Sub-Fund (indirectly through the Master Fund) may offer participations in and/or assignments or sales of loans (or interests therein) to other Apollo Clients or sales of loans (or interests therein) to third parties, in either case that the Sub-Fund (indirectly through the Master Fund) has originated or purchased; **provided, that** there is no assurance that the Sub-Fund (indirectly through the Master Fund) will complete the sale of such an investment. In the event of such an offer to other Apollo Clients, the price of the participation, assignment or sale will generally not be set by the Board of Directors or the Investment Manager, but rather will be established based on third-party valuations. Further, the decision by any Apollo Client to accept or reject the offer may be made by a party independent of the Board of Directors and the

Investment Manager, such as an independent third-party valuation firm or the independent directors of such Apollo Client, if any, or an advisory or credit committee composed of individuals who are not affiliated with Apollo. In determining the target amount to allocate to a particular loan origination, the Sub-Fund (indirectly through the Master Fund) may take into consideration the fact that it may sell, assign or offer participations in such investment to third parties as described above. If the Sub-Fund (indirectly through the Master Fund) is unable to sell, assign or successfully close transactions for the loans that it originates, the Sub-Fund (indirectly through the Master Fund) will be forced to hold its interest in such loans until such time as it can be disposed. This could result in the CRE debt investments of the Sub-Fund (indirectly through the Master Fund) being over-concentrated in certain borrowers. Loan origination may also present special tax considerations for the Sub-Fund (indirectly through the Master Fund) and their investors.

Several factors may affect the ability of the Investment Manager to source suitable investments, including, among other things, the following: (i) developments in the market for CRE-backed loans or other general market events, which may include changes in interest rates or credit spreads or other events which may adversely affect the price of securities; (ii) whether individually or collectively, competition for investment opportunities and the inability of the Investment Manager to acquire securities at favorable yields (including if the competitors of the Investment Manager have greater access to financial, technical and marketing resources than the Investment Manager at a lower cost of funds, and access to funding sources that are not available to the Investment Manager); (iii) the inability of the Investment Manager to reinvest the proceeds from the sale or repayment of any of its assets in suitable target investments on a timely basis, whether at prices that the Investment Manager believes are appropriate or at all; and (iv) the inability of the Investment Manager to secure debt financing or refinancing of its portfolio on a timely basis, whether on a basis that is satisfactory to the Investment Manager or at all.

Moreover, in the context of sourcing investment opportunities, certain private equity sponsors unaffiliated with Apollo who control borrowers may be reluctant to consent to having the Master Fund act as lender under a revolver because of the affiliation with Apollo and other Apollo Clients.

*Commercial Mortgage-Backed Securities (CMBS).* The Sub-Fund (indirectly through the Master Fund) may invest in commercial mortgage-backed securities ("**CMBS**") and other mortgage-backed securities, including subordinated tranches of such securities. The value of CMBS will be influenced by factors affecting the value of the underlying real estate portfolio, and by the terms and payment histories of such CMBS.

Some or all of the CMBS that may be acquired by the Sub-Fund (indirectly through the Master Fund) may not be rated, or may be rated lower than investment-grade securities, by one or more nationally recognized statistical rating organizations. Lower-rated or unrated CMBS, or "B-pieces," have speculative characteristics and can involve substantial financial risks as a result. The prices of lower credit quality securities have been found to be less sensitive to interest rate changes than more highly rated investments, but more sensitive to adverse economic or real estate market conditions or individual issuer concerns. Securities rated lower than "B" by the rating organizations can be regarded as having extremely poor prospects of ever attaining any real investment standing and may be in default. Existing credit support and the owner's equity in the property may be insufficient to protect the Sub-Fund from loss.

The Sub-Fund (indirectly through the Master Fund) may acquire subordinated tranches of CMBS issuances. In general, subordinated tranches of CMBS are entitled to receive repayment of principal only after all principal payments have been made on more senior tranches and also have subordinated rights as to receipt of interest distributions. Such subordinated tranches are subject to a greater risk of nonpayment than are senior tranches of CMBS or CMBS backed by third-party credit enhancement. In addition, an active secondary market for such subordinated securities is not as well developed as the market for certain other mortgage-backed securities. Accordingly, such subordinated CMBS may have limited marketability and there can be no assurance that a more efficient secondary market will develop.

The value of CMBS and other mortgage-backed securities in which the Sub-Fund (indirectly through the Master Fund) may invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise, the value of such securities will decline. In addition, to the extent that the mortgage loans which underlie specific mortgage-backed securities are prepayable, the value of such mortgage securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline.

Mortgage loans on commercial properties underlying mortgage-backed securities ("**MBS**") often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity, and thus, often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default. Many commercial mortgage loans underlying MBS are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related MBS are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of MBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks, and governmental disclosure requirements with respect to the condition of the property may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related MBS. Revenues from the assets underlying such MBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court-appointed receiver to control collateral cash flow.

*Commercial Mortgage and Mezzanine Loan Risk.* Any mortgage or mezzanine loans in which the Sub-Fund (indirectly through the Master Fund) may invest will likely be secured by commercial property and related assets and will be subject to risks of delinquency and foreclosure, and risks of loss that are greater than similar risks associated with loans made on the security of other assets, such as single-family residential property. The ability of a borrower to repay a loan secured by an income-producing commercial property typically will be dependent primarily upon the successful operation of the property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired.

As discussed further above, there may be limits to enforceability or to legal and financial recourse upon a default under the terms of the mortgage or mezzanine loan or applicable law. Most commercial real estate loans provide recourse only to specific assets, such as the property, and not against the borrower's other assets. Exercise of foreclosure and other remedies may involve lengthy delays and unforeseen expenses in the face of declining property values. In certain circumstances, as aforementioned, the creditor may also incur environmental liability for conditions existing at or on the property.

*Securitizations.* The Master Fund may seek to enhance returns of all or a senior portion of commercial mortgage loans through securitizations. To securitize commercial mortgage investments, the Master Fund may create a wholly-owned subsidiary and contribute a pool of assets to such subsidiary. This could include the sale of interests in the subsidiary on a nonrecourse basis to purchasers from whom the Master Fund would expect to be willing to accept a lower interest rate to invest in investment grade loan pools, and in which the Master Fund would retain a portion of the equity in the securitized pool of investments. The successful securitization of investments might expose the Sub-Fund (indirectly through the Master Fund) to losses as the commercial real estate investments in which the Master Fund does not sell interests will tend to be those that are riskier and more likely to generate losses. The Master Fund may invest in loans

secured by mortgages on properties that are typically leased entirely to a single tenant or guaranteed by another party which may be the parent or another Affiliate of such tenant.

*Assignments.* The Sub-Fund (indirectly through the Master Fund) may also purchase assignments, which are arrangements whereby a creditor assigns an interest in a loan to the Master Fund. The purchaser of an assignment typically succeeds to all the rights and obligations of the assignor of the loan and becomes a lender under the loan agreement and other operative agreements relating to the investment. Assignments are, however, arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assignor of the loan. In contrast to the rights of the Master Fund as an owner of a participation, the Master Fund as an assignee, will generally have the right to receive directly from the obligor all payments of principal, interest and any fees to which it is entitled. In some assignments, the obligor may have the right to continue to make payments to the assignor with respect to the assigned portion of the loan. In such a case, the assignor would be obligated to receive such payments as agent for the Master Fund and to promptly pay over to the Master Fund such amounts as are received. As a purchaser of an assignment, the Master Fund typically will have the same voting rights as other lenders under the applicable loan agreement and will have the right to vote to waive enforcement of breaches of covenants. The Master Fund will also have the same rights as other lenders to enforce compliance by the obligor with the terms of the loan agreement, to set-off claims against the obligor and to have recourse to collateral supporting the investment. As a result, the Sub-Fund (indirectly through the Master Fund) may not bear the credit risk of the assignor and the insolvency of an assignor of a loan should have little effect on the ability of the Sub-Fund (indirectly through the Master Fund) to continue to receive payments of principal, interest or fees from the obligor. The Sub-Fund (indirectly through the Master Fund) will, however, assume the credit risk of the obligor.

*Investments in Convertible Securities.* Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally: (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities; (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics; and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Sub-Fund (indirectly through the Master Fund) is called for redemption, the Master Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock

or sell it to a third-party. Any of these actions could have an adverse effect on the ability of the Sub-Fund to achieve its investment objectives.

*Credit Linked Notes.* The Sub-Fund (indirectly through the Master Fund) or the Sub-Fund's (indirectly through the Master Fund's) investments may utilize notes the performance of which are linked to the credit performance of a reference portfolio of certain loan-related claims on corporate and similar entities that are specified from time to time ("**CLNs**"). CLNs may be speculative, may not be principal protected, and note holders may lose some or all of their initial investments. CLNs may not be rated by any credit agency and are subject not only to note holders' credit risk exposure, but also to the credit risk of the issuer, whose credit ratings and credit spreads may adversely affect the market value of such CLNs.

*REITs and Other Entities that Invest in Real Estate.* The Sub-Fund (indirectly through the Master Fund) may invest in securities issued by entities that invest in real estate, including REITs or similar public or private vehicles. An investment in REITs or such other entities generally will be subject to the risks incident to the ownership and operation of commercial real estate and/or risks incident to the making of nonrecourse mortgage loans secured by real estate. Further, in addition to the variety of risks associated with real estate and related investments described above, the investments of the Master Fund in REITs involve additional risks related to REITs' organization and structure, including ownership limitations associated with maintaining REIT qualification.

*Investments in Loans Secured by Real Estate.* The Sub-Fund (indirectly through the Master Fund) may invest in loans secured by real estate and may, as a result of default, foreclosure or otherwise, hold real estate assets. Special risks associated with such investments include changes in the general economic climate or local conditions (such as an oversupply of space or a reduction in demand for space), competition based on rental rates, attractiveness and location of the properties, the quality and philosophy of management, changes in the financial condition of tenants, and changes in operating costs. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing and potential liability under changing environmental and other laws. Of particular concern may be those mortgaged properties which are, or have been, the site of manufacturing, industrial or disposal activity. Such environmental risks may give rise to a diminution in the value of property (including real property securing any investment) or liability for cleanup costs or other remedial actions, which liability could exceed the value of such property or the principal balance of the related investment. In certain circumstances, a lender may choose not to foreclose on contaminated property rather than risk incurring liability for remedial actions.

*Certain Legal Aspects of Mortgage Loans; Lender Liability.* Certain real estate assets may be subject to risks relating to the legal aspects of real estate loans. Depending upon the applicable law governing real estate loans (which laws may differ substantially), the Sub-Fund may be adversely affected by the operation of law with respect to its ability to foreclose on collateral securing one or more real estate loans. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a loan including numerous lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action, which often complicates an already difficult and time consuming process. In some states or other jurisdictions, foreclosure actions can take up to several years or more to conclude. During the foreclosure proceedings, a borrower may have the ability to file for bankruptcy, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property.

In addition, the Sub-Fund may be adversely affected by the borrower's right of redemption, the enforceability of assignments of rents, due on sale and acceleration clauses in loan instruments, as well as other creditors' rights provided in such documents. The Sub-Fund (indirectly through the Master Fund) may be subject to liability as a lender with respect to its negotiation, administration, collection and/or foreclosure of real estate loans. Moreover, the Master Fund may attempt to obtain contractual rights to participate in or substantially influence



the management of properties by borrowers which may result in an increased likelihood that a borrower may claim that the Master Fund interfered with the borrower's business, acted in bad faith in exercising its management rights or otherwise acted in a manner giving rise to a claim for lender liability. As a lender, the Master Fund may also be subject to penalties for violation of usury limitations, which penalties may be triggered by contracting for, charging or receiving usurious interest. In addition, bankruptcy laws may delay the ability of the Sub-Fund (indirectly through the Master Fund) to realize on collateral for loan positions held by it or may adversely affect the priority of such loans through doctrines such as equitable subordination or may result in a restructure of the debt through principles such as the "cramdown" provisions of the bankruptcy laws.

**D. Certain Risks Related to Tax Matters**

*Possible Lack of Diversification – Tax.* While diversification is an element of the investment strategy of the Umbrella Vehicle and one or more Sub-Funds, Investors have no assurance as to the degree of diversification that will actually be achieved in the Umbrella Vehicle's and certain Sub-Funds' investments by geographic region and diversification may or may not be taken into account by the Board of Directors and the Investment Manager when assessing prospective investment opportunities. Investors should be aware that a lack of diversification could result in the Umbrella Vehicle or certain Sub-Funds being "property-rich" in an investment jurisdiction which may result in tax filing or tax payment obligations arising for the Umbrella Vehicle, any Sub-Fund or its Investors in such investment jurisdictions.

*French 3% Tax.* It is expected that the Umbrella Vehicle and certain Sub-Funds may own real estate assets in France and therefore fall within the scope of the French 3% Tax provided under Article 990 D of the French tax code, as more particularly described in Section 15: "Tax Status – Certain French Tax Considerations - French 3% Tax". Potential investors which are not an individual investing directly in the Umbrella Vehicle and its Sub-Funds and for its own benefit (and not as a nominee, agent or trustee for another) are strongly urged to obtain advice from their own tax advisors regarding their ability and the ability of each of their intermediate entities to rely on an exemption from such tax.

*French Real Estate Wealth Tax.* It is expected that the Umbrella Vehicle and certain Sub-Funds may directly or indirectly own real estate assets and therefore its Shares will fall within the scope of the French Real Estate Wealth Tax, as more particularly described in Section 15: "Tax Status – Certain French Tax Considerations -French Real Estate Wealth Tax". Potential investors (including non-residents for French tax purposes) are strongly urged to obtain advice from their own tax advisors regarding their position with respect to French Real Estate Wealth Tax.

*Specific Tax Risks associated with Real Estate Investments in Germany.* With respect to real estate located in Germany, under the German Real Estate Transfer Tax Act (Grunderwerbsteuergesetz – "German RETT Act"), real estate transfer tax is triggered not only on the purchase or transfer of such real estate, but also under certain circumstances – subject to detailed statutory requirements – when interests in an entity that holds, directly or indirectly, real estate located in Germany are, directly or indirectly, transferred to "new" shareholders or are "united in one hand". German real estate transfer tax is currently levied at a rate between 3.5% to 6.5% (depending on the federal state where the real property is located) of the value of the German real estate (as determined for such purpose). The relevant statutory provisions have been significantly tightened and expanded with effect from 1 July 2021. A number of aspects on the interpretation of the provisions of the German RETT Act are still unclear. Further – also fundamental – amendments to the German RETT Act have been proposed.

Under the current German RETT Act, German estate transfer tax may especially be triggered (under the provisions of section 1 paragraphs 2a and 2b German RETT Act – the so-called "movement rules") if real estate located in Germany is held by or allocated to a partnership or corporation and if, within ten years, the shareholder structure changes, directly or indirectly, in a way such that at least 90% of the shares in such entity are transferred to "new" shareholders. In the case of multi-tier shareholdings, so-called indirect changes in the shareholder structure, i.e. changes in the shareholder structure of an intermediate entity (including a fund), are in principle also counted towards the 90% limit and can therefore result in real estate transfer tax being

triggered (whereby different rules apply to partnerships and companies). These rules apply regardless of the proportion that German real estate represents in relation to all assets of the entity holding German real estate or the entity the interests in which are transferred (i.e. not only to "German property-rich" entities). In the case of entities that are set up as an umbrella fund, i.e. comprising several sub-funds, depending on the legal form of the umbrella fund, also transfers of interests in other sub-funds – including those that do not, directly or indirectly, hold German real estate – may be counted towards the 90% threshold.

If real estate transfer tax is incurred in Germany as a result of the "movement rules", it is payable by the entity holding the German real estate and, in this case, is economically borne by all investors of the Sub-Fund. This applies irrespective of whether the entity holding German real estate or the shareholders concerned have initiated, or could have prevented, the transfer of shares.

According to its investment strategy, the Sub-Fund may acquire real estate located in Germany (typically indirectly). This generally triggers German real estate transfer tax (once). In line with the market practice, such German real estate transfer tax is typically borne by the buyer.

In particular, due to the "movement rule" (cf. above), it cannot be ruled out that, following the purchase of German real estate by the Sub-Fund (indirectly, typically triggering German real estate transfer tax (once)), German real estate transfer tax is triggered again (twice or, as the case may be, numerous times), if, as a result of the (initial or later) issuance, redemption, sale and/or transfer of interests in the Umbrella Vehicle, the Sub-Fund, the Master Fund, the Parallel Entities, or the Aggregator (in each case including any of their sub-funds or compartments, if any), at least 90% of the interests in the entity holding German real estate are, directly or indirectly, transferred, or deemed to be transferred, to "new" shareholders. German real estate transfer tax may also be triggered as a result of any reorganization, co-investment, re-allocation or re-balancing. Neither the Sub-Fund, the Board of Directors nor the Investment Manager assumes any obligation to identify or prevent such cases or to compensate German real estate transfer tax so triggered. Any losses due to German real estate transfer tax are solely borne by the investors.

In June 2023, the German Federal Ministry of Finance has issued a discussion draft to overhaul the German RETT Act. It is proposed, among other things, to remove the "movement rules" described above from the German RETT Act and to modify the "united in one hand-test" such that real estate transfer tax is triggered if, directly or indirectly, all shares (as opposed to 90%, as under applicable law) in an entity directly or indirectly holding German real estate are acquired by a single acquirer or by a "group of acquirers". However, the way the new "united in one hand-test" is designed requires a detailed case-by-case analysis. In particular, shares held by a person "in the interest" (which is interpreted very broadly) of another acquirer are disregarded, so that real estate transfer tax applies even if, for instance, the seller retains shares. While co-investment structures are specifically targeted by looking at the "group of acquirers", persons acquiring shares are presumed to be part of a "group of acquirers" if there is a nexus in time or in fact – even if they do not have aligned interests. Therefore, the new proposed rules are expected to result in legal uncertainty and possibly unexpected tax events. According to the discussion draft, the new law is to come into force as early as 1 January 2024. As far-reaching changes have been proposed, it is unclear whether the proposed new rules will be adopted and, if so, in what form and when.

**ANNEX IV  
CLASSES OF SHARES**

Class	Currency	Enrolled in the Hedging Program	Type of Investor	Type of Share	Minimum Initial Subscription and Minimum holding amount <sup>14</sup>	Minimum Subsequent Subscription <sup>15</sup>	Initial Subscription Price	Management Fee
Class I1	EUR	No	Institutional	Distribution	25,000	1,000	100	1.25%
Class I2	EUR	No	Institutional	Accumulating	25,000	1,000	100	1.25%
Class I3	USD	Yes	Institutional	Distribution	28,000	1,200	100	1.25%
Class I4	USD	Yes	Institutional	Accumulating	28,000	1,200	100	1.25%
Class I5	GBP	Yes	Institutional	Distribution	25,000	1,000	100	1.25%
Class I6	GBP	Yes	Institutional	Accumulating	25,000	1,000	100	1.25%
Class I7	CHF	Yes	Institutional	Distribution	25,000	1,000	100	1.25%
Class I8	CHF	Yes	Institutional	Accumulating	25,000	1,000	100	1.25%
Class A1	EUR	No	Advisory	Distribution	25,000	1,000	100	2.00%
Class A2	EUR	No	Advisory	Accumulating	25,000	1,000	100	2.00%
Class A3	USD	Yes	Advisory	Distribution	28,000	1,200	100	2.00%
Class A4	USD	Yes	Advisory	Accumulating	28,000	1,200	100	2.00%
Class A5	GBP	Yes	Advisory	Distribution	25,000	1,000	100	2.00%
Class A6	GBP	Yes	Advisory	Accumulating	25,000	1,000	100	2.00%
Class A7	CHF	Yes	Advisory	Distribution	25,000	1,000	100	2.00%
Class A8	CHF	Yes	Advisory	Accumulating	25,000	1,000	100	2.00%
Class K1	EUR	No	Apollo-related	Distribution	25,000	1,000	100	0.00%
Class K2	EUR	No	Apollo-related	Accumulating	25,000	1,000	100	0.00%

Subject to the sole discretion of the Board of Directors, each investor will generally be eligible for Class I Shares, Class A Shares or Class K Shares as follows:

Class I Shares are being offered exclusively to institutional and/or professional investors investing directly, financial intermediaries investing for their own account, investors who invest in their own name, investors who have account-based fee arrangements known as advisory/wrap accounts, discretionary managed accounts, or comparable fee arrangements with their financial intermediary and financial intermediaries within the European

<sup>14</sup>Note to investors: Certain sub-distributors and/or countries may have higher minimums.

<sup>15</sup>Note to investors: Certain sub-distributors and/or countries may have higher minimums.

Union who: (i) must make investments for their own account; (ii) cannot receive distribution fees in accordance with applicable regulatory requirements and/or (iii) must only offer their clients Classes with no retrocessions in accordance with written agreements in place with their clients.

Class A Shares will generally be available to Investors where the Financial Intermediary through which such Investor acquired Shares provides such Investor with ongoing reporting, administrative and/or other services.

It should be noted that only Apollo-related Investors (as defined more particularly below) will be eligible to hold Class K Shares. Class K Shares will not bear any Management Fee, Performance Fee or Subscription Fee.

Certain Classes, as indicated in the table above, are "Distribution Class" Shares and certain other Classes, as indicated in the table above, are "Accumulation Class" Shares. Investors that subscribe for Distribution Class Shares will receive in cash any distributions that the Sub-Fund pays in respect of such Shares. For the avoidance of doubt, Investors may elect to reinvest such cash distributions into the Sub-Fund for additional Shares. In contrast, Investors that subscribe for Accumulation Class Shares will, in lieu of receiving cash distributions, have any such amounts reinvested in such Class. In each case, distributions (whether in cash to the Distribution Class Investors or reflected in the NAV of the Shares held by the Accumulation Class Investors) are made in the discretion of the Board of Directors and are subject to reasonable reserves for the payment of a *pro rata* portion of the Operating Expenses and any other obligations of the Sub-Fund attributable to such Shares and subject to deductions for any required tax withholdings or other tax amounts to be borne by the Investor. If an Investor does not indicate in its Subscription Agreement whether it is subscribing for Accumulation Class or Distribution Class Shares, the Investor's subscription will be for the Accumulation Class of the relevant Class.

Certain Classes, as indicated in the table above, may, from time to time, depending on the prevailing circumstances be fully or partially hedged from the relevant currency against the Euro (or such other currency as indicated in the table above) (the "**Hedging Program**"), without taking into consideration any hedging strategies separately entered into by any Investor, although there can be no assurance that any hedging strategies employed by the Sub-Fund will be effective in protecting against currency exchange rate fluctuations. Investors subscribing for Classes in any country in which Euros are not the local currency should note that changes in the value of foreign exchange between the Euro and such currency may have an adverse effect on the value, price or income of the investment to such Investors. Any costs associated with such hedging shall be allocated to the relevant Class which will reduce returns. In relation to currency hedging undertaken in the interest of a hedged Class, Investors should note that the various Classes do not constitute separate portfolios of assets and liabilities, and similar considerations may apply to the Master Fund or other investment structure to the extent the hedging program is undertaken at such level. Accordingly, while gains and losses and the expense of the hedging program will be allocated to the hedged Classes only, the Sub-Fund and/or the Master Fund or other investment structure as a whole, may be liable for obligations in connection with currency hedges. Additionally, any financing facilities or guarantees utilized in connection with the hedging program may be entered into by the Umbrella Vehicle in respect of the Sub-Fund, the Master Fund or other investment structure and not any specific Class. Although a Class might benefit from the use of the hedging program, changes in currency exchange rates or other factors could result in poorer overall performance for such Class compared to what such Class' performance would have been if it had not been hedged. Any Class may, from time to time, be over-hedged or under-hedged, and the performance of any particular Class may diverge materially from the performance of the reference currency of such Class, and may diverge materially from the performance of any other Class.

Before making an investment decision each Investor should consult with their Financial Intermediary (as applicable) regarding their eligibility for any Class.

For the purposes of this Sub-Fund Supplement, "**Apollo-related Investor**" means:

- a) any director, officer, member, manager, partner, consultant or employee or former director, officer, member, manager, partner, consultant or employee or other person engaged or formerly engaged in the business of a member of the Apollo Group;
- b) at the sole discretion of the Board of Directors, any such person's spouse or close relative;
- c) at the sole discretion of the Board of Directors, any entity controlled by any of the persons referred to in paragraphs (a) and (b) above or the trustees of a trust of which they are beneficiaries; and
- d) any Apollo Client, or the Investment Manager or any of its Affiliates,

provided, in each case, that the relevant person is considered by the Board of Directors (or its delegate) to be sufficiently sophisticated to understand the risks involved in investing in the Sub-Fund and meets any other requirements that the Board of Directors (or its delegate) deems appropriate from a legal, regulatory or liquidity perspective. For the avoidance of doubt, reference to any former employee(s) or person(s) formerly engaged in the business of a member of the Apollo Group includes only such persons who have ceased to be so employed or engaged following the acceptance of their subscription for Shares, unless otherwise agreed by the Board of Directors.

**ANNEX V  
SUSTAINABLE FINANCE DISCLOSURES REGULATION**

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852**

**Product name:** Apollo Realty Income Solutions Europe – Sub-Fund I (the "Sub-Fund")

**Legal entity identifier:** 2549001GT495V67H2V03

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, **provided that** the investment does not significantly harm any environmental or social objective and that the

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ____%	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ____%	<input type="checkbox"/> with a social objective
	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



**What environmental and/or social characteristics are promoted by this financial product?**

Capitalized terms used in this Annex and not otherwise defined shall have the meanings ascribed to them in this Sub-Fund Supplement or in the Prospectus, as applicable.

For the purposes of SFDR, the AIFM, and not the Investment Manager, is the "financial market participant" required to make pre-contractual disclosures in relation to the Sub-Fund. In this Annex, all references to the Investment Manager are references to the Investment Manager providing portfolio management services to the Sub-Fund as delegate of (and

subject to the overall supervision and oversight of) the AIFM. In addition, Lapithus is a strategic operating partner of the Investment Manager and any reference relating to the management of real estate assets by the Investment Manager are references to the Investment Manager working with Lapithus in carrying out such activities.

The Sub-Fund will invest as a limited partner in the Master Fund. The Investment Manager, on behalf of the Sub-Fund, intends to make through the Master Fund certain E/S Aligned Investments which, in addition to satisfying the Investment Manager's investment underwriting criteria, may fall into one or more of the following categories of environmental and social characteristics promoted by the Sub-Fund.

The environmental characteristic promoted by the Sub-Fund is advancing the climate & energy transition and is aligned with at least one of the following United Nations Sustainable Development Goals ("**SDGs**"):

- SDG 7, Affordable and Clean Energy;
- SDG 12, Responsible Consumption and Production; and
- SDG
- 13, Climate Action.

The social characteristic promoted by the Sub-Fund is expanding social opportunities and is aligned with at least one of the following SDGs:

- SDG 3, Good Health and Well-Being;
- SDG 4, Quality Education;
- SDG 5, Gender Equality;
- SDG 8, Decent Work and Economic Growth;
- SDG 10, Reduced Inequalities; and
- SDG 16, Peace, Justice and Strong Institutions.

While the environmental and social characteristics promoted by the Sub-Fund are each aligned with at least one of the SDGs set out above, as applicable, E/S Aligned Investments do not necessarily qualify as Sustainable Investments.

No reference benchmark has been designated for the purposes of attaining the E/S Promotion.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The attainment of the E/S Promotion will be measured at a portfolio level using sustainability indicators relevant to the environmental and/or social characteristics promoted by the Sub-Fund. Set out below is a non-exhaustive list of sustainability indicators that the Investment Manager may use for these purposes. Given the Master Fund expects to invest opportunistically across a range of assets and the Sub-Fund is an open-ended investment compartment, the sustainability indicators that the Investment Manager may use are subject to change and the list is provided for illustrative purposes only. The Investment Manager may further develop any sustainability indicators it uses over time.

**Promoted characteristic**

**Sustainability indicators**

**Advancing the climate & energy transition**

**Thermal Coal Mining/Extraction:** % of revenue of eligible holdings

**Thermal Coal Energy Generation:** % of revenue of eligible holdings

**Oil sands:** % of revenue of eligible holdings

**Arctic Oil/Gas Drilling:** % of revenue of eligible holdings

**Decarbonisation Action Plan:** In respect of Significant Equity Investments (as defined below) only, % of AUM with decarbonisation action plan in place

**1.5-Degree Pathway:** In respect of Significant Equity Investments only, % of AUM aligned with a 1.5-degree pathway budget

**Green Leases:** In respect of Significant Equity Investments only, % of new tenancies with agreed green lease clauses

**Expanding social opportunities**

**Tobacco production:** % of revenue of eligible holdings

**Tobacco sales:** % of revenue of eligible holdings

**Private Prison Operation:** % of revenue of eligible holdings

**Controversial weapons:** % of revenue of eligible holdings

**Nuclear weapons production:** % of revenue of eligible holdings

**Tenant Engagement:** In respect of Significant Equity Investments only, % of tenants issued a satisfaction and wellbeing survey (excluding residential and short-term tenancies) at least once every three years

**Both advancing the climate & energy**

**UN Global Compact and OECD Guidelines for Multinational Enterprises:** % of eligible holdings assessed



**transition AND expanding social opportunities**

as violating the UN Global Compact and/or OECD Guidelines for Multinational Enterprises

**Proprietary ESG Risk Rating Framework (Very High Risk):**  
% of eligible holdings scored Very High Risk

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable – the Investment Manager, on behalf of the Sub-Fund, does not commit to make "sustainable investments" as defined in Article 2(17) of SFDR (each a "Sustainable Investment").

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

--- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

Not applicable.

--- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, the Investment Manager, on behalf of the Sub-Fund, considers the principal adverse impacts of its investment decisions on sustainability factors by evaluating such decisions against the adverse sustainability indicators set out below.

For the avoidance of doubt, although the Investment Manager pursues a reduction of the negative externalities caused by the investments underlying the

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Sub-Fund, the Investment Manager is not subject to the SFDR and does not consider the adverse impacts of its investment decisions on sustainability factors at "entity level" (i.e., across its investment management activities more broadly) for the purposes of Article 4 of SFDR.

The Investment Manager, on behalf of the Sub-Fund, considers the following indicators from Annex I of the SFDR Regulatory Technical Standards (Commission Delegated Regulation (EU) 2022/1288) (the "RTS").

***(i) Mandatory (from Table 1 of Annex I of the RTS, Indicators applicable to investments in real estate assets)***

17. Exposure to fossil fuels through real estate assets
18. Exposure to energy-inefficient real estate assets

***(ii) Additional (from Table 2 of Annex I of the RTS, Indicators applicable to investments in real estate assets)***

19. Energy consumption intensity

**How the Investment Manager considers adverse harm**

Prior to making any investment, the Investment Manager will conduct investment due diligence on the proposed investment to evaluate a variety of factors, including the above sustainability factors (where relevant to the proposed investment). The evaluation will include a quantitative assessment of the impact of the investment against the above indicators.

The Investment Manager's approach to defining adverse impact depends on the nature of the metric to which the indicator relates. In this case, the metrics produce a numerically ranged or percentage output for a given investment. The Investment Manager will set a threshold for each indicator based on the industry sector of the issuer and will assess whether an investment causes adverse impact against this threshold.

Following the assessment of an investment against the indicators, the Investment Manager will decide what action to take, with a view to limiting or reducing the identified adverse impact. Such action may include (subject at all times to the obligation of the Investment Manager to act in the best interests of the Sub-Fund and its investors as well as in accordance with the investment objectives and policies of the Sub-Fund and the Master Fund):

- deciding not to make the investment;
- limiting the position size of the investment; or

- making the investment with an intention to engage on improving the asset from a sustainability perspective.

The impact of an investment against the above indicators will continue to be monitored on an annual basis.

**Where will the Investment Manager report further information?**

Further information on principal adverse impacts on sustainability factors will be set out in the Sub-Fund's annual report.

No



**What investment strategy does this financial product follow?**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund will invest as a limited partner in the Master Fund. The Master Fund expects to invest, directly and indirectly, primarily in substantially stabilized income-generating European commercial and residential real estate properties, including through acquiring special purpose vehicles, equity derivatives, options, joint ventures, joint investments and preferred equity. To a lesser extent, the Master Fund will make investments: (i) on an opportunistic basis, in real estate related asset management platforms, which are believed to help further bolster the Master Fund's capabilities and resources to drive value-add initiatives within the Master Fund's investment portfolio; (ii) for hedging purposes; or (iii) for liquidity management purposes in, cash, cash equivalents and other short-term investments. The Master Fund may also opportunistically invest in other securities or debt instruments.

The Master Fund will predominantly make investments in logistics and multi-let industrial, laboratory, office, residential, senior living and long-let triple net lease assets. The Master Fund will predominantly make investments in the United Kingdom, Germany, France, the Netherlands, Belgium, Denmark, Finland, Spain, Sweden, Italy and Ireland but expects to also invest up in investments in Norway, Portugal, Austria, Switzerland, Poland, the Czech Republic, Slovakia and Hungary.

Unless as otherwise stated in the Prospectus or this Sub-Fund Supplement, in order to seek to ensure that the E/S Promotion is followed on a continuous basis, the Investment Manager implements the following requirements.

**During the due diligence phase**

Investment teams collaborate with the Investment Manager's ESG team and third-party advisors, where applicable, to conduct assessments on ESG issues that could present material risks or opportunities for investment. Where an underlying asset is managed by a third-party property manager, such assessments cover ESG issues that could

present material risks or opportunities for investment at both the property manager and the real asset level. An assessment evaluating ESG risks and opportunities is generally completed before a deal is executed, and a summary of the findings of the assessment is presented in underwriting materials.

### **Post-acquisition**

Investment teams collaborate with the Investment Manager's ESG team and third-party advisors, where applicable, to monitor ratings under the ESG Risk Rating Framework (as defined below) and assess relevant ESG risks along with ESG opportunities.

In addition, for investments in debt instruments, periodic engagement is applied to address one or more ESG risks or opportunities that could impact the issuers long term financial performance. The Investment Manager and third-party advisors, where applicable, may seek opportunities to raise any issues with an issuers management team, board of directors or other representatives.

For investments where the Master Fund holds a significant equity stake (each a "**Significant Equity Investment**"), investment teams work to seek to implement ESG reporting good practices. On an ongoing basis, strategic ESG benefits and ESG considerations are assessed. Where ESG due diligence or ongoing reporting reveals significant ESG risks, the Investment Manager takes steps to mitigate such risks or, where an underlying asset is managed by a third-party property manager, works with third-party managers to take steps to mitigate risks and requests periodic updates on steps taken. The Investment Manager engages with third-party operators on ESG risk mitigation on an as-needed basis

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

In order to meet the E/S Promotion, the Investment Manager applies binding criteria to the selection of underlying assets as part of its investment decision-making process. These binding investment criteria may not be disapplied or overridden by the Investment Manager. The binding investment criteria include negative screens as well as portfolio-level requirements set in respect of ESG scoring using a proprietary ESG risk rating framework (the "**ESG Risk Rating Framework**") and engagement on ESG issues through the application of the Investment Manager's ESG Policy. The negative screens detailed below are applied at the point of investment and the portfolio level targets are measured quarterly and assessed on an annual basis.

Additionally, for Significant Equity Investments used to attain the E/S Promotion, the Investment Manager will take steps in the Master Fund's ownership of underlying assets to seek to improve ESG practices in

relation to the E/S Promotion. These steps will be based around a real estate engagement framework focused on climate change mitigation – decarbonisation of the real estate sector, which is aligned with the environmental characteristic promoted by the Sub-Fund, and occupant satisfaction and wellbeing, which is aligned with the social characteristic promoted by the Sub-Fund (the "**Real Estate Engagement Framework**").

Promoted characteristic	Type	Binding investment criteria
Advancing the climate & energy transition	Negative screen	Except for certain Green UoP Loans (as defined below), negatively screen investments for revenue involvement in mining and/or extraction of thermal coal (equal to or greater than 1% of revenue)
	Negative screen	Except for certain Green UoP Loans, negatively screen investments for revenue involvement in energy generation using thermal coal (equal to or greater than 25% of revenue)
	Negative screen	Except for certain Green UoP Loans, negatively screen investments for revenue involvement in extraction of oil sands (equal to or greater than 5% of revenue)
	Negative screen	Except for certain Green UoP Loans, negatively screen investments for revenue involvement in extraction of Arctic oil and/or gas (equal to or greater than 5% of revenue)
	Real Estate Engagement Framework	For Significant Equity Investments, develop and adopt a decarbonisation action plan for assets within 18 months of the Master Fund closing on an asset
	Real Estate Engagement Framework	For Significant Equity Investments, annually promote green lease clauses on all new lease agreements / lease renewals
	Real Estate Engagement Framework	For tenancies offered green lease clauses, achieve 30% coverage with green lease clauses by 2030
Expanding social opportunities	Negative screen	Negatively screen investments for revenue involvement in tobacco production (equal to or greater than 1% of revenue)
	Negative screen	Negatively screen investments for revenue involvement in the sale of tobacco (equal to or greater than 10% of revenue)
	Negative screen	Negatively screen investments for revenue involvement in the operation of private prisons (equal to or greater than 1% of revenue)
	Negative screen	Negatively screen investments for revenue involvement in the production

		of controversial weapons (greater than 0% of revenue)
	Negative screen	Negatively screen investments for revenue involvement in the production nuclear weapons (equal to or greater than 5% of revenue)
	Real Estate Engagement Framework	For Significant Equity Investments, issue a tenant satisfaction and wellbeing survey to tenants (excluding residential and short-term tenancies) at least once every three years
Both advancing the climate & energy transition <u>AND</u> expanding social opportunities	Negative screen	Negatively screen investments assessed as violating the UN Global Compact and/or OECD Guidelines for Multinational Enterprises
	Negative screen	Negatively screen investments scoring "Very High Risk" on proprietary ESG Risk Rating Framework
	Portfolio-level requirement	Apply proprietary ESG Risk Rating Framework to all eligible holdings
	Portfolio-level requirement	Equal to or greater than 80% of eligible holdings will have scored "Average" or better on proprietary ESG Risk Rating Framework
	Portfolio-level requirement	Over a 24-month period, engage with all eligible holdings in line with the Investment Manager's ESG Policy

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable.

- **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager assesses the good governance practices of investee companies and potential investee companies in accordance with the Investment Manager's good governance policy. The Investment Manager uses third-party service providers to assess *inter alia* compliance of investee companies with the UN Global Compact principles and OECD Guidelines for Multinational Enterprises. The Investment Manager applies exclusionary screens based on the information provided by such third-party data sources in accordance with the Investment Manager's good governance policy.

**Asset allocation** describes the share of investments in specific assets.



**What is the asset allocation planned for this financial product?**

**#1 Aligned with E/S characteristics:** After the Ramp-Up Period (as defined below), the Investment Manager intends to invest a minimum of 80% of the Sub-Fund's assets through the Master Fund in investments which, in addition to seeking to

attain the broader economic objectives and investment strategy of the Sub-Fund and Master Fund, are E/S Aligned Investments (the "**E/S Alignment Commitment**"). The E/S Alignment Commitment will be measured as a percentage calculated over the period of each financial year of the Master Fund, the numerator of which is the total cost basis of the underlying E/S Aligned Investments of the Master Fund (as calculated at the point of investment for each relevant underlying investment) and the denominator of which is the total cost basis of all the underlying investments of the Master Fund (as calculated at the point of investment for each relevant underlying investment), excluding cash, derivatives, and ancillary liquid assets where such instruments are used, as context may require, for efficient portfolio management, liquidity management, hedging or cost management.

At the point of investment and on an annual basis, the Investment Manager will assess whether an investment is aligned with one or more of the environmental and/or social characteristics promoted by the Sub-Fund using a positive screening approach based on its proprietary ESG Risk Rating Framework. For debt instruments, the Investment Manager may also determine that an investment is an E/S Aligned Investment if it is a loan for which the proceeds must be applied by issuers to projects with an environmental objective (each a "**Green UoP Loan**"). For Significant Equity Investments, the Investment Manager may also determine that an investment is an E/S Aligned Investment based on the Real Estate Engagement Framework (a) if a decarbonisation action plan has been adopted or (b) the occupant satisfaction and wellbeing characteristic promoted by the Sub-Fund, (i) if it has positive tenant satisfaction ratings on aggregate or (ii), if not, appropriate remedial steps, as may reasonably be determined by the Investment Manager in its sole discretion, have been taken by the Investment Manager to address tenant concerns relating to satisfaction and wellbeing. Exceptionally, the Investment Manager may determine that an investment is an E/S Aligned Investment based on engagement with an issuer carried out in line with the Investment Manager's ESG Policy that results in changes that contribute to the environmental and/or social characteristics promoted by the Sub-Fund as reasonably determined by the Investment Manager in its sole discretion.

The E/S Alignment Commitment is subject to the following:

- As the Master Fund will seek to invest opportunistically in illiquid assets, the Investment Manager considers that it is appropriate to measure the E/S Alignment Commitment by reference to total cost basis and calculated over the period of the financial year of the Master Fund. In addition, given the Master Fund will seek to invest opportunistically in illiquid assets, there may be periods during the financial year and during the lifecycle of the Master Fund (including its initial investment period, and divestment period) where the proportion of the Master Fund's

underlying portfolio invested in E/S Aligned Investments is less than 80%. In relation to the initial investment period of the Sub-Fund, the E/S Alignment Commitment will not apply during a ramp-up period of 12 months after the Master Fund's first subscriptions from investors are received (the "**Ramp-Up Period**").

- Should the minimum commitment not be achieved because of market or currency fluctuations, no remedial action will be required for these reasons.
- Any reference in this Annex to the E/S Alignment Commitment and/or to the percentage amount of that commitment must be read subject to the exceptions in the above bullet points.

**#1A Sustainable:** The Master Fund might acquire assets qualifying as Sustainable Investments. However, given the likelihood of variation in scale and valuation of various potential investments, the Investment Manager cannot estimate the minimum proportion of Sustainable Investments or the degree to which assets will be allocated to specific categories of investments. Consequently, the Investment Manager does not commit to making Sustainable Investments.

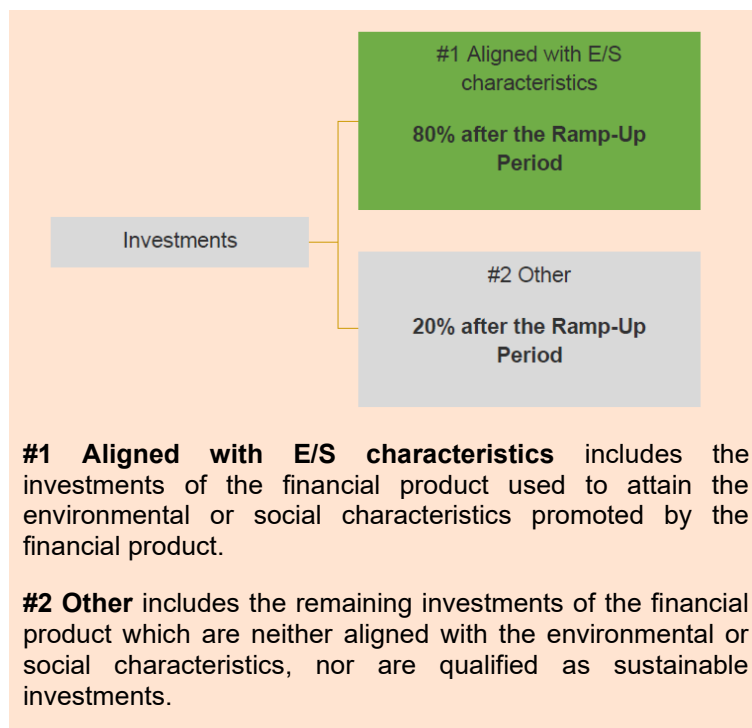
**#2 Other:** The remaining investments will seek to achieve the broader economic objectives and investment strategies of the Sub-Fund and the Master Fund. Such investments may include investments made to seek to generate favourable economic returns, investments made for diversification purposes, and investments for which data are lacking. There could also be investments that may not match the binding elements of the investment strategy used to attain the E/S Promotion, as described above, in their entirety or for which the Investment Manager and the Master Fund will not have sufficient influence or information rights to implement or monitor the implementation of the Sub-Fund's objectives in this respect.

For the avoidance of doubt, cash, derivatives, and ancillary liquid assets, where such instruments are used, as the context may require, for efficient portfolio management, liquidity management, hedging or cost management, are not considered to be investments for asset allocation purposes. Therefore, as described above, such instruments are excluded from the denominator used by the Investment Manager to measure the E/S Alignment Commitment and will not be included in either "#1 Aligned with E/S characteristics" nor "#2 Other" categories of investments.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g., for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The Investment Manager will not generally use derivatives to attain the environmental or social characteristics of the Sub-Fund.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Investment Manager, on behalf of the Sub-Fund, does not commit to make investments which are aligned to any minimum extent with the EU Taxonomy. As such, the Investment Manager discloses for the purposes of the SFDR and the EU Taxonomy that the Sub-Fund has no minimum alignment with the EU Taxonomy.

The Investment Manager does not currently use the EU Taxonomy as a mandatory part of its investment process, and so wishes to retain the flexibility to invest in investments which are suitable for the Sub-Fund and the Master Fund, without being tied to a minimum commitment to make Taxonomy-aligned investments. The Investment Manager considers that this approach is consistent with its duty to act in the best interests of investors in the Sub-Fund.

While the Investment Manager, on behalf of the Sub-Fund, does not commit to make investments which are aligned to any minimum extent with the EU Taxonomy, the Master Fund may nevertheless make sustainable investments aligned with the EU Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>16</sup>?**

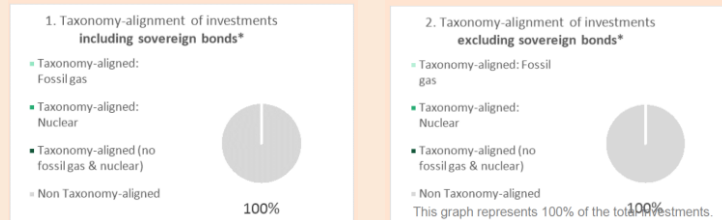
- Yes:
  - In fossil gas     In nuclear energy
  - No

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*


● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable as the Investment Manager, on behalf of the Sub-Fund, does not commit to make investments which are aligned with the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Investment Manager, on behalf of the Sub-Fund, does not commit to make Sustainable Investments. While the Investment Manager, on behalf of the Sub-Fund, does not commit to make a minimum share, as noted above, the Master Fund may nevertheless make Sustainable Investments with an environmental objective that are not aligned with the EU Taxonomy.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

<sup>16</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



**What is the minimum share of socially sustainable investments?**

Not applicable, the Investment Manager, on behalf of the Sub-Fund, does not commit to make a minimum share of socially Sustainable Investments. While the Investment Manager, on behalf of the Sub-Fund, does not commit to make a minimum share, as noted above, the Master Fund may nevertheless make socially Sustainable Investments.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The purpose of any investments made by the Master Fund that may be classified as "#2 Other" within the SFDR will be to seek to achieve the broader economic objectives and investment strategies of the Sub-Fund and the Master Fund. Such investments may include investments made to seek to generate favourable economic returns, investments made for diversification purposes, and investments for which data are lacking. There could also be investments that may not match the binding elements of the investment strategy used to attain the E/S Promotion, as described above, in their entirety or for which the Investment Manager and the Master Fund will not have sufficient influence or information rights to implement or monitor the implementation of the Sub-Fund's objectives in this respect.

For the avoidance of doubt, cash, derivatives, and ancillary liquid assets, where such instruments are used, as the context may require, for efficient portfolio management, liquidity management, hedging or cost management, are not considered to be investments for asset allocation purposes. Therefore, as described above, such instruments are excluded from the denominator used by the Investment Manager to measure the E/S Alignment Commitment and will not be included in either "#1 Aligned with E/S characteristics" nor "#2 Other" categories of investments.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No.

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the designated index differ from a relevant broad market index?**

Not applicable.

- **Where can the methodology used for the calculation of the designated index be found?**

Not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on the website: <https://investor.apollo.com>.

24. **SUB-FUND SUPPLEMENT: APOLLO EUROPEAN PRIVATE CREDIT - SUB-FUND I**

to the Prospectus of **Apollo Private Markets SICAV**

relating to the sub-fund **Apollo European Private Credit– Sub-Fund I**

(hereinafter the "**Sub-Fund**")

**Important Notice**

This Sub-Fund Supplement summarizes selected features of the Sub-Fund in table format. Investors are strongly recommended to carefully read this Sub-Fund Supplement in conjunction with the general part of the Prospectus and the Articles and to seek professional advice before making any decision to subscribe for shares in the Sub-Fund. Terms not otherwise defined in this Sub-Fund Supplement shall have the meaning given to them in the Prospectus.

**Investment in the Sub-Fund is only intended for investors who: (i) understand the Sub-Fund's strategy, characteristics and risks in order to make an informed investment decision; and (ii) have knowledge of, and investment experience in, credit products, including (in particular) those that may use borrowing to leverage investment (such as this Sub-Fund) and financial markets generally.**

**Participation in the Sub-Fund will be offered primarily through Financial Intermediaries, which generally have client net worth thresholds and other requirements. Accordingly, the Sub-Fund is primarily intended for investors who have established relationships with such Financial Intermediaries. Investors should consult with their Financial Intermediary to discuss potential eligibility and suitability requirements for investment in the Sub-Fund.**

**Investors are specifically referred to the risk factors in the general part of the Prospectus and in this Sub-Fund Supplement, under "Risk Factors" and as set out in Annex III.**

In the Prospectus and Subscription Agreement for Shares in the Sub-Fund, each Investor confirms that it has read and understood the aforementioned documentation and that it has sought professional advice in respect to such documentation. By signing the Subscription Agreement, each Investor confirms its agreement with the content of the Prospectus (including all annexes and exhibits thereto), this Sub-Fund Supplement and the Articles.

Participation in the Sub-Fund involves intricate tax and regulatory matters that may differ from Investor to Investor. Each Investor is advised to clarify the actual tax and regulatory effects that participation in the Sub-Fund may have in its particular case with its personal tax and legal advisor.

References to the "Sub-Fund" in this Sub-Fund Supplement shall include, unless the context otherwise requires, the Umbrella Vehicle (or any agent thereof) acting in respect of the Sub-Fund.

**Notice to residents of the European Economic Area**

Pursuant to the EU Directive 2011/61/EU on the Alternative Investment Fund Managers Directive (the "**AIFMD**"), the Umbrella Vehicle will constitute an EU AIF whose AIFM is itself an EU AIFM. Each Member State of the European Economic Area has adopted legislation implementing the AIFMD into national law. Under the AIFMD, marketing of the Shares of the Sub-Fund to any (prospective) Investor domiciled or with a registered office in the European Economic Area will be restricted by such laws and no such marketing shall take place except as permitted by such laws. Potential Investors should ensure they are able to subscribe for Shares in the Sub-Fund in accordance with the above laws.

When marketed under the AIFMD marketing passport provided for in article 32 of the AIFMD, Shares in the Sub-Fund are only available for purchase by Professional Investors, being Investors

that are considered to be a professional client or may, on request, be treated as a professional client, within the meaning of Annex II to Directive 2014/65/EU ("**MiFID II**").

For the avoidance of doubt, marketing to retail clients may take place, but only where this is permitted under applicable local law and to the extent that (where required) a PRIIPS KID has been made available to any retail investors.

### **Notice to residents of Luxembourg**

In Luxembourg, Shares in the Sub-Fund may be subscribed by both retail investors and institutional investors. Retail investors in particular should note that investment in the Sub-Fund is only intended for investors who: (i) understand the Sub-Fund's strategy, characteristics and risks in order to make an informed investment decision; and (ii) have knowledge of, and investment experience in, credit products, (including (in particular) those that may use borrowing to leverage investment (such as this Sub-Fund)) and financial markets generally.

### **Notice to residents of the United Kingdom**

This communication is issued in the UK by Apollo Management International LLP.

The Umbrella Vehicle (including the Sub-Fund) is a collective investment scheme for the purposes of section 235 of the Financial Services and Markets Act 2000 of the United Kingdom, as amended ("**FSMA**"). It has not been authorized, or otherwise recognized or approved, by the FCA and as an unregulated collective investment scheme, it cannot be promoted in the United Kingdom to the general public. Accordingly, neither the Prospectus nor this Sub-Fund Supplement is to be distributed, delivered or passed on to any person resident in the United Kingdom, unless it is being made only to, or directed at persons falling within, the categories discussed below.

The communication of the Prospectus and this Sub-Fund Supplement (together, the "**Materials**") is directed at, and Shares are available only to, the following persons in the United Kingdom:

If made by a person who is not an authorised person in the UK, such offer or distribution is being made only to or, directed only at: (i) persons falling within any of the categories of "investment professionals" as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**") (ii) persons falling within any of the categories of persons described in Article 49(2) of the Financial Promotion Order (high net worth companies, unincorporated associations etc.), (iii) persons falling within the categories of "high net worth individual" described in Article 48(2) of the Financial Promotion Order or "self-certified sophisticated investor" described in Article 50A(1) of the Financial Promotion Order and (iv) any other person to whom it may otherwise lawfully be made (all such persons together being referred to as "**A Relevant Persons**"). Communication of the Materials to, or reliance on them by, any person who is not a Relevant Person is unauthorized and may contravene FSMA, and any such person should return them immediately.

If made by a person who is an authorised person in the UK, such offer or distribution is being made only to or, directed only at: (i) persons falling within any of the categories of "investment professionals" as defined in article 14(5) of the Financial Services and Markets Act 2000 (Promotion of CIS)(Exemptions) Order 2001, (as amended) (the "**CISO**"); (ii) persons to whom Article 22(2) of the CISO (high net worth companies, unincorporated associations, etc.) applies; (iii) persons falling within the categories of "high net worth individual" described in Article 21(2) of the CISO (being individuals who have certified their net worth in the form and as required by the CISO) and "self-certified sophisticated investor" described in Article 23A(1) of the CISO (being individuals who have certified that they are a sophisticated investor in the form and as required by the CISO); (iv) persons falling who fall within the categories of persons described in COBS 4.12B of the FCA Handbook of rules and guidance, subject to the requisite procedural requirements in COBS 4.12B being complied with; or (v) any person to whom it may otherwise lawfully be made (all such persons together being referred to as "**B Relevant Persons**", and A Relevant Persons and B Relevant Persons being collectively referred to as "**Relevant Persons**").

For Relevant Persons who are high net worth individuals, self-certified sophisticated investors or other Relevant Persons falling within similar exemptions under the FPO or the CISO: the content of this promotion has not been approved by an authorised person within the meaning of FSMA. Reliance on this promotion for the purpose of buying the Shares to which the promotion relates may expose an individual to a significant risk of losing all of the property or other assets invested. This Prospectus is exempt from the general restriction in Section 21 of FSMA on the communication of invitations or inducements to engage in investment activity and/or section 238 of FSMA the restriction on the promotion of unregulated schemes, on the grounds that it is being issued to and/or directed at only the types of person referred to above. The Umbrella Vehicle is a limited liability company and any person who acquires Shares will not thereby be exposed to any significant risk of incurring additional liability. If a potential Investor is in doubt about the investment to which this promotion relates, they should consult an authorised person specialising in advising on investments of the kind in question.

For Relevant Persons who fall within the categories of persons described in COBS 4.12B of the FCA Handbook: Don't invest unless you're prepared to lose all the money you invest. **This is a high-risk investment and you are unlikely to be protected if something goes wrong.**

Furthermore, the Sub-Fund is a non-mass market investment (NMMI) and is only suitable for investors with a certain profile and objectives. An investment in the Sub-Fund should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment. The Sub-Fund is likely to be suitable for sophisticated investors with knowledge of investments of this nature, who are of capable of bearing the loss of all capital invested and have a high risk tolerance, who have read and fully understood the risks set out in the Key Information Document (KID) and Section 19 "Risk Factors" of this Prospectus as well as the investment objectives, charges, fees and expenses of the Sub-Fund. The Sub-Fund is not appropriate for investors seeking a short term investment – the recommended holding period for the Sub-Fund as set out in the KID is 5 years. The Sub-Fund is not suitable for, and no offer in this Prospectus is made to, any investors whose profile and objectives are not consistent with those described in this paragraph. Nothing in this Prospectus should be construed as investment advice.

Communication of the Materials to, or reliance on them by, any person who is not a Relevant Person is unauthorized and may contravene FSMA, and any such person should return them immediately. No person, other than Relevant Persons, may act on the Materials and any investment or investment activity to which they relate is available only to Relevant Persons and will be engaged in only with such persons. Persons of any other description in the United Kingdom may not receive and should not act or rely on the Materials or any other marketing materials relating to the Sub-Fund. The Materials will only be distributed, and Shares will only be offered, in circumstances permitted under the Alternative Investment Fund Managers Regulations 2013, as amended ("**UK AIFM Regulations**"). This Prospectus will only be distributed, and Shares will only be offered, in circumstances permitted under the Alternative Investment Fund Managers Regulations 2013.

Potential Investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Sub-Fund, and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The Materials are not an approved prospectus for the purposes of section 85 of the FSMA.

#### **Notice to residents of Germany**

The Shares in the Sub-Fund described in the Materials may only be distributed or offered to German resident investors being professional investors within the meaning of section 1 para. 19 no. 32 of the German Capital Investment Act (*Kapitalanlagegesetzbuch* – "**KAGB**"), or semi-professional investors within the meaning of section 1 para. 19 no. 33 of the KAGB. The Shares in the Sub-Fund described in the Materials must not be distributed or offered to retail investors within the meaning of section 1 para. 19 no. 31 KAGB. Please note that the Board of Directors may also not consent to transfers of the Shares to German resident transferees who are not professional or semi-professional investors within the meaning of the KAGB. Potential investors

or transferees may be required to provide evidence on their status as professional or semi-professional investors within the meaning of the KAGB.

#### **Notice to residents of Italy**

The Shares in the Sub-Fund described in the Materials must not be marketed to any Italian potential Investors, other than professional investors as defined under AIFMD (and MiFID II) as well as non-professional investors, provided that such non-professional investors (in accordance with Article 14 of Ministerial Decree 30/2015):

- A. subscribe for Shares for at least an initial minimum (non-divisible) amount of EUR 500,000 (or the equivalent thereof in another currency);
- B. subscribe for Shares for at least an initial minimum (non-divisible) amount of EUR 100,000 (or the equivalent thereof in another currency) provided that – with respect to this sub-paragraph (B):
  - i. they have received investment advice; and
  - ii. as a result of the subscription, the overall amount of their investments in alternative investment funds reserved for subscription to special categories of investors (reserved funds) does not exceed 10% of their financial portfolio (including the value of their bank deposits, insurance-based investment products and financial instruments); or
- C. subscribe through entities licensed to provide portfolio management investing on their behalf in the context of such portfolio management.

#### **Notice to residents of Switzerland**

The Umbrella Vehicle is not approved by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") for offering to non-qualified investors in Switzerland pursuant to Art. 120(1) and (2) of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("**CISA**"). Consequently, Shares may not be offered or advertised and the Prospectus, this or any Sub-Fund Supplement, the Articles, the Subscription Agreement and any other offering material or document relating to the Umbrella Vehicle, the Sub-Fund(s) and/or the Shares may not be distributed or otherwise made available in Switzerland to non-qualified investors within the meaning of the CISA. Investors in the Umbrella Vehicle do not benefit from the specific investor protection provided by the CISA and the supervision by FINMA in connection with the approval for offering.

The Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement and any accompanying documentation do not constitute an issuance prospectus pursuant to the Swiss Federal Act on Financial Services of 15 June 2018, as amended (the "**FinSA**"), nor otherwise under Swiss law, and may therefore not comply with the corresponding disclosure standards. Furthermore, the Shares have not been and are not expected to be listed on any stock exchange or other regulated trading venue in Switzerland and, consequently, the information presented in the Prospectus, this or any Sub-Fund Supplement or any accompanying documentation does not necessarily comply with the disclosure standards set out in the relevant listing rules. Neither the Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement nor any other offering or marketing materials relating to the Umbrella Vehicle or the Shares have been or will be filed with, or approved by, any Swiss governmental authority.

In Switzerland, the Umbrella Vehicle and the Shares may only be advertised or offered, and the Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement or any other advertising or offering materials relating to the Umbrella Vehicle or the Shares may solely be provided, to qualified investors pursuant to art. 10 para. 3 CISA (i.e. professional clients or institutional clients in accordance with art. 4 para. 3 to 5 or art. 5 para. 1 and 4 of the FinSA). Certain persons may on a discretionary basis be considered eligible for investment in the Umbrella Vehicle (a) under art. 10 para. 3ter CISA if they intend to subscribe in the context of a long-term, remunerated investment management or investment advisory agreement with a prudentially regulated financial



intermediary, or (b) if an intended subscription comes about at the express initiative of the potential investor that was not preceded by any advertising by the Umbrella Vehicle, its affiliates, agents or representatives.

The Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement and any accompanying documentation do not constitute investment advice. Said materials may only be used by those persons to whom they have been delivered in connection with the Umbrella Vehicle or the Shares and may neither be copied nor directly or indirectly distributed or made available to other persons.

The Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement and/or key information documents as well as annual and semi-annual reports may be obtained free of charge from the Swiss Representative.

In respect of the Shares offered in Switzerland, the place of performance is the registered office of the Swiss Representative. The place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or place of residence of the Investor.

**The Sub-Fund Supplement**

<b>Sub-Fund</b>	Apollo European Private Credit – Sub-Fund I (the " <b>Sub-Fund</b> ") is an open-ended investment compartment ( <i>compartiment</i> ) of the Umbrella Vehicle.
<b>Investment Objective and Strategy</b>	<p>It is intended that the Sub-Fund will invest at least 85% of its assets, with the balance intended to be used for (i) a liquidity reserve to facilitate Investor redemptions (the "<b>Liquidity Reserve</b>"); and (ii) any reserves for the payment of expenses, liabilities or other obligations of the Sub-Fund, in each case which may comprise cash, cash equivalents and/or liquid instruments, as a limited partner in Apollo European Private Credit (Master) SCSp (the "<b>Master Fund</b>"). The Master Fund is a non-regulated fund. Further details regarding the Master Fund are provided in Annex I to this Sub-Fund Supplement.</p> <p>The Master Fund's investment focus will primarily be direct lending in the mid-market and large cap originations and to a lesser extent for liquidity management purposes more liquid credit investments, in each case, primarily in relation to European (including, for the avoidance of doubt, U.K.) borrowers, with its strategy aimed at generating favorable returns across credit cycles with an emphasis on capital preservation. The Master Fund's portfolio will be senior orientated, with the majority of its investments intended to be first lien or senior secured loans and to a lesser extent second lien loans. The portfolio may also comprise bonds, loan receivables, syndications, funded or unfunded sub-participations, assignments, leveraged loans or any other kind of loan asset of companies.</p> <p>The Master Fund's investments may include, in relation to borrowers with a history of profitability, sponsor backed primary leveraged buyouts and non-sponsored companies, bonds, capital structure refinancings, dividend recapitalizations and general corporate loans, in sectors including commercial services and supplies, software, media, healthcare providers and services, personal products and IT services. The Master Fund may also make investments for liquidity management purposes in, cash, cash equivalents and other short-term investments.</p> <p>The Master Fund may also invest in the debt securities and equity securities of entities or groups to whom it lends and in warrants and rights attaching to such securities, provided that such investment is related to the Master Fund's debt investments or lending activities. The Master Fund may also invest in other securities or debt instruments.</p> <p>It should be noted that the Master Fund shall not invest more than:</p> <ul style="list-style-type: none"> <li>• 20% of its NAV at the time of investment in any single issuer or borrower. Should such restriction be exceeded for any reason other than the purchase of one or more additional investments (for example market or currency fluctuations), no remedial action will be required for these reasons;</li> <li>• 20% of its NAV at the time of investment in asset-backed securities, mortgage-backed securities, residential mortgage-backed securities, collateralized debt obligations and/or collateralized loan obligations;</li> </ul>

	<ul style="list-style-type: none"> <li>• 15% of its NAV at the time of investment in second lien loans; and</li> <li>• 15% of its NAV at the time of investment in any issuer or borrower with less than €10 million of EBITDA (measured at the time of the origination of the loan to the relevant issuer or borrower).</li> </ul> <p>The above investment restrictions will not apply during a ramp-up period of four years after the Master Fund's first subscriptions from investors are received.</p> <p>The Master Fund shall not originate loans to natural persons, the AIFM, the Investment Manager or any Affiliate thereof.</p> <p>Investments may be made in EUR (the functional currency of the Sub-Fund), USD, GBP and CHF and the other EEA currencies (BGN, HRK, CZK, DKK, HUF, PLN, RON, SEK, ISK and NOK).</p> <p>There can be no guarantee that the Master Fund, and in turn the Sub-Fund, will achieve their investment objectives.</p> <p>In addition to the primary objective of generating favorable economic returns described above, the Sub-Fund promotes certain environmental and social characteristics in accordance with the strategy described in Annex V to this Sub-Fund Supplement (the "<b>E/S Promotion</b>"). The full details of the E/S Promotion are set out in the annex, but its key elements are described below.</p> <p>The Sub-Fund promotes the environmental characteristic of advancing the climate and energy transition and the social characteristic of expanding social opportunities. These environmental and social characteristics promoted by the Sub-Fund may be aligned with one or more United Nations Sustainable Development Goals.</p> <p>The Sub-Fund, through the Master Fund, will invest a certain proportion of assets in investments used to attain the environmental and/or social characteristics promoted by the Sub-Fund. In order to select these investments, the Investment Manager, as delegate of the AIFM, will apply binding investment criteria to the selection of underlying assets as part of its investment decision making process. The binding investment criteria include negative screens as well as portfolio-level requirements set in respect of ESG scoring (using a proprietary ESG Risk Rating Framework (as defined below)) and engagement on ESG issues through both the application of the Investment Manager's ESG Policy and the offering of sustainability-linked transaction provisions. The attainment of the environmental and social characteristics promoted by the Sub-Fund through the E/S Promotion will be measured using sustainability indicators relevant to the environmental and social characteristics promoted by the Sub-Fund.</p> <p>The Investment Manager shall also, on behalf of the Sub-Fund, consider the principal adverse impacts of its investment decisions on sustainability factors by evaluating such decisions against certain adverse sustainability indicators.</p>
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	<p>For more information, please see the "SFDR" section below, which sets out certain pre-contractual disclosures for the purposes of the SFDR.</p>
<p><b>Investment Manager</b></p>	<p>The AIFM has delegated its portfolio management function in respect of the Sub-Fund to Apollo Management International LLP (the "<b>Investment Manager</b>"), an English limited liability partnership and an Affiliate of Apollo Global Management, Inc ("<b>Apollo</b>"), with registered office at 1 Soho Place, London, W1D 3BG, England, pursuant to an investment management agreement entered into by the Investment Manager, the Umbrella Vehicle, acting in respect of the Sub-Fund, and the AIFM. The Investment Manager is authorized by the United Kingdom Financial Conduct Authority.</p> <p>The Investment Manager in turn intends to appoint Apollo Capital Management L.P. (the "<b>Sub-Investment Advisor</b>") as a sub-investment advisor in relation to the Sub-Fund, pursuant to a sub-investment advisory agreement to be entered into between (amongst others) the Investment Manager and the Sub-Investment Advisor. At no time will the Sub-Investment Advisor be involved in the final investment or divestment decision-making process of the Sub-Fund.</p> <p>The Investment Manager may, at any time, without the approval of Investors, terminate or assign the appointment of the Sub-Investment Advisor and appoint a replacement sub-investment advisor, sub-investment manager and/or Global Distributor provided that (1) such replacement shall not result in increased costs for the Investors; (2) prior notice of such termination and replacement is given to the AIFM in accordance with the AIFM Agreement; and (3) such replacement is appropriately authorized under applicable law (including, but not limited to, the Directive) to perform the relevant obligations.</p> <p>The Investment Manager may from time to time engage other Affiliates to undertake investment advisory or other functions and such relevant Affiliate will operate under the general oversight and supervision of the Investment Manager, which itself operates under the oversight by the AIFM.</p>
<p><b>Platform Advisor</b></p>	<p>S64 Ventures Limited, trading as S64 Capital Innovation, a limited company incorporated and registered in England and Wales with company number 11888553 whose registered office is at 91 Wimpole Street, London W1G 0EF, United Kingdom, will be appointed as the platform advisor (the "<b>Platform Advisor</b>") in relation to the Sub-Fund pursuant to a platform advisory agreement entered into between (amongst others) the Investment Manager and the Platform Advisor in respect of the Sub-Fund (the "<b>Platform Advisory Agreement</b>").</p> <p>In this capacity, the Platform Advisor may where necessary, support the Board of Directors in structuring the Sub-Fund, liaising with and facilitating the services to be provided by the Service Providers, providing assistance to the Board of Directors and the AIFM in governance, oversight and distribution related matters and more generally facilitate and support the day-to-day operations of the Sub-Fund. Further, the Platform Advisor may where necessary, assist in the lifecycle management and operational interface to Sub-Distributors and Investors, including through the provision of technological solutions and/or platforms to facilitate all of the foregoing. For the avoidance of doubt, at no time will the Platform</p>

	Advisor provide any investment advice to or in relation to the Sub-Fund.
<b>Term</b>	The Sub-Fund will continue for an unlimited period of time, until being put into liquidation in certain specified circumstances including as described under the section " <i>Dissolution</i> " below. Investors may request the redemption of their Shares on a quarterly basis as described in the section " <i>Redemption of Shares</i> " below, subject to the limitations set out in such section.
<b>Currency of the Sub-Fund</b>	<p>The Sub-Fund is denominated in Euro (EUR).</p> <p>The Sub-Fund may offer Classes (as defined below) denominated in other currencies. Subscription payments and distributions will be made in the currency of the applicable Class.</p> <p>The NAV per Share for the applicable Class will be reported to the Investors, and Class returns will be calculated and reported, in the applicable Class currency.</p>
<b>Shares</b>	<p>All Shares will be fully paid-up at the time of subscription.</p> <p>More details regarding the subscription process can be found in the general part of the Prospectus as well as under the section "<i>Subscription of Shares</i>" below.</p> <p>All Shares of the Sub-Fund will be registered in the Share register of the Umbrella Vehicle as described in the general part of the Prospectus.</p> <p>Fractions of Shares up to 2 decimal spaces will be issued.</p>
<b>Share Classes</b>	<p>The Sub-Fund currently offers the classes of Shares set out in Annex IV (each a "<b>Class</b>").</p> <p>Subject to the sole discretion of the Board of Directors, each holder of Shares in the Sub-Fund (each an "<b>Investor</b>") will be required to meet the eligibility criteria for the relevant Class set out in Annex IV.</p> <p>Except as otherwise described herein, the terms of each Class of Shares are identical. The Board of Directors has the authority to issue different Classes, sub-Classes, categories or sub-categories of Shares within the Sub-Fund. Details of the characteristics of each Class of Shares offered by the Sub-Fund will be determined by the Board of Directors and may have different rights, benefits, powers or duties, and may be subject to different terms, including with respect to fees, distributions and liquidity, which will be described in this Sub-Fund Supplement (as amended from time to time).</p>
<b>Type of Shares</b>	Registered Shares only.
<b>Hedging</b>	The Investment Manager may in its discretion, but is not obliged to, hedge exclusively interest rate and/or currency risks in connection with investments solely for portfolio management, but not for speculative purposes.
<b>Minimum Subscription</b>	The minimum initial and minimum subsequent subscription amount by each Investor in the Sub-Fund is as set out in Annex IV. Each Investor shall maintain a minimum holding of the amount of the minimum initial

	<p>subscription amount for such Class. Certain sub-distributors, countries and/or Share Classes may have higher minimums.</p>
<b>Defaulting Investor</b>	<p>If an Investor fails to fund its subscription, the respective application for subscription will not be accepted. The Sub-Fund, the Board of Directors, the AIFM, the Investment Manager, the Administrator and the Depositary have no liability for any delay or failure to issue Shares as a result of a Defaulting Investor failing to fund its subscription. A subscription will be held until cash is received. Cash must be received by the next available Dealing Date. If cash is not received by such date, the relevant subscription will be deemed to be revoked.</p>
<b>Borrowing</b>	<p>The Sub-Fund may, directly and/or indirectly, utilize leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an investment, provided that the Sub-Fund shall not incur short-term indebtedness or provide other short-term credit support that would cause it to exceed the Short-Term Borrowings Limit or incur indebtedness, directly and/or indirectly, that would cause its leverage to exceed the Leverage Limit, provided that no remedial action will be required if the Short-Term Borrowings Limit or Leverage Limit is exceeded for any reason other than the incurrence of an increase in indebtedness (including the exercise of rights attached to an investment). Provided further that, the Leverage Limit may be exceeded on a temporary basis to satisfy short-term liquidity needs, refinance existing borrowings or for other obligations, but in each case the Leverage Limit will not exceed 75%.</p> <p>For the purposes of this section:</p> <p><b>"Loan-to-Value Ratio"</b> means Consolidated Borrowings expressed as a percentage of aggregate gross asset value of the assets held directly or indirectly by the Sub-Fund and the Master Fund (without duplication) (as determined by the AIFM or the Administrator) as at the date of assessment in accordance with the AIFM's valuation policy in respect of the Sub-Fund; and</p> <p><b>"Consolidated Borrowings"</b> means the aggregate outstanding borrowings and guarantees (without duplication) of the Sub-Fund and the Master Fund (including their proportionate interest (calculated based on their equity ownership) of such outstanding borrowings and guarantees at the level of the Aggregator, its subsidiaries and the underlying investments) the proceeds of which are used to fund all or a portion of the capital necessary for an investment (for the avoidance of doubt, excluding (i) any internal indebtedness between the Sub-Fund, the Master Fund, the Parallel Entities (if any), the Aggregator, its subsidiaries and the investments; and (ii) any credit facility for working capital purposes at the level of the Sub-Fund, the Master Fund or the Aggregator including any Short-Term Borrowings).</p> <p>The Sub-Fund may make use of a credit facility for working capital purposes, including bridging of subscriptions and redemptions, currency hedging and running expenses (the <b>"Short-Term Borrowings"</b>).</p> <p><b>"ST Loan-to-Value Ratio"</b> means Short-Term Borrowings (including any other short-term indebtedness or other short-term credit support of the Sub-Fund but excluding for the avoidance of doubt leverage (including Consolidated Borrowings)) expressed as a percentage of aggregate gross asset value of the assets held directly or indirectly by</p>

	<p>the Sub-Fund (as determined by the AIFM or the Administrator) as at the date of assessment in accordance with the AIFM's valuation policy in respect of the Sub-Fund.</p> <p>The short-term borrowings limit consists of an aggregate ST Loan-to-Value Ratio of 10% (the "<b>Short-Term Borrowings Limit</b>").</p> <p>The leverage limit consists of an aggregate Loan-to-Value Ratio of 67% (the "<b>Leverage Limit</b>").</p> <p>The maximum total aggregate leverage calculated pursuant to the gross method and commitment method set out in the AIFMD is respectively 550% and 450%.</p>
<b>Initial Subscription Price</b>	<p>Until the Sub-Fund has determined its first NAV per Share for any Class, the subscription price for Shares in the Sub-Fund shall be as set out in Annex IV unless otherwise determined by the Board of Directors (excluding, in each case, applicable Subscription Fees) (as set out more particularly in the section titled "<i>Fees</i>" below).</p>
<b>Underlying Investors</b>	<p>Investments in the Sub-Fund may be made (i) directly or (ii) by appointing a Financial Intermediary to hold Shares as financial intermediary of and trustee upon trust for, such underlying Investor (each, an "<b>Underlying Investor</b>"), in accordance with and subject to the terms of the general part of the Prospectus.</p> <p>Any reference in the Prospectus and this Sub-Fund Supplement to "Investors" shall be read as a reference to the relevant Financial Intermediary and/or where appropriate, the Underlying Investor and any penalties, sanctions and requirements that can be imposed on an Investor will be, in respect of the relevant Financial Intermediary, applied to the relevant pro-rata portion of the relevant Financial Intermediary's Shares corresponding to the relevant Underlying Investor, in accordance with and subject to the terms of the general part of the Prospectus.</p> <p>Likewise, voting rights will be exercised by Financial Intermediaries through either (i) a split vote following voting instructions from each Underlying Investor or (ii) exercising voting rights further to a general power of attorney to vote on behalf of each Underlying Investor.</p>
<b>Eligibility</b>	<p>Each potential Investor wishing to subscribe for Shares in the Sub-Fund is required to execute a Subscription Agreement and make certain representations and warranties to the Sub-Fund, the Board of Directors, the AIFM and/or the Investment Manager. Each potential Investor must also satisfy the Eligible Investor qualifications as set out in the Subscription Agreement.</p>
<b>Genuine Diversity of Ownership</b>	<p>The application of certain aspects of the UK tax code may partially depend on whether the Umbrella Vehicle and/or the Sub-Fund meet the "genuine diversity of ownership" condition in Regulation 75 of the UK Offshore Funds (Tax) Regulations (SI 2009/3001) (the "<b>GDO Condition</b>").</p> <p>In this regard, the Board of Directors confirms that the Sub-Fund is intended for and marketed to a wide range of investors (including retail clients, where permitted).</p>

	<p>For the purposes of the GDO Condition, the Board of Directors undertakes that interests in the Sub-Fund:</p> <ul style="list-style-type: none"> <li>• are and will continue to be widely available; and</li> <li>• are, and will continue to be, marketed to, and made available sufficiently widely, to reach the intended categories of investors mentioned above and in a manner appropriate to attract these kinds of investors.</li> </ul>
<b>Communication and announcements to the Investors</b>	<p>To the extent permitted by the 1915 Law, the 2010 Law or any other Luxembourg laws or regulations, an electronic secure platform may be used for the transmission of all notifications and announcements of the Board of Directors and the Sub-Fund, such as, for instance information notices, financial reports and corporate information.</p>
<b>Subscription of Shares</b>	<p>Prospective Investors and/or Investors may submit subscription requests to purchase Shares on an ongoing basis, but prospective Investors and/or Investors may only purchase Shares pursuant to accepted subscription orders as of the first Business Day of each month (the "<b>Dealing Date</b>"). The first Dealing Date is expected to occur on 1 February 2024. A prospective Investor and/or Investor generally must notify the Administrator of its desire to subscribe for Shares (i) for new subscriptions, by 5.pm. Central European Time on the Business Day, at least 5 Business Days prior to the Dealing Date, and (ii) for subsequent subscriptions, by 5.pm. Central European Time on the Business Day, at least 5 Business Days prior to the Dealing Date (in each case, unless such notice period is waived by the Board of Directors and/or the Administrator).</p> <p>To be accepted, a subscription request must be accompanied by an executed Subscription Agreement completed to the satisfaction of the Administrator, including (a) satisfying any additional requirements imposed by the prospective Investor and/or Investor's broker-dealer and/or other Financial Intermediary, (b) satisfying the know your client (KYC), terrorist financing and anti-money laundering checks carried out by the Administrator or such other person appointed by the Board of Directors by 5.pm. Central European Time on the Business Day at least 5 Business Days prior to the Dealing Date and (c) payment of the full purchase price of the Shares being subscribed by 5.pm. Central European Time on the Business Day at least 4 Business Days prior to the Dealing Date (in each case, unless waived by the Board of Directors).</p> <p>The Board of Directors has the discretion to accept or reject subscription requests in full or in part, and in particular the Board of Directors may determine in the best interests of Investors that all or part of a subscription request should be deferred to a later Dealing Date. The Board of Directors may also declare additional or more frequent Dealing Dates.</p> <p>The purchase price per Share of each Class will be equal to the NAV per Share for such Class as of the immediately preceding Valuation Day to the relevant Dealing Date. As set out in Annex II, monthly NAV per Share for each Class and sub-Class (if any) as at such Valuation Day will generally be available by the 24<sup>th</sup> Business Day after the applicable Dealing Date. Prospective Investors and/or Investors will therefore not know the NAV per Share of their subscription until after the subscription has been accepted.</p>



	<p>The issue, subscription and redemption price of Shares for each Class and sub-Class (if any) will be made publicly available at <a href="https://gwms.apollo.com/EuropeanPrivateCredit">https://gwms.apollo.com/EuropeanPrivateCredit</a>.</p> <p>Investors may also be required to pay Subscription Fees to their Financial Intermediary (as set out more particularly in the section titled "Fees" below).</p> <p>The Board of Directors may in its discretion agree to issue Shares to one or more Investors as consideration for a contribution in kind in compliance with the conditions set forth by Luxembourg law.</p>
<p><b>Conversion of Shares</b></p>	<p>Investors may request the conversion of Shares between Classes in the Sub-Fund, including, for the avoidance of doubt, between Accumulation and Distribution Classes, provided that such Investor meets investor eligibility criteria and conditions applicable to such Class as set out in this Sub-Fund Supplement and the Prospectus. Accordingly, references to a "Class" in this Section shall include such Classes.</p> <p>The Board of Directors may suspend conversions in respect of Shares during any period that the determination of the NAV of the relevant Class is suspended in accordance with the rules set out in the Articles and the Prospectus.</p> <p>An Investor may request the conversion of all or part of its Shares of a Class on any Dealing Date; provided that the Investor fulfils the eligibility criteria of the relevant Class into which the conversion is requested and subject to the written consent of the Investor's broker or other Financial Intermediary, if applicable, and the Board of Directors or its delegate. Any conversion request which, when executed, would cause the Investor's investment to fall below the applicable minimum holding requirement, will be considered as a request for a full conversion for that Investor's Shares in that particular Class.</p> <p>Written conversion requests should be sent to the Administrator at least by 5 pm Central European Time on the Business Day at least 5 Business Days before the Dealing Date (unless such notice period is waived by the Board of Directors and/or the Administrator) (the "<b>Conversion Cut-Off</b>").</p> <p>All conversion requests must contain the following information:</p> <ul style="list-style-type: none"> <li>• the Dealing Date in respect of which the conversion request is made;</li> <li>• the full name(s) in which the Shares to be converted are registered;</li> <li>• the Class and its ISIN code from which Shares are to be converted and the Class and its ISIN code to which Shares will be converted; and</li> <li>• either the monetary amount or the number of Shares to be converted.</li> </ul> <p>If accepted by the Administrator, conversion requests received by the Administrator before the relevant Dealing Date (in respect of which the conversion request is made) will be dealt with on such Dealing Date</p>

	<p>on the basis of the NAV of the relevant Classes prevailing on that Dealing Date. Any conversion requests received after the Conversion Cut-Off for a Dealing Date will be processed on the next Dealing Date on the basis of the NAV of the relevant Classes prevailing on such Dealing Date.</p> <p>The number of Shares to be allocated in the new class (the "<b>New Class</b>") will be determined by dividing (a) the aggregate NAV of the number of Shares of the existing Class (the "<b>Initial Class</b>") to be converted (adjusted for currency exchange), by (b) the NAV per Share of the New Class, in each case with the NAV determined on the relevant Valuation Day.</p> <p>Following such conversion of Shares, the Administrator will inform the applicable Investor of the number of Shares of the New Class obtained by conversion and the price thereof. Fractions of Shares in the New Class to two decimal places may be issued.</p> <p>The Board of Directors (or its delegate) may in its own discretion at any time convert Shares from one Class into another Class of Shares where (i) the holding by the applicable Investor of Shares in a particular Class has fallen below the minimum investment and holding requirement for that Class as set out in the Prospectus and/or this Sub-Fund Supplement, (ii) an Investor does not meet or ceases to meet investor eligibility criteria and conditions set out in the Prospectus, this Sub-Fund Supplement and/or the Investor's Subscription Agreement, (iii) Investors are not otherwise entitled to acquire or possess these Shares, or (iv) the Board of Directors or its delegate determines that such conversion is necessary or advisable and not inequitable to Investors.</p> <p>The calculation procedure set out above will apply to any conversions so conducted at the direction of the Board of Directors and/or its delegate.</p>
<p><b>Redemption of Shares</b></p>	<p>Investors may request quarterly Share redemptions subject to and in accordance with the redemption process of the Master Fund. Investors will generally be able to request Share redemptions on a quarterly basis, effective as of the close of the last Business Day in March, June, September and December each year (each a "<b>Redemption Date</b>"). Investors may generally make a Redemption Request with a view to redeeming part or all of their Shares as at a Redemption Date by submitting a notice to the Administrator (in the form made available by the Sub-Fund) before 5.p.m. Central European Time on the Business Day that is at least 31 Business Days prior to the applicable Redemption Date (unless such notice period is waived by the Administrator). Once a redemption notice has been submitted, the Investor may not withdraw or revoke the Redemption Request save with the Board of Directors' consent. Any revocation request must be submitted before 5.p.m. Central European Time on the Business Day that is at least 31 Business Days prior to the relevant Redemption Date in respect of which such Redemption Request is made.</p> <p>Amounts distributed in connection with a redemption will be based upon the NAV per Share of the applicable Class of Shares being redeemed as of the coinciding Valuation Day to the relevant Redemption Date. As set out in Annex II, the monthly NAV of the Sub-Fund will generally be available by the 25th Business Day following the Valuation Day. Investors will therefore not know the NAV per</p>

	<p>Share of their redeemed Shares until after the redemption has been processed.</p> <p>The Sub-Fund expects that settlements of Share redemptions will generally be made within 30 Business Days of the Redemption Date. Investors whose Redemption Requests are accepted will cease to be Investors with respect to such redeemed Shares as of such Redemption Date and will therefore cease to be entitled to the rights of an Investor with respect to the redeemed Shares as of such date, including the right to receive distributions, and will not be entitled to interest on redemption payments. The aggregate NAV of total redemptions (on an aggregate basis (without duplication) across the Sub-Fund, the Master Fund and any Parallel Entities (if any) (as described in Annex I/Annex II)) is generally limited to 5% of the aggregate NAV per calendar quarter of the Sub-Fund, the Master Fund and any Parallel Entities (if any) (measured using the average of such aggregate NAV as of the end of the immediately preceding quarter), except in the event of exceptional circumstances described below.</p> <p>Redemption requests will only be fulfilled to the extent that the Sub-Fund may redeem corresponding Units (as defined in Annex I) in the Master Fund, unless otherwise agreed by the Board of Directors.</p> <p>The Board of Directors has the discretion to accept or reject Redemption Requests or to modify or suspend the redemption program in full or in part, and to determine in the best interests of Investors whether and to what extent to fulfil redemptions, and the timing of such fulfilment.</p> <p>The Board of Directors may suspend redemptions entirely in certain circumstances, as more particularly set out in the general part of the Prospectus at "Section 8: Redemption and Withdrawal" and "Section 11: Suspension of the Calculation of the Net Asset Value" being: (a) if the Board of Directors (or its delegate) determines that such redemption would be reasonably likely to have a material adverse effect on the Sub-Fund, the Investors (when considered as a whole) or any investment; (b) if the calculation of the Sub-Fund's Net Asset Value has been suspended in accordance with "Section 11: Suspension of the Calculation of the Net Asset Value" of the general part of the Prospectus; or (c) if the Board of Directors (or its delegate) determines that it is necessary to implement a redemption suspension period to protect the Investors remaining in the Sub-Fund and in the Articles. For the avoidance of doubt, it is intended that, in the absence of any market shifts or extraordinary market conditions, in which redemptions could be expected to be suspended, the Board of Directors expect suspensions of redemptions to take place in exceptional circumstances (as more particularly set out above and in the general part of the Prospectus at "Section 8: Redemption and Withdrawal" and "Section 11: Suspension of the Calculation of the Net Asset Value") and not on a systematic basis.</p> <p>In determining whether to suspend redemptions, the Board of Directors shall at all times take into account whether such redemption is considered to be in the best interests of the Sub-Fund and its Investors as a whole and/or if other such Investors are not harmed by such redemption, such as when redemptions of Sub-Fund Shares would place an undue burden on the Sub-Fund's liquidity, adversely affect the Sub-Fund's operations, risk having an adverse impact on</p>
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	<p>the Sub-Fund that would outweigh the benefit of redemptions of Shares or as a result of legal or regulatory changes.</p> <p>In making such a determination to suspend redemptions, the Board of Directors will have regard to the liquidity available to the Sub-Fund, including without limitation (i) utilizing the Liquidity Reserve, (ii) relying on a credit facility, or (iii) using distributable proceeds, provided that the Sub-Fund is under no obligation to take any of the above actions, or to realize investments, solely for the purpose of meeting Redemption Requests. As a general matter, however, an investment in the Sub-Fund should be considered to be illiquid.</p> <p>Material modifications to the Sub-Fund's redemption program, including any amendment to the 5% quarterly limitations on redemptions and suspensions of the redemption program will be promptly disclosed to Investors via the Sub-Fund's electronic secure platform or otherwise. If the redemption program is suspended, then the Board of Directors will be required to evaluate on a quarterly basis whether the continued suspension of the redemption program is in the best interests of the Sub-Fund and the Investors as a whole.</p> <p>In the event that, pursuant to the limitations above, not all of the Shares submitted for redemption during a given quarter are to be accepted for redemption by the Sub-Fund, Shares submitted for redemption during such quarter will be redeemed on a <i>pro rata</i> basis (measured on an aggregate basis (without duplication) across the Sub-Fund, the Master Fund and any Parallel Entities (if any) as applicable). All unsatisfied Redemption Requests will be automatically resubmitted for the next available Redemption Date, unless an Investor withdraws or revokes its Redemption Request with the consent of the Board of Directors before such Redemption Date in the manner described above.</p> <p>Corresponding redemption and suspension procedures apply at the level of the Master Fund, as more particularly set out in the documentation governing the Master Fund, which includes, for the avoidance of doubt, the quarterly redemption of Units in the Master Fund as at each Redemption Date.</p>
<b>Transfers</b>	<p>Investors may transfer part or all their Shares in the Sub-Fund upon prior consent from the Board of Directors, in its sole discretion, which shall be provided within 30 Business Days from its notification. The absence of a favorable response within 30 Business Days shall be considered a refusal to such transfer.</p> <p>Any Transferee must provide the Administrator with a duly completed Subscription Agreement, any required AML/KYC documents and any additional information or documentation as requested by the Administrator in connection with the transfer and by the Transferee's broker or Financial Intermediary, as applicable, including, without limitation, a written transfer agreement signed by the Transferor and Transferee in relation to the Shares being transferred.</p> <p>Any Transferee must meet investor eligibility criteria and conditions applicable to the relevant Class of Shares as set out in this Sub-Fund Supplement and the Prospectus.</p>
<b>Distributions</b>	<p>With respect to Accumulation Class Shares, the Sub-Fund does not anticipate declaring or paying cash dividends on such Shares. Accordingly, the Sub-Fund retains all realized net capital gains as to</p>

	<p>the Accumulation Class Shares, if any, and investment income to increase the Sub-Fund's net assets.</p> <p>With respect to Distribution Class Shares, any distributions the Sub-Fund makes are at the discretion of the Board of Directors, considering factors such as earnings, cash flow, capital needs, taxes and general financial condition and the requirements of applicable law. As a result, the Sub-Fund's distribution rates and payment frequency may vary from time to time. There is no assurance the Sub-Fund will pay distributions in any particular amount, if at all. For the avoidance of doubt, in the event amounts are distributed with respect to any Accumulation Class Shares, those shall be reinvested by the Board of Directors in such Class.</p> <p>It should be noted that the amount of distributions per Share on Class A Shares (if any), Class I Shares (if any), Class X Shares (if any), Class FA Shares (if any) and Class FI Shares (if any) will generally differ as the higher Management Fees applicable to Class A Shares and Class FA Shares will be deducted from gross distributions attributable to Class A Shares and Class FA Shares. Accordingly, distributions on Class A Shares (if any) will be lower, and distributions on Class FA Shares (if any) may be lower, than Class I Shares, Class X Shares and Class FI Shares.</p> <p>It should also be noted that the amount of distributions per Share on Class K Shares (if any) and Class X Shares (if any) will generally differ from that in relation to other Classes of Shares. No Management Fees or Subscription Fees will be deducted from gross distributions attributable to Class K Shares. No Management Fees will be deducted from gross distributions attributable to Class X Shares. Accordingly, distributions on Class K Shares (if any) and Class X Shares (if any) will be higher than Class A Shares, Class I Shares, Class FA Shares and Class FI Shares. Investors holding Shares with a functional currency other than Euro are exposed to fluctuations of the Euro foreign exchange rate and/or hedging costs, which may lead to variations on the amount to be distributed.</p>
<b>Net Asset Value</b>	<p>The AIFM will be responsible for the proper and independent valuation of the Sub-Fund's assets (within the meaning of the 2013 Law) with the support of the Investment Manager. The Investment Manager will provide valuation advice and assist the AIFM in the valuation of the assets of the Sub-Fund, while the AIFM ensures that the valuation function is independent from the Investment Manager, and performed in accordance with the 2013 Law. The calculation of the Sub-Fund's NAV will be carried out by the Administrator (under the supervision of the AIFM), respectively, in accordance with the rules set out in Section 10 of the Prospectus and Annex II to this Sub-Fund Supplement.</p> <p>Under the supervision of the AIFM, the Administrator will determine the NAV per Share for each Class and sub-Class (if any) of the Sub-Fund as of the last Business Day of each calendar month (the "<b>Valuation Day</b>"). The monthly NAV per Share for each Class and sub-Class (if any) will generally be available around 25 Business Days following the Valuation Day. The NAV of the Sub-Fund will be expressed in Euro. The NAV per Share for each Class and sub-Class (if any) of the Sub-Fund shall be expressed in the reference currency for such Class and sub-Class, as applicable.</p>

	The monthly NAV per Share for each Class and sub-Class (if any) will be made publicly available at <a href="https://gwms.apollo.com/EuropeanPrivateCredit">https://gwms.apollo.com/EuropeanPrivateCredit</a> .
<b>Fees</b>	<p><b>Management Fee</b></p> <p>In consideration for its services to the Sub-Fund, the Investment Manager shall be entitled to payment of a management fee (the "<b>Management Fee</b>") payable by the Sub-Fund in respect of Class I Shares equal to 1.25%, Class A Shares and Class FA Shares equal to 2.00%, and Class FI Shares equal to 0.75% of the Sub-Fund's NAV per annum attributable to Class I Shares, Class A Shares, Class FA Shares or Class FI Shares as applicable, payable monthly in arrears, before giving effect to any accruals for the Management Fee, redemptions for that month, any distributions and any impact to NAV solely caused by currency fluctuations for non-Euro Share Classes. The Investment Manager has agreed to waive the Management Fee for the first six months following the date on which the Sub-Fund's first subscriptions from Investors are received. No Management Fee will be borne by holders of Class K Shares or Class X Shares.</p> <p>The Investment Manager may waive or reduce the Management Fee charged to certain Investors at its sole discretion. Any such waiver may be effected either by way of rebate to the relevant Investor's account or by purchase of additional Shares by the Investment Manager for the Investor.</p> <p>The Investment Manager will use some of its investment Management Fee to remunerate certain financial intermediaries. In such cases, a portion of the fee will be allocated to an Investor's representative at the Financial Intermediary through which such Investor was placed in the Sub-Fund, in order to compensate such representative for reporting, administrative and/or other services provided by such representative. Investors should be aware that the receipt of this fee by an Investor's representative will result in a conflict of interest between the interests of the Investor and the interests of the relevant representative.</p> <p><b>Performance Fee</b></p> <p>No performance fee will be borne directly by the Sub-Fund. The Sub-Fund will indirectly bear its proportionate share of the Master Fund's performance fee (the "<b>Underlying Performance Fee</b>") with respect to its investment in the Master Fund. The terms of the Underlying Performance Fee are as more particularly set out in and governed by the documentation governing the Master Fund and as described in Annex IAnnex II.</p> <p>No Underlying Performance Fee will be borne by holders of Class K, Class FA Shares or Class X Shares.</p> <p><b>Subscription Fees</b></p> <p>Certain financial intermediaries through which an Investor subscribes to the Sub-Fund may charge such Investor upfront selling commissions, placement fees, subscription fees or similar fees ("<b>Subscription Fees</b>") on Shares sold in the offering that are paid by the Investor outside of its investment in the Sub-Fund and not reflected in the Sub-Fund's NAV. In certain circumstances, the Subscription Fees may be paid to Apollo and paid over, in whole or in</p>

	<p>part, to the Financial Intermediary that placed the Investor into the Sub-Fund. No Subscription Fees will be paid with respect to reinvestments of distributions for accumulating Share Classes. No Subscription Fees will be borne by holders of Class K Shares.</p> <p><b>Special Fees</b></p> <p>Special Fees (as defined more particularly below) in connection to the Sub-Fund's direct investments will be set off against the Management Fee as contemplated by "Section 20: Conflicts of Interest" of the general part of the Prospectus.</p> <p><b>Other Fees</b></p> <p>Other Fees (as defined more particularly below) associated with the Sub-Fund will be borne by the Sub-Fund, including as further described in the section "Organizational Expenses" below.</p> <p>Notwithstanding anything herein to the contrary, the Investors acknowledge that the Sub-Fund will, directly or indirectly, purchase investments in transactions where or relating to a portfolio company in respect of which an Affiliated Service Provider will act or has acted as an agent, broker, principal, arranger, advisor or syndicate manager or in respect of which an Affiliated Service Provider has been retained to provide loan administration services. Such Affiliated Service Provider will receive fees, including up-front fees and syndication fees, from the relevant portfolio company or syndicate members in respect of such activities, none of which shall constitute Special Fees or otherwise reduce Management Fees.</p> <p><b>All fees referenced above are exclusive of any applicable tax unless otherwise stated.</b></p> <p><b>Fees arising at multiple levels</b></p> <p>To the extent the Management Fee and/or the Underlying Performance Fee may apply at the level of the Sub-Fund, the Master Fund, the Aggregator and/or any other intermediary vehicle or Parallel Entity, Investors will only be charged such Management Fee and/or Underlying Performance Fee by the Investment Manager (or its designated Affiliate) once.</p>
<p><b>Other Fees, Costs and Expenses</b></p>	<p><b>Fees of the AIFM</b></p> <p>The AIFM is entitled to receive from the Sub-Fund, such fees as set out in the AIFM fee letter. The fees for the AIFM are subject to a minimum amount of EUR 50,000 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to Investors upon request free of charge at the registered office of the Umbrella Vehicle. The AIFM may be entitled to be reimbursed by the Sub-Fund for any expenses related to the advice of legal counsel and any other out-of-pocket expenses to the extent agreed by the Umbrella Vehicle and/or the Sub-Fund in the AIFM Agreement and the AIFM fee letter and such costs shall fall within scope of the Operating Expenses of the Sub-Fund.</p>

	<p><b>Fees of the Depositary</b></p> <p>The Depositary is entitled to receive from the Sub-Fund, depositary fees as set out in the Depositary Agreement.</p> <p>The fees for the Depositary and the Administrator are subject to a minimum amount of EUR 100,000 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to Investors upon request free of charge at the registered office of the Umbrella Vehicle.</p> <p><b>Fees of the Administrator</b></p> <p>The Administrator is entitled to receive from the Sub-Fund, administration fees as set out in the Administration Agreement.</p> <p>The fees for the Depositary and the Administrator are subject to a minimum amount of EUR 100,000 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to Investors upon request free of charge at the registered office of the Umbrella Vehicle.</p> <p><b>Platform Advisory Fee</b></p> <p>The Platform Advisor is entitled to receive an advisory fee as set out in the Platform Advisory Agreement (the "<b>Platform Advisory Fee</b>"). The Platform Advisory Fee will be borne by the Investment Manager out of the Management Fee, however, Investors should note that the Sub-Fund shall bear certain fees, costs and expenses in relation to the role of the Platform Advisor as Operating Expenses, as more particularly described below.</p> <p><b>Fees of the Auditor</b></p> <p>The Auditor is entitled to receive from the Sub-Fund, such fees as set out in an audit fee letter. The fees for the Auditor are subject to a minimum amount of EUR 38,250 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant audit fee letter, which will be made available to Investors upon request free of charge at the registered office of the Umbrella Vehicle.</p> <p><b>Other costs</b></p> <p>As more particularly described in "Section 13: Costs and Expenses" of the general part of the Prospectus, and subject to the section titled "<i>Operating Expenses – Discretionary Expense Cap</i>" below, the Board of Directors will charge to the Sub-Fund (and the same will be met out of the assets of the Sub-Fund) all Operating Expenses, including expenses, liabilities and costs incurred by the Board of Directors or charged by third party service providers in connection with the Sub-Fund, if and to the extent such expenses, liabilities and costs are directly incurred in connection with the investments or the management of the Sub-Fund, its subsidiaries or, as determined by the Investment Manager in good faith, any Additional Vehicle. The Sub-Fund will also bear its proportionate share of any costs, liabilities and expenses arising at the level of the Master Fund in connection with the investments and management of the Master Fund, as determined by the general partner of the Master Fund in its discretion acting reasonably. All fees, costs and expenses incurred in respect of any particular Investor, may be borne by such Investor, as determined</p>
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	<p>by the Board of Directors acting in good faith, including by deducting such amounts from distributions that would otherwise have been made to such Investor.</p> <p><b>All fees referenced above are exclusive of any applicable tax unless otherwise stated.</b></p>
<b>Organizational Expenses</b>	<p>All Organizational Expenses associated with the Sub-Fund and as determined by the Investment Manager in good faith, any Additional Vehicle will be borne by the Sub-Fund, as further described in the general part of the Prospectus (including its share of the payments, fees, costs, expenses and other liabilities incurred in connection with the formation and organization of the Umbrella Vehicle allocated to it by the Board of Directors in its discretion acting reasonably). The Sub-Fund will also bear its proportionate share of the organizational and offering expenses of the Master Fund, as determined by the general partner of the Master Fund in its discretion acting reasonably.</p> <p>The Investment Manager has agreed to advance, or procure that one of its Affiliates will advance, all of the Sub-Fund's Organizational Expenses on the Sub-Fund's behalf up to and including the first anniversary of the date on which the Sub-Fund accepts its first subscription (the "<b>Effective Date</b>"). Subject to the section titled "<i>Operating Expenses – Discretionary Expense Cap</i>" below the Sub-Fund will reimburse the Investment Manager for such advanced expenses ratably over the 60 months following the Effective Date. For the purposes of calculating the Sub-Fund's NAV, the Organizational Expenses paid by the Investment Manager and/or one of its Affiliates up to and including the Effective Date are not recognized as expenses or as a component of equity and will not be reflected in the Sub-Fund's NAV until the Sub-Fund reimburses the Investment Manager and/or one of its Affiliates (as applicable) for these expenses.</p>
<b>Operating Expenses</b>	<p>In relation to the Sub-Fund, "Operating Expenses" shall include the following payments, fees, costs, expenses and other liabilities and obligations resulting from, related to, associated with, arising from or incurred in connection with: (i) (a) the discovery, evaluation, investigation, development, acquisition, consummation, structuring, ownership, maintenance, monitoring, hedging, portfolio and risk management or disposition of investments (including brokerage, sales and underwriting commissions, private placement, syndication, solicitation, pricing and valuation (including appraisal), arranger, transaction, advisory, investment banking, custodial, depository, trustee, transfer agent, record-keeping and administrative fees, clearing, settlement and bank charges, deposits (including earnest money deposits), consent or other third-party fees or payments, closing, execution and transaction costs, other fees, costs and expenses in respect of derivative contracts (including any payments under, and any margin expenses relating to, such derivative contracts or any posting of margin or collateral with respect to such derivative contracts), investment costs, and other closing, execution and transaction costs, travel and related expenses (including with respect to potential investments) and other administrative fees, costs and expenses), irrespective of whether any such investment is ultimately consummated (including any broken deal expenses and Reverse Break-Up Fees), (b) any indebtedness, credit facility, guarantee, line of credit, loan commitment, letter of credit, hedging guarantee or similar credit support or other indebtedness involving the Umbrella Vehicle and/or Sub-Fund or any investment (including any payment of</p>

	<p>principal or fees, costs and expenses incurred in obtaining, negotiating, entering into, effecting, maintaining, varying, refinancing or terminating such borrowings and indebtedness and interest arising out of such borrowings and indebtedness, and including fees, costs and expenses incurred in obtaining lines of credit, loan commitments and letters of credit for the account of the Umbrella Vehicle and/or the Sub-Fund), securing the same by mortgage, charge, pledge, assignment (including an assignment by way of security) or other lien on any assets of the Umbrella Vehicle and/or the Sub-Fund or otherwise encumbering assets in connection with or in furtherance of the acquisition of all or a portion of or the financing of an investment; (c) attending conferences in connection with the evaluation of future investments or particular sector opportunities (including the evaluation of potential investments, irrespective of whether any such investment is ultimately consummated); (ii) risk management assessments and analysis of the Umbrella Vehicle and/or the Sub-Fund's direct or indirect assets; (iii) taxes and other governmental charges incurred or payable by the Umbrella Vehicle and/or the Sub-Fund (including any entity-level taxes imposed on, with respect to, or otherwise borne by the Umbrella Vehicle and/or the Sub-Fund, to the extent not allocated to one or more Investors; (iv) any actuaries, accountants, advisors, auditors, administrators (whether or not third party), brokers (including prime-brokers), counsel, custodians, appraisers, depositaries, valuation experts, distributors (including, for the avoidance of doubt: (a) the Global Distributor and any distribution platforms or networks; and (b) fees, costs and expenses related to, associated with, arising from or incurred in connection with their partnership programs, distribution support services, client relations support services, expert networks/research resources, technology platforms, client events, hosted webinars, public relations services, operational and onboarding support services, transactional information services and the attending and/or sponsoring of their events and conferences (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expense in connection with any such events and conferences)) and other Service Providers that provide services to or with respect to the Umbrella Vehicle and/or the Sub-Fund, and legal expenses incurred in connection with claims or disputes related to the Sub-Fund or one or more investments or one or more actual, unconsummated or proposed investments; (v) the engagement of professionals (including Apollo Consulting) (including all fees, costs, incentive compensation and expenses on account of compensation and benefits of its employees) and any industry executives, advisors, consultants (including operating consultants and sourcing consultants), any platform advisor (including, in respect of the Platform Advisor, any fees, costs and/or expenses incurred by or payable to the Platform Advisor in respect of the provision to the Sub-Fund of access to the Platform Advisor's digital infrastructure and technology platforms (including where the same is implemented in connection with the Sub-Fund's marketing and distribution activities), the Platform Advisor's assistance with distributor onboarding processes, Investor subscription processes, liquidity management (including share class hedging), financial management and ongoing reporting, and any other services or materials provided by the Platform Advisor falling into the other sub-categories described in this section), any ESG consultants, operating executives, subject matter experts or other persons acting in a similar capacity) who provide services to or in respect of the Umbrella Vehicle and/or the Sub-Fund or its operating entities, or other subsidiaries or related investments (including with respect to</p>
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	<p>potential investments, and including allocable Overhead of Apollo Consulting, including all costs, incentive compensation and expenses on account of compensation and benefits of its employees and also including, among other things, (A) conducting due diligence on or analysis of industry, geopolitical or other operational issues, and (B) operational improvement initiatives relating to such investments, and developing and implementing such initiatives (including, but not limited to, the operating executives engaged by the Umbrella Vehicle and/or the Sub-Fund, the Investment Manager or any other Affiliated Service Provider); (vi) all fees, costs and expenses in connection with entities comprising Apollo Consulting, including those incurred in the organization, operation, maintenance, restructuring (including by way of a secondary transaction, strip sale or similar transaction to one or more third parties or other Apollo Clients) and dissolution of such vehicles; (vii) (a) obtaining research and other information, including information service subscriptions, as well as the operation and maintenance of information systems and information technology systems used to obtain such research and other related information, and (b) attending industry events (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expense in connection with any such industry events), in each case, for the benefit of the Umbrella Vehicle and/or the Sub-Fund; (viii) developing, implementing or maintaining computer software and technological systems for the benefit of the Umbrella Vehicle and/or the Sub-Fund, the Investors or its investments (including potential investments); (ix) fees, costs and expenses incurred in connection with systems, including, but not limited to, licenses, development and hosting; (x) premiums and fees for insurance (including costs, liabilities and expenses of any litigation, investigation, judgments or settlements paid in connection therewith) allocated in good faith to the Sub-Fund by the Investment Manager (including Apollo's group insurance policy, general partner's, directors' and officers' liability or other similar insurance policies, errors and omissions insurance, financial institution bond insurance and any other insurance for coverage of liabilities to any person or entity that are incurred in connection with the activities of the Umbrella Vehicle and/or the Sub-Fund); (xi) any governmental inquiry, investigation or proceeding or any litigation involving or otherwise applicable to the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager or any of their respective Affiliates in connection with the activities of the Umbrella Vehicle and/or the Sub-Fund or any investment, any subsidiaries or any potential investment (including fees, costs and expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of any such inquiry, investigation, proceeding or litigation and the amount of any judgments, settlements or fines paid in connection therewith) and other extraordinary expenses related to the Umbrella Vehicle and/or the Sub-Fund, any investment, subsidiary or any potential investment (including fees, costs and expenses that are classified as extraordinary expenses under the applicable accounting principles); (xii) the preparation of all reports or information requests for one or more Investors (including all fees, costs and expenses incurred to audit such reports, provide access to a database or other internet forum and for any other operational, legal, secretarial or postage expenses relating thereto or arising in connection with the distribution of the same), and any other financial, tax, accounting, legal or fund administration reporting functions for the benefit of the Umbrella Vehicle and/or the Sub-Fund or any Umbrella Vehicle and/or any Sub-Fund vehicle or Umbrella Vehicle and/or Sub-Fund subsidiary, the preparation of financial</p>
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	<p>statements, tax returns; (xiii) meetings of the Board of Directors and/or the Investment Manager with any Investor(s) (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expense in connection with any such meetings); (xiv) the Umbrella Vehicle and/or the Sub-Fund's respective indemnification obligations (including those incurred in connection with indemnifying Indemnified Parties (as defined in the Prospectus), and advancing fees, costs and expenses incurred by any such Indemnified Party in defense or settlement of any claim that may be subject to a right of indemnification under the constituent documents of the Umbrella Vehicle and/or the Sub-Fund); (xv) complying with (or facilitating compliance with) any applicable law, rule or regulation (including legal fees, costs and expenses), regulatory filing or other expenses of the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager, including any compliance, filings or other obligations, in each case, involving or otherwise related to the Umbrella Vehicle and/or the Sub-Fund (including the amount of any judgments, settlements or fines paid in connection therewith) but, for the avoidance of doubt, excluding any ordinary course compliance, filings or other obligations imposed on the Investment Manager or any of its Affiliates under the Advisers Act (such as the preparation and filing of the Investment Manager's or any of its respective Affiliates' Form ADV) or by the Luxembourg Commission de Surveillance du Secteur Financier and/or the United Kingdom Financial Conduct Authority, that do not relate directly to the affairs of the Umbrella Vehicle and/or the Sub-Fund; (xvi) a Default by Defaulting Investor; (xvii) a Transfer of an Investor's Shares or an Investor's withdrawal or admission permitted or required under this Prospectus, the Articles and/or the Sub-Fund Supplement (but only to the extent not paid by the Investor or assignee or withdrawing Investor, as applicable); (viii) redemptions of Investors' Shares; (xix) any amendments, modifications, revisions or restatements to the constituent documents of the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager (other than any such amendments, modifications, revisions or restatements related solely to the affairs of the Investment Manager not related to the affairs of the Umbrella Vehicle and/or the Sub-Fund); (xx) distributions to the Investors; (xxi) administering and operating the Sub-Fund, preparing and maintaining the books and records of the Sub-Fund, including internal costs that the Investment Manager may incur to produce the Sub-Fund's books and records, external costs in cases where the Investment Manager hires a third-party administrator to maintain the Umbrella Vehicle and/or the Sub-Fund's books and records and any costs of the Investment Manager to oversee and manage such third-party administrator and fees, costs and expenses incurred in the organization of special purpose vehicles, subsidiaries of the Umbrella Vehicle and/or the Sub-Fund or alternative investment vehicles including costs associated with establishing and maintaining a permanent residence in certain jurisdictions (such as rent for office space, related overhead and employee salaries and benefits) which fees, costs and expenses may, in the sole discretion of the Board of Directors or the Investment Manager, be allocated solely to or paid solely by Investors participating therein); (xxii) negotiating and entering into, and compliance with, actual and prospective Other Agreements, whether executed or not (which fees, costs and expenses may, in the sole discretion of the Board of Directors, be allocated solely to or paid solely by the Investor(s) to which they relate), and "most favored nations" elections processes in connection therewith; (xxiii); the winding-up, dissolution and termination of the Umbrella Vehicle and/or the Sub-Fund; (xxiv) all similar fees, costs</p>
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and expenses in connection with Additional Vehicles, special purpose vehicles and subsidiaries of the Umbrella Vehicle and/or the Sub-Fund or such Additional Vehicles, including those incurred in the organization, operation, maintenance, restructuring, winding-up and dissolution of such vehicles; (xxv) all fees, costs and expenses in connection with forming, organizing, maintaining, administering, operating and negotiating joint ventures or arrangements and Platform Investments; (xxvi) the Sub-Fund's allocable portion of any carried interest, incentive allocation, management fees or other similar fees, costs and expenses or compensation (including expense reimbursement), in each case, payable or allocable to joint venture partners or Platform Investment partners of the Sub-Fund, any intermediate vehicle, any special purpose vehicle, any subsidiary or any investment; (xvii) to the extent agreed by the Investment Manager in its sole discretion, all similar operating expenses of an Investor that is a vehicle sponsored or managed by a placement agent, the Global Distributor, a Sub-Distributor or any of their respective Affiliates and which placement agent, Global Distributor, Sub-Distributor or Affiliate thereof is entitled to receive distribution fees or placement fees in connection with or as a result of placing Investors indirectly into the Sub-Fund through such Investor; (xxviii) an allocable portion of the fees, costs and expenses incurred in connection with organizing, maintaining, administering and operating any Umbrella Vehicle and/or any Sub-Fund entity that serves as the alternative investment fund manager or general partner thereof or in a similar capacity (including rent, salaries and ancillary costs of such entities, and costs and expenses of Service Providers of such entities); and (xxix) costs of currency hedging.

As referred to in the section "*Other Fees; Costs and Expenses*" above, the Sub-Fund will also bear its proportionate share of the operating expenses of the Master Fund.

To the extent that the Sub-Fund or an Apollo Client is participating in an investment or potential investment, any and all expenses not paid by a portfolio company or other person will be borne by the Sub-Fund or the Apollo Client to the extent applicable, pro rata in proportion to the amount of funds to be invested or proposed to be invested by each of the foregoing, or in such manner as the Board of Directors and/or the Investment Manager, in their sole discretion, deem to be fair and equitable under the circumstances.

#### **Discretionary Expense Cap**

The Investment Manager may in its sole discretion apply a cap on certain defined Organizational Expenses and Operating Expenses (the "**Covered Expenses**") to be borne by the Sub-Fund in any given month (the "**Discretionary Expense Cap**") and defer the payment and/or reimbursement of the expenses in excess of the Discretionary Expense Cap to subsequent periods. If the Discretionary Expense Cap is applied, the Investment Manager will remove this cap on Covered Expenses at its sole discretion and at such time, the Sub-Fund will bear any excess unreimbursed expenses deferred pursuant to the Discretionary Expense Cap and/or any other outstanding unreimbursed amounts of Organizational Expenses or Operating Expenses, in installments on a monthly basis following the date such cap is removed provided that the reimbursements do not cause the Covered Expenses to exceed the Discretionary Expense Cap previously in place, with, for the avoidance of doubt, such reimbursements in such case being deferred until the foregoing

	applicable limitation would not be exceeded by such reimbursements, as applicable.
<b>Other Fees</b>	<p>In relation to the Sub-Fund, the term "Other Fees" means: (i) fees, costs or expenses that comprise or constitute Organizational Expenses or Operating Expenses; (ii) salary, fees, expenses or other compensation of any nature paid by an investment to any individual (or to the Investment Manager or any of its Affiliates (including Apollo Consulting) with respect to such individual) who acts as an officer of, or in an active management role at, such investment (including industry executives, advisors, consultants (including operating consultants and sourcing consultants), operating executives, subject matter experts or other persons acting in a similar capacity engaged or employed by Apollo Consulting); (iii) without limiting the foregoing clauses (i) and (ii), fees, costs or expenses paid to or in respect of Apollo Consulting or any industry executives, advisors, consultants (including operating consultants and sourcing consultants), operating executives, subject matter experts or other persons acting in a similar capacity who provide services to the Umbrella Vehicle or its investments (including allocable overhead or other amounts or compensation of Apollo Consulting, including all costs and expenses on account of compensation and benefits of its employees); (iv) payments, fees, costs, expenses and other liabilities, allocable overhead or other amounts or compensation (such as arranger, brokerage, placement, syndication, solicitation, underwriting, agency, origination, sourcing, structuring, collateral management, SPV (including any SPV of an investment), capital markets, debt advisory or subsidiary management or administration, advisory, commitment, facility, float or other fees, discounts, spreads, commissions and concessions, but not merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of an investment) earned by or paid to an Affiliated Service Provider, or another person with respect to services rendered by such Affiliated Service Provider or other person; provided, that if such Affiliated Service Provider is engaged in the relevant activity or service on a for-profit basis with respect to the Sub-Fund or an investment, as determined by the Board of Directors in good faith, then, the applicable fees paid to it for such services will be on an arm's-length basis or not materially less favorable to the Sub-Fund or the applicable investment than the fees that could be paid to a third party with commensurate skill, expertise or experience (to the extent applicable) except where the Board of Directors obtains advice from or the recommendation of an independent third-party consultant or expert that is not an Affiliate of the Investment Manager with requisite skill, expertise or experience in the applicable subject matter that the terms of such transaction are on an arm's length basis or not materially less favorable to the Sub-Fund or the applicable investment; (v) amounts earned by or for the account of any Apollo Client (directly or indirectly through an expense offset mechanism); (vi) fees, costs and expenses for any and all services whatsoever (including merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of an investment) paid or otherwise borne by any investment or issuer of any securities or other financial instruments that constitute debt investments or investments with respect to which Apollo does not exercise direct control with respect to the decision to engage the services giving rise to such fees, costs and expenses; (vii) any fees, costs and expenses or other amounts or compensation (including management fees, operating expenses, incentive allocation and/or carried interest) earned by any person or otherwise borne with respect</p>

	<p>to investments that are managed by the Board of Directors, the Investment Manager or any of their respective Affiliates (including an investment in an Apollo Client) that are acquired by the Sub-Fund in the secondary market, (viii) any and all fees, costs and expenses, or other amounts or compensation, that may be paid to or that are otherwise for the benefit of the Board of Directors, the Investment Manager or any of their respective Affiliates or any employees of any of the foregoing arising out of the day-to-day operation and administration of Redding Ridge Asset Management, including amounts or compensation paid to or that are otherwise for the benefit of Apollo Capital Management, L.P. or Apollo Management International LLP; and (xi) any fees, costs or expenses determined by the Board of Directors in good faith to be similar in nature to any of the foregoing.</p>
<b>Special Fees</b>	<p>The Investment Manager and any of its respective Affiliates (including Affiliated Service Providers) or any employees of any of the foregoing will receive 100% of all net consulting or management consulting fees, investment banking fees, breakup fees, directors' fees, closing fees and merger and acquisition transaction advisory fees related to the negotiation of the acquisition and financing of a direct investment by the Sub-Fund (other than debt investments or investments with respect to which Apollo does not exercise direct control with respect to the decision to engage the services giving rise to the relevant fees, costs and expenses), and similar fees, whether in cash or in kind, including options, warrants and other non-cash consideration paid to the Investment Manager or any of its respective Affiliates or any employees of any of the foregoing in connection with actual or contemplated direct investments by the Sub-Fund (and allocable to the Sub-Fund) that are allocable to those Investors who bear Management Fee (collectively, "<b>Special Fees</b>"). Such Special Fees will be applied to reduce the Management Fee paid by such management fee-bearing Investors.</p>
<b>Reporting</b>	<p>The Sub-Fund will prepare and distribute its annual report to the Investors within 180 calendar days after the end of each financial year. The annual report will contain financial statements audited by an internationally recognized accounting firm.</p> <p>In addition, and in accordance with the requirements of the 2010 Law, the Sub-Fund will prepare and distribute an unaudited semi-annual report to Investors within three months following the period to which it refers.</p>
<b>SFDR</b>	<p>This section of the Sub-Fund Supplement sets out certain pre-contractual disclosures for the purposes of the EU Sustainable Finance Disclosure Regulation (2019/2088) ("<b>SFDR</b>").</p> <p>For the purposes of SFDR, the AIFM, and not the Investment Manager, is the "financial market participant" required to make pre-contractual disclosures in relation to the Sub-Fund. In this section of the Sub-Fund Supplement, all references to the Investment Manager are references to the Investment Manager providing portfolio management services to the Sub-Fund as delegate of (and subject to the overall supervision and oversight of) the AIFM.</p>

	<p><b>Status under SFDR</b></p> <p>The AIFM has categorized the Sub-Fund as falling under Article 8 of SFDR, for financial products which promote environmental and social characteristics. For the purposes of the EU Taxonomy, the Sub-Fund discloses under Article 6 of the EU Taxonomy.</p> <p>Further information about the environmental and social characteristics promoted by the Sub-Fund and required by the EU Taxonomy is available at Annex V to this Sub-Fund Supplement.</p> <p><b>Impact of Sustainability Risks on Returns</b></p> <p>The Investment Manager, an Affiliate of Apollo, has implemented the Apollo Sustainable Investing and Environmental, Social, and Governance Policy (the "<b>ESG Policy</b>") in respect of the integration of sustainability risks in the investment decision-making process, which is available on Apollo's website at: <a href="https://www.apollo.com/~media/Files/A/Apollo-V3/documents/apollo-sustainable-investing-and-esg-policy-final-6-12-23.pdf">https://www.apollo.com/~media/Files/A/Apollo-V3/documents/apollo-sustainable-investing-and-esg-policy-final-6-12-23.pdf</a>. Further information on the manner in which sustainability risks are integrated into investment decisions is set out under the "<i>Integration of Sustainability Risks into Investment Decisions</i>" section below.</p> <p>The Investment Manager considers that sustainability risks are relevant to the returns of the Sub-Fund and Master Fund. A "sustainability risk" is an environmental, social or governance ("<b>ESG</b>") event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.</p> <p>Assessment of sustainability risks is complex and may be based on data which is difficult to obtain, incomplete, estimated, out of date and/or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager will correctly assess the impact of sustainability risks on the Sub-Fund and Master Fund's investments.</p> <p>To the extent that an event contemplated by a sustainability risk occurs, or such event occurs in a manner that is not anticipated by the Investment Manager, there may be a sudden, material negative impact on the value of an investment. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the net asset value of the Sub-Fund and Master Fund.</p> <p>The impacts following the occurrence of an event contemplated by a sustainability risk may be numerous and vary depending on the specific risk and asset class. In general, where an event contemplated by a sustainability risk occurs in respect of an asset, there may be a material negative impact on, and may be an entire loss of, its value. For example, this may be because of damage to a business' reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business</p>
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	<p>opportunities, increased costs of doing business and/or increased cost of capital, and/or fines and other regulatory sanctions. The time and resources of a business' management team may be diverted from furthering its business and be absorbed in seeking to manage the events contemplated by such sustainability risk, including changes to business practices and managing investigations and litigation. Sustainability risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by businesses to which the Sub-Fund and Master Fund is exposed may also be adversely impacted by a sustainability risk.</p> <p>Sustainability risks are relevant as both standalone risks, and also as cross-cutting risks which manifest through many other risk types which are relevant to the assets of the Sub-Fund and Master Fund. For example, the occurrence of an event contemplated by a sustainability risk can give rise to financial and business risk, including through a negative impact on the credit worthiness of other businesses. The increasing importance given to sustainability considerations by both businesses and consumers means that the occurrence of an event contemplated by a sustainability risk may result in significant reputational damage to affected businesses. The occurrence of an event contemplated by a sustainability risk may also give rise to enforcement risk by governments and regulators, and also litigation risk.</p> <p>Events contemplated by a sustainability risk may arise and impact a specific investment or may have a broader impact on economic sectors, geographical regions and/or jurisdictions and political regions.</p> <p>Many economic sectors, regions and/or jurisdictions, including those in which the Sub-Fund and Master Fund may invest, are currently and/or in the future may be, subject to a general transition to a greener, lower carbon and less polluting economic model. Drivers of this transition include governmental and/or regulatory intervention, evolving consumer preferences and/or the influence of non-governmental organizations and special interest groups.</p> <p>Laws, regulations and industry norms play a significant role in controlling the impact on sustainability factors of many industries, particularly in respect of environmental and social factors. Any changes in such measures, such as increasingly stringent environmental or health and safety laws, can have a material impact on the operations, costs and profitability of businesses. Further, businesses which are in compliance with current measures may suffer claims, penalties and other liabilities in respect of alleged prior failings. Any of the foregoing may result in a material loss in value of an investment linked to such businesses.</p> <p>Further, certain industries face considerable scrutiny from regulatory authorities, non-governmental organizations and special interest</p>
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groups with respect to their impact on sustainability factors, such as compliance with minimum wage or living wage requirements and working conditions for personnel in supply chain. The influence of such authorities, organizations and groups along with the public attention they may bring can cause affected industries to make material changes to their business practices which can increase costs and result in a material negative impact on the profitability of such businesses. Such external influence can also materially impact the consumer demand for a business's products and services which may result in a material loss in value of an investment linked to such businesses.

Sectors, regions, businesses and technologies which are carbon-intensive, higher polluting or otherwise cause a material adverse impact on sustainability factors may suffer from a significant fall in demand and/or obsolescence, resulting in stranded assets the value of which is significantly reduced or entirely lost ahead of their anticipated useful life. Attempts by sectors, regions, businesses and technologies to adapt so as to reduce their impact on sustainability factors may not be successful, may result in significant costs being incurred, and future ongoing profitability may be materially reduced.

In addition to the above, a description of certain other sustainability risks identified by the Investment Manager as being potentially relevant to the investments made by the Sub-Fund and Master Fund and (as a consequence, the Sub-Fund and Master Fund's NAV) is set out below. This description is for illustrative purposes only and is not intended to be exhaustive.

#### **Environmental**

Environmental risks are associated with environmental events or conditions and their effect on the value of assets to which the Sub-Fund and Master Fund may have exposure. Such risks may arise in respect of a company itself, its Affiliates, or its supply chain, and/or apply to a particular economic sector, geography, or political region. Environmental risks that may affect the utility and value of investments may include, for example: (i) risks related to climate change, such as the occurrence of extreme weather events (for example major droughts, floods, or storms), extreme heat waves, increased localized or widespread flooding and rising sea levels, and associated operational risks and costs of insurance; (ii) access to and scarcity of natural resources, such as water; and/or (iii) measures introduced by governments or regulators to transition to a low-carbon economy and more broadly reduce pollution and control and reduce waste.

#### **Social**

Social risks may be internal or external to a company and may be associated with and arise in respect to a company itself, its Affiliates, company employees, supply chain, local communities, and/or customers of companies in which the Sub-Fund and Master Fund may have exposure. Social risks that may affect the utility and value of

	<p>investments may include, for example: (i) human capital considerations, such as human rights violations, modern slavery, workforce health and safety, and fines or other regulatory sanctions and/or investigations and litigation; and (ii) external social factors, such as cybersecurity threats and consumer data privacy violations, local community engagement, and fines and other regulatory sanctions and/or investigations and litigation.</p> <p><b>Governance</b></p> <p>Governance risks are associated with the quality, effectiveness, and process for the oversight of day-to-day management of companies in which the Sub-Fund and Master Fund may have exposure. Such risks may arise in respect of the company itself, its board and/or management team, its Affiliates, or in its supply chain. Governance risks that may affect the utility and value of investments may include, for example: (i) the adequacy of a company's internal and external audit functions; (ii) the effectiveness of a company's controls to detect and prevent bribery and corruption; (iii) the effectiveness of the measures taken by a company to protect personal data of employees and customers; and (iv) the presence of appropriate and effective safeguards for employment-related risks, such as workplace harassment and discrimination, and workforce health and safety risks.</p> <p><b>Integration of Sustainability Risks into Investment Decisions</b></p> <p>Apollo has adopted the ESG Policy, which describes the manner in which sustainability risks are integrated in its investment decision-making processes. This section provides a summary of the relevant information set forth in the ESG Policy.</p> <p>The ESG Policy sets forth Apollo's longstanding commitment to the following principles of sustainable investing that are built into the firm and its investment processes: integrating, engaging, and being transparent with respect to ESG factors. The ESG Policy articulates Apollo's belief that managing relevant ESG risks and realizing ESG opportunities can make it a better investor, and better steward of investor's capital, by positioning Apollo-managed funds, portfolio companies and other investments for sustainable financial success.</p> <p>Importantly, the ESG Policy notes that the issuers, entities and assets in which Apollo-managed funds invest varies significantly across and within certain asset classes and strategies and so, accordingly, the approaches described in the ESG Policy are applied to the extent feasible and appropriate given the nature of the investment, strategy, asset class, fund, data availability, ownership structure, influence, and other factors. Broadly speaking, though, the ESG Policy explains that Apollo seeks to integrate, engage, and be transparent as follows, where appropriate: integrate ESG matters through conducting due diligence prior to making an investment and ongoing monitoring of the investment; engage with ESG matters through for example written correspondence, meetings, or the provision of operational support; and, being transparent on ESG matters by, for certain Apollo-</p>
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	<p>managed funds and strategies, encouraging companies to take part in Apollo's annual ESG reporting process and/or providing reports to investors on ESG-related data and additional engagement details.</p> <p><b>Amendments</b></p> <p>The Board of Directors, in consultation with the AIFM and the Investment Manager, shall have the power to amend this section and Annex V from time to time, including (without limitation) to take account of or reflect any additional or alternative minimum criteria and/or to include a commitment to make sustainable investments and/or vary the minimum proportion thereof and/or to reflect any additional or alternative binding investment criteria used to select the investments to attain the environmental or social characteristics promoted by the Sub-Fund. This may include (without limitation) amending any such minimum criteria or commitments or binding investment criteria to reflect investments which were made during the previous financial year and/or to reflect the investments which are held by the Sub-Fund as at the date of the relevant updates to this section and/or Annex V.</p>
<b>Exclusivity</b>	<p>The functions and duties which the Board of Directors, AIFM, Investment Manager and/or any of their Affiliates undertake on behalf of the Sub-Fund will not be exclusive and they perform similar functions and duties for themselves and for others and, without limitation, act as manager, investment advisor or general partner (or equivalent) in respect of other funds, accounts or other products.</p>
<b>Dissolution</b>	<p>The Sub-Fund may be put into liquidation by a decision of the Board of Directors. Any decision to put the Sub-Fund into liquidation will take into account the best interests of the Investors and will be subject to the prior non-objection of the CSSF.</p>
<b>Benchmark Regulation</b>	<p>The Sub-Fund is actively managed and will not make use of a benchmark within the meaning of Regulation (EU) No 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2004/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.</p>
<b>Securities Financing Transactions and TRS</b>	<p>As of the date of the Prospectus, the AIFM and the Investment Manager do not contemplate that the Sub-Fund will enter into any securities financing transactions and/or total return swaps. However, in the event that the Sub-Fund expects to employ any of the foregoing transactions, the Sub-Fund Supplement will be updated prior to the use of such transactions as required by the AIFMD rules and European Union Regulation 2015/2365 of the European Parliament and of the Council of November, 25 2015 on transparency of securities financing transactions and of reuse and amending European Union Regulation 648/2012 (the "<b>SFTR</b>"). With respect to any such Securities Financing Transactions and total return swaps and should the Sub-Fund enter into such transactions, the information provided will include the rationale for their use, the type of assets that can be subject to them, the maximum and expected proportion of assets under management subject to them, criteria to select counterparties, acceptable collateral, valuation methodology and information on safekeeping of assets and collateral.</p>

<b>Risk Factors</b>	<p><i>In addition to the risks set out in Annex III to this Sub-Fund Supplement, all risk factors and investment considerations detailed in the general part of the Prospectus should be considered applicable, directly or indirectly, to an investment in the Sub-Fund. An investment in the Shares of the Sub-Fund involves a significant degree of risk. There can be no assurance that the Sub-Fund will realize an attractive rate of return or that there will be any return of capital.</i></p> <p><i>Prospective Investors should carefully evaluate these considerations, which represent some but not all of the potential risks of an investment in the Shares of the Sub-Fund, before becoming an Investor in the Sub-Fund. For a summary of risk factors and potential conflicts of interest relevant to the Sub-Fund, see Annex III Annex IV to this Sub-Fund Supplement, "Section 20: Conflicts of Interest" and "Section 19: Risk Factors" of the general part of the Prospectus.</i></p>
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## ANNEX I INVESTMENT INFORMATION

### Section 1.01 Apollo European Private Credit Overview

Apollo European Private Credit ("**Apollo European Private Credit**") is a credit investment program operated through several entities. The primary vehicles through which participation in Apollo European Private Credit will be offered to prospective investors are the Sub-Fund and the Master Fund, and selection of the level at which an investor will participate will depend on (amongst other things) the regulatory and eligibility requirements applicable to such natural person or legal entity (as applicable) and investors' personal investment preferences. If it considers appropriate for any legal, tax, regulatory, compliance, structuring or other considerations of the Sub-Fund, the Master Fund or of certain prospective investors, the Board of Directors, the Investment Manager, the general partner of the Master Fund or any of their Affiliates may, in their sole discretion, establish one or more (i) feeder vehicles to invest into the Sub-Fund (each such vehicle a "**Part II UCI Feeder Entity**"), (ii) parallel vehicles to invest alongside the Sub-Fund into the Master Fund (each such vehicle a "**Part II UCI Parallel Entity**") (the Part II UCI Feeder Entities and the Part II UCI Parallel Entities, together the "**Feeder Entities**") and/or (iii) parallel vehicles to invest alongside the Master Fund (each such vehicle a "**Parallel Entity**").

As a credit investment program, it is intended that Apollo European Private Credit will make its investments through one or more investment holding vehicles, which will typically be subsidiaries of the Aggregator (as defined below). The Sub-Fund will invest, as a feeder fund, substantially all of its assets into the Master Fund, a Luxembourg special limited partnership (*société en commandite spéciale*). It is expected that the Master Fund typically will invest through one main subsidiary (the "**Aggregator**") for the purpose of indirectly holding the Master Fund's investments but the general partner of the Master Fund, the Master AIFM and/or their relevant delegates will consider alternative structures on a case by case basis.

### Section 1.02 Master Fund

The investment objective and strategies, related risk factors and potential conflicts of interest, subscription and redemption terms, calculation of net asset value, fees and expenses and other aspects of the activities of the Sub-Fund and the Master Fund are substantially identical except as specifically identified in the Prospectus or the Sub-Fund Supplement. The Master Fund is a non-regulated fund.

#### (a) Governance

Apollo European Private Credit Fund GP S.à r.l. acts as manager (*gérant*) and unlimited partner (*associé commandité*) of the Master Fund and has appointed Carne Global Fund Managers (Luxembourg) S.A., a Luxembourg law governed public limited liability company (*société anonyme*), with registered office at 3, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg and registered with the RCS under number B148258, as its authorized alternative investment fund manager within the meaning of the 2013 Law (the "**Master AIFM**"). The Master AIFM has delegated its portfolio management function in respect of the Master Fund to the Investment Manager.

#### (b) Investment Policy

The information set out below describes the indirect investments of the Master Fund typically held through the Aggregator.

The Master Fund's investment focus will primarily be direct lending in the mid-market and large cap originations and to a lesser extent for liquidity management purposes more liquid credit investments, in each case, primarily in relation to

European (including, for the avoidance of doubt, U.K.) borrowers, with its strategy aimed at generating favorable returns across credit cycles with an emphasis on capital preservation. The Master Fund's portfolio will be senior orientated, with the majority of its investments intended to be first lien or senior secured loans and to a lesser extent second lien loans. The portfolio may also comprise bonds, loan receivables, syndications, funded or unfunded sub-participations, assignments, leveraged loans or any other kind of loan asset of companies.

The Master Fund's investments may include, in relation to borrowers with a history of profitability, sponsor backed primary leveraged buyouts and non-sponsored companies, bonds, capital structure refinancings, dividend recapitalizations and general corporate loans. The Master Fund may also make investments for liquidity management purposes in, cash, cash equivalents and other short-term investments.

The Master Fund may also invest in the debt securities and equity securities of entities or groups to whom it lends and in warrants and rights attaching to such securities, provided that such investment is related to the Master Fund's debt investments or lending activities.

The Master Fund's investments may also include structured credit products across the full spectrum of asset types, vintages, maturities and capital structure priorities. Such investments may be in various tranches (debt and equity) of collateralized loan obligations, commercial mortgage-backed securities, residential mortgage-backed securities, consumer and commercial asset-backed securities, whole loans, and solution capital transactions, and are intended to provide access to select diversified portfolios of high quality loans, bonds and other assets at higher, more cost-efficient yields than directly investing in the underlying assets and due consideration is given to contractual covenants, bankruptcy remoteness, diversity of collateral and granular asset management and performance tests and/or triggers. During the holding period of any such investment, the Master AIFM and/or the Portfolio Manager will, during the ordinary course of their risk management and portfolio management duties, monitor the quality of the underlying pool of assets.

The Master Fund may also invest in other securities or debt instruments.

In addition to the primary objective of generating favorable economic returns described above, the Master Fund promotes certain environmental and social characteristics. The Master Fund promotes the environmental characteristic of advancing the climate and energy transition and the social characteristic of expanding social opportunities. These environmental and social characteristics may be aligned with one or more United Nations Sustainable Development Goals.

The Master Fund will invest a certain proportion of assets in investments used to attain the environmental and/or social characteristics promoted by the Master Fund. In order to select these investments, the investment manager of the Master Fund, as delegate of the AIFM of the Master Fund, will apply binding investment criteria to the selection of underlying assets as part of its investment decision-making process. The binding investment criteria include negative screens as well as portfolio-level requirements set in respect of ESG scoring (using a proprietary ESG Risk Rating Framework (as defined below)) and engagement on ESG issues through both the application of the investment manager of the Master Fund's ESG Policy and the offering of sustainability-linked transaction provisions. The attainment of the environmental and social characteristics promoted by the Master Fund will be measured using sustainability indicators relevant to the environmental and social characteristics promoted by the Master Fund.

The investment manager of the Master Fund shall also, on behalf of the Master Fund, consider the principal adverse impacts of its investment decisions on sustainability factors by evaluating such decisions against certain adverse sustainability indicators.

(c) Investment Restrictions

It should be noted that the Master Fund shall not invest more than:

- 20% of its NAV at the time of investment in any single issuer or borrower. Should such restriction be exceeded for any reason other than the purchase of one or more additional investments (for example market or currency fluctuations), no remedial action will be required for these reasons;
- 20% of its NAV at the time of investment in asset-backed securities, mortgage-backed securities, residential mortgage-backed securities, collateralized debt obligations and/or collateralized loan obligations;
- 15% of its NAV at the time of investment in second lien loans;
- 15% of its NAV at the time of investment in any issuer or borrower with less than €10 million of EBITDA (measured at the time of the origination of the loan to the relevant issuer or borrower).

The above investment restrictions will not apply during a ramp-up period of four years after the Master Fund's first subscriptions from investors are received.

The Master Fund shall not originate loans to natural persons, the AIFM, the Investment Manager or any Affiliate thereof. To the extent that the Master Fund invests in mortgage-backed securities, residential mortgage-backed securities and/or collateralized loan obligations, the Master AIFM will, in the ordinary course of carrying out ongoing risk management monitoring, conduct specific stress tests that take into account the specific features of the aforementioned markets.

There can be no guarantee that the Master Fund, and in turn the Sub-Fund, will achieve its investment objectives.

(d) Leverage

The Master Fund may, directly and/or indirectly, utilize leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an investment, provided that the Master Fund shall not incur indebtedness, directly and/or indirectly, that would cause its leverage to exceed the Leverage Limit, provided that no remedial action will be required if the Leverage Limit is exceeded for any reason other than the incurrence of an increase in indebtedness (including the exercise of rights attached to an investment). Provided further that, the Leverage Limit may be exceeded on a temporary basis to satisfy short-term liquidity needs, refinance existing borrowings or for other obligations, but in each case the Leverage Limit will not exceed 75%.

For the purposes of this section:

**"Loan-to-Value Ratio"** means Consolidated Borrowings expressed as a percentage of aggregate gross asset value of the assets held directly or indirectly by the Sub-Fund and the Master Fund (without duplication) (as determined by the Master AIFM or the Administrator) as at the date of assessment in accordance with the Master AIFM's valuation policy in respect of the Master Fund; and



**"Consolidated Borrowings"** means the aggregate outstanding borrowings and guarantees (without duplication) of the Sub-Fund and the Master Fund (including their proportionate interest (calculated based on their equity ownership) of such outstanding borrowings and guarantees at the level of the Aggregator, its subsidiaries and the underlying investments) the proceeds of which are used to fund all or a portion of the capital necessary for an investment (for the avoidance of doubt, excluding (i) any internal indebtedness between the Sub-Fund, the Master Fund, the Parallel Entities (if any), the Aggregator, its subsidiaries and investments; and (ii) any credit facility for working capital purposes or other short-term borrowings at the level of the Sub-Fund, the Master Fund or the Aggregator).

The leverage limit consists of an aggregate Loan-to-Value Ratio of 67% (the **"Leverage Limit"**).

The Master Fund's maximum total aggregate leverage calculated pursuant to the gross method and commitment method set out in the AIFMD is respectively 550% and 450%.

(e) Performance Fee

The terms of the Underlying Performance Fee are as follows as more particularly set out in and governed by the documentation governing the Master Fund:

The Investment Manager (or any entity designated by the Investment Manager to receive the Underlying Performance Fee) (the **"PF Recipient"**) is paid a performance fee (the **"Performance Fee"**) by the Master Fund in respect of the Master Fund's Class A Units, Class I Units and Class FI Units equal to 12.5% of the Performance Metric subject to a 5% annual Hurdle Amount and a High Water Mark with 100% Catch-Up (each as defined below), crystallized on 31 December of each year (subject to pro-rating for partial years).

Specifically, the PF Recipient is paid the Underlying Performance Fee in an amount equal to:

- first, if the Performance Metric for the applicable period exceeds the sum of (i) the Hurdle Amount for that period and (ii) the Loss Carryforward Amount (any such excess, **"Outperformance Amount"**), 100% of such annual Outperformance Amount until the total amount paid to the PF Recipient equals 12.5% of the sum of (x) the Hurdle Amount for that period and (y) any amount paid to the PF Recipient pursuant to this paragraph (the **"Catch-Up"**); and
- second, to the extent there is any remaining Outperformance Amount, 12.5% of such remaining Outperformance Amount.

The PF Recipient will also be paid the Underlying Performance Fee with respect to all the Master Fund's Class A Units, Class I Units and Class FI Units that are redeemed in an amount calculated as described above with the relevant period being the portion of the Reference Period (as defined below) for which such Unit was outstanding, and proceeds for any such Unit redemption are reduced by the amount of any such Underlying Performance Fee.

The PF Recipient may elect to receive the Underlying Performance Fee in cash or in Units in the Master Fund. If the Underlying Performance Fee is paid in Units, such Units may be redeemed at the PF Recipient's request and will be subject to the Master Fund's redemption restrictions.

No Underlying Performance Fee will be borne by holders of Class K Shares, Class FA Shares or Class X Shares.

**"Class A Unit"; "Class I Unit"; "Class FI Unit";** and **"Unit"** have the meanings given to them in the documentation governing the Master Fund.

**"Performance Metric"** for any period since the end of the prior Reference Period shall equal the sum of:

- a) all distributions accrued or paid (without duplication) on the Class A Units, Class I Units and Class FI Units of the Master Fund outstanding at the end of such period since the beginning of the then-current Reference Period; plus
- b) the change in aggregate NAV of such Master Fund Units since the beginning of the Reference Period before giving effect to (x) changes resulting solely from the proceeds of issuances of Master Fund Units and; (y) any allocation/accrual to the Underlying Performance Fee; minus
- c) Operating Expenses of the Master Fund.

For the avoidance of doubt, the calculation of the Performance Metric will (i) include any appreciation or depreciation in the NAV of Master Fund Units issued during the then-current Reference Period, (ii) treat any tax withholdings on distributions from the Master Fund as part of the distributions accrued or paid on Master Fund's Units and (iii) exclude (a) the proceeds from the initial issuance of such Units and (b) any impact to the Performance Metric solely caused by currency fluctuations and/or currency hedging activities and costs for non-Euro Master Fund Unit classes.

**"Hurdle Amount"** for any period during a Reference Period means that amount that results in a 5% annualized internal rate of return on the NAV of the Master Fund's Class A Units, Class I Units and Class FI Units outstanding at the beginning of the then-current Reference Period and all the Master Fund Class A Units, Class I Units and Class FI Units issued since the beginning of the then-current Reference Period, calculated in accordance with recognized industry practices and taking into account:

- a) the timing and amount of all distributions accrued or paid (without duplication) on all such Master Fund Units minus all Operating Expenses of the Master Fund; and
- b) all issuances of Class A Units, Class I Units and Class FI Units over the period.

The ending NAV of the Master Fund Units used in calculating the internal rate of return will be calculated before giving effect to any allocation/accrual to the Underlying Performance Fee. For the avoidance of doubt, the calculation of the Hurdle Amount for any period will exclude (a) any of the Master Fund's Class A Units, Class I Units and Class FI Units redeemed during such period, which such Master Fund Units will be subject to the Underlying Performance Fee upon redemption as described above and (b) any impact to the Hurdle Amount solely caused by currency fluctuations and costs for non-Euro Share Classes.

Except as described in Loss Carryforward Amount below, any amount by which the Performance Metric falls below the Hurdle Amount will not be carried forward to subsequent periods.

The PF Recipient will not be obligated to return any portion of the Underlying Performance Fee paid due to the subsequent performance of the Sub-Fund.

**"Loss Carryforward Amount"** shall initially equal zero and shall cumulatively increase by the absolute value of any negative annual Performance Metric and decrease by any positive annual Performance Metric; provided, that the Loss Carryforward Amount shall at no time be less than zero and provided further that the calculation of the Loss Carryforward Amount will exclude the Performance Metric related to any Class A Units, Class I Units and Class FI Units redeemed during the applicable Reference Period, which such Master Fund Units will be subject to the Underlying Performance Fee upon redemption as described above. The effect of the Loss Carryforward Amount is that the recoupment of past annual Performance Metric losses will offset the positive annual Performance Metric for purposes of the calculation of the performance participation allocation. This is referred to as a **"High Water Mark."**

**"Reference Period"** means the year ending 31 December.

(f) Integration of sustainability risks

The investment manager of the Master Fund considers that sustainability risks are relevant to the returns of the Master Fund. The investment manager of the Master Fund, an Affiliate of Apollo, has implemented the ESG Policy in respect of the integration of sustainability risks in the investment decision-making process.

**ANNEX II  
CALCULATION OF THE NET ASSET VALUE**

**Section 2.01 Sub-Fund investment into the Master Fund**

The Sub-Fund is a feeder fund which will invest, substantially all of its assets into the Master Fund. The Sub-Fund will be valued according to the principles outlined in Section 10 of the Prospectus, with the following additional considerations as described below.

The Sub-Fund's investment in the Master Fund will be valued based on the aggregate NAV of the Master Fund Units held by the Sub-Fund, as determined from the most recent available Master Fund net asset value per Unit.

The Master Fund's net asset value per Unit is generally reported monthly by the 24<sup>th</sup> Business Day after the first Business Day of each month.

**Section 2.02 Overview of Master Fund valuation**

The Master AIFM will value each investment of the Master Fund in accordance with its valuation policy, the constitutive documents of the Master Fund and in accordance with the requirements of Circular IML 91/75. In summary, the Master AIFM applies the same valuation principles as defined in the general part of the Prospectus. Investors may obtain a copy of the Master Fund valuation policy by contacting the Master AIFM. For the Master investments, the Master AIFM will apply the below principles:

- (i) Investment valuations will initially be valued at cost for the first quarter, this is expected by the Master AIFM to represent the fair value at the time.
- (ii) Thereafter, the Master Fund and the Master AIFM will appoint a third party valuation agent to perform a valuation, which will generally be based on a discounted cash flow valuation approach.
- (iii) The Master AIFM is entitled to rely on the valuations provided by the third party valuation agent without adjustment, except in circumstances where publicly available information would indicate otherwise.

### ANNEX III RISK FACTORS

Terms not otherwise defined in this Annex shall have the meaning given to them in the Prospectus and the Sub-Fund Supplement, as applicable.

**Sustainability Risks.** SFDR defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment. The AIFM, the Investment Manager, the Sub-Fund, the Master Fund, portfolio companies, and other parties, such as service providers or the Master Fund or portfolio company counterparties, may be negatively affected by sustainability risks. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment; however, there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materializes. The AIFM, the Investment Manager, the Sub-Fund, the Master Fund, portfolio companies, and other parties may maintain insurance to protect against certain sustainability risks, where available on reasonable commercial terms, although such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all losses. Sustainability risks may therefore adversely affect the performance of the Sub-Fund and its investments. Please also see the "SFDR" section above.

**Increasing Scrutiny and Changing Expectations.** Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to Apollo's ESG policies may impose additional costs or expose the AIFM, the Investment Manager, the Master Fund or the Sub-Fund to additional risks. Companies across all industries are facing increasing scrutiny relating to their ESG policies. Investor advocacy groups, certain lenders and other market participants are increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. The increased focus and activism related to ESG and similar matters may hinder access to capital, as lenders may decide to reallocate capital or to not commit capital as a result of their assessment of ESG practices. These limitations in both the debt and equity capital markets may affect the Sub-Fund's ability to grow, as its plans for growth may include accessing the equity and debt capital markets. If those markets are unavailable, or if the Sub-Fund is unable to access alternative means of financing on acceptable terms, or at all, the Sub-Fund may be unable to implement its business strategy, which would have a material adverse effect on its financial condition and returns and impair the Sub-Fund's ability to service its indebtedness. Further, the Sub-Fund will incur additional, material costs and require additional resources to monitor, report and comply with wide ranging ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on the Sub-Fund's business and overall returns.

**Categorization of the Sub-Fund under the SFDR.** There is legal uncertainty around the parameters applicable when categorizing a financial product under the SFDR and there is no guarantee that regulators will agree with the relevant categorization. In circumstances where there is a determination that the Sub-Fund has been categorized incorrectly, there could be a risk of investigation, enforcement proceedings and/or sanctions. Furthermore, certain aspects of the reporting requirements applicable to financial products categorized as falling under Article 8 and Article 9 of the SFDR are currently uncertain and market practice is yet to evolve.

**Investment in assets promoting environmental and/or social characteristics.** As described in the "*Investment Objective and Strategy*" section above, in addition to the primary objective of generating favorable economic returns, the Sub-Fund promotes certain environmental and social characteristics in accordance with the E/S Promotion. Pursuant to the E/S Promotion, the Sub-Fund (indirectly through the Master Fund) will invest a certain proportion of assets in investments which attain the environmental and/or social characteristics promoted by the Sub-Fund (each an "**E/S Aligned Investment**"). In pursuing E/S Aligned Investments, the AIFM and the Investment Manager may make decisions or otherwise pursue courses of action that may not be in the short-term operating or financial interest of a Sub-Fund (for example, in terms of increasing the profitability of an asset), but instead may be in the interest of achieving certain environmental and/or social for consistency outcomes or achieving the E/S Promotion. Conversely, the Sub-Fund (indirectly through the Master Fund) may invest in certain assets that, while at the time of

investment promote certain environmental and/or social characteristics, cease to be aligned with such characteristics in the interest of achieving economic outcomes. As a result, there can be no assurance that the Sub-Fund will achieve both successful economic and environmental and/or social for consistency outcomes, or even achieve either result.

**Nature of investments promoting environmental and/or social characteristics.** Investing a proportion of assets in E/S Aligned Investments subjects the Sub-Fund and the Master Fund to a variety of risks, not all of which can be foreseen or quantified. When evaluating potential investment opportunities, in addition to financial return, the AIFM and the Investment Manager will look at an investment's potential to achieve the environmental and/or social characteristics promoted by the Sub-Fund. As a result, the opportunity set for potential investments for the proportion of assets in E/S Aligned Investments will necessarily be smaller than it would otherwise be if the Sub-Fund were seeking to make investments solely on the basis of financial returns, and may forgo opportunities that are attractive from a financial perspective if they do not also meet the E/S Promotion. In addition, although pursuing the promotion of environmental and/or social characteristics may not necessarily negatively affect an investment's financial returns, and it can even enhance profitability, it is possible that the promotion of environmental and/or social characteristics may from time to time require decisions that favor one goal at the expense of the other.

Any determination about whether or not a potential investment is expected to be an E/S Aligned Investment will be made at the sole discretion of the AIFM. Any such determination made by the AIFM may not necessarily reflect the views of all Investors. In addition, it is possible that the E/S Aligned Investments are unable to obtain or realize the environmental and/or social characteristics promoted by the Sub-Fund.

**General risks relating to investment strategies promoting environmental and/or social characteristics.** E/S Aligned Investments may not provide as favorable returns or protection of capital as other investments. The AIFM and Investment Manager may structure certain investments using non-standard terms that are less favorable than those traditionally found in the marketplace for investment strategies that do not promote environmental and/or social characteristics. Moreover, the AIFM and Investment Manager may determine to forgo an investment that could provide favorable returns because such investment would not achieve the environmental and/or social characteristics promoted by the Sub-Fund.

**Debt Instruments Generally:** The Sub-Fund and the Master Fund expect to invest predominantly in debt and credit-related instruments. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. It is likely that many of the debt instruments in which the Sub-Fund and/or the Master Fund may invest may have speculative characteristics. There are no restrictions on the credit quality of the investments of the Sub-Fund and/or the Master Fund. Generally, such securities offer a higher return potential than higher-rated securities, but involve greater volatility of price and greater risk of loss of income and principal. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

**Trust Preferred Securities:** Trust preferred securities, typically issued by banks, insurance companies and similar institutions, have characteristics that are common to both preferred stock

and debt securities and represent a leveraged investment in collateral of the issuer. Trust preferred securities will generally be part of the issued share capital of an issuer and will not be secured under any indenture or by any pool of collateral or asset types. The issuer generally will pledge substantially all of its assets to secure any notes or any other obligations, all of which are senior to trust preferred securities. The collections on and proceeds of the issuer's assets will be available to make payments in respect of the trust preferred securities only if, as and when funds are released from the lien of any debt indenture in accordance with its terms. Since the timing and amount of cash available for the trust preferred securities is subject to many uncertainties, there can be no assurance that the issuer will have funds remaining after application of available funds to its debt, expenses and other obligations to make distributions in respect of trust preferred securities.

Due to the nature of the leveraged investment in collateral of the issuer and the capital and legal structure of the issuer, changes in the value of the trust preferred securities will be greater than the change in value of any collateral debt securities, which themselves are subject to credit, liquidity, interest rate and other risks. Such utilization of leverage increases the risk of losses to the issuer and, therefore, increases the risk of losses to the holders of trust preferred securities.

Generally, the only source of cash for the issuer to make payments on trust preferred securities will be payments received from its parent institution. Obligations of the issuer's parent institution are unsecured, subordinated and will rank junior in priority of payment to any senior indebtedness, whether now existing or subsequently incurred, and effectively will rank in right of payment junior to all other liabilities of such parent institution. In the event of a bankruptcy, liquidation or dissolution of the parent institution, its assets would be available to pay obligations to the issuer only after all payments have been made on the parent institution's indebtedness. Similarly, payments on any parent guarantee in favor of the issuer may not be available if it defaults on a payment of any of its other liabilities. As a practical matter, the holders of trust preferred securities generally will not be able to exercise directly any remedies against the parent institution.

The parent institution generally has the right, at one or more times, to defer making payments to the issuer on its debt for a specified period of time or upon the occurrence of certain types of events. Such a deferral by a parent institution could have a material adverse effect on the ability of the issuer to pay interest on its notes or indebtedness. Therefore, the deferral of interest payments could result in a failure to satisfy the requirements of certain coverage tests which, in turn, could potentially result in the early amortization of all or a portion of one or more classes of indebtedness. In addition, any deferral of interest payments on the issuer's debt securities would reduce the issuer's cash available to make distributions on the trust preferred securities and such reduction would not necessarily result in a corresponding reduction of taxable income of trust preferred securities shareholders that are subject to U.S. federal income tax.

As a general matter, the occurrence of (i) certain adverse tax consequences to a parent institution, (ii) certain adverse regulatory treatment of the funds raised by a parent institution or (iii) the issuer of the trust preferred securities being considered an "investment company" under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") may constitute special events, giving the parent institution the right to redeem its indebtedness and its trust preferred securities. Furthermore, generally at the option of the parent institution, such parent institution's debt may be redeemed prior to its stated maturities, in which case a corresponding portion of trust preferred securities would generally also be redeemed. In most instances, holders of trust preferred securities will not be entitled to vote on significant matters, since such voting rights are vested in the holder of the common securities of the trust preferred securities issuer.

Trust preferred securities are subject to credit, interest rate and liquidity risk. As such, adverse changes in the financial condition or results of operations of a parent institution or in general economic conditions or both may impair such parent institution's ability to make payments of principal and interest to the issuer. Adverse changes in the financial condition, results of operations or prospects of the parent institution may affect the liquidity of the market for its and the issuer's securities and may reduce the market price of such securities.

**Liquidity of Markets:** At times, certain sectors of the fixed-income markets will experience significant declines in liquidity. While such events may sometimes be attributable to changes in

interest rates or other factors, the cause is not always apparent. During such periods of market illiquidity, the Sub-Fund and/or the Master Fund may not be able to sell assets in its portfolio or may only be able to do so at unfavorable prices. Such "liquidity risk" could adversely impact the value of the Sub-Fund's and/or the Master Fund's portfolio and may be difficult or impossible to hedge against.

**Investments in Equity Securities Generally:** The Sub-Fund (indirectly through the Master Fund) may hold investments in equity securities and equity security-related derivatives. Investments in equity securities of small or medium-sized market capitalization companies will have more limited marketability than the securities of larger companies. In addition, securities of smaller companies may have greater price volatility. For example, investment in equity securities may arise in connection with the Sub-Fund's (indirectly through the Master Fund's) debt investment opportunities and may be accompanied by "equity-kickers" or warrants, as well as in the form of equity investments in Platform Investments, to the extent that any such Platform Investment is allocated to Apollo Clients (such as the Sub-Fund and the Master Fund) and not Apollo in accordance with Apollo's policies and procedures. The Sub-Fund (indirectly through the Master Fund) may choose to short the equity of an issuer when another technique is not available, most notably a bond or some other derivative. In addition, the c may be forced to accept equity in certain circumstances. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Sub-Fund (indirectly through the Master Fund) may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction and the Sub-Fund (indirectly through the Master Fund) has not hedged against such a general move. The Sub-Fund (indirectly through the Master Fund) also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of private placements, registering restricted securities for public resale. In addition, equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates and general economic environments. Holders of equity securities may be wiped out or substantially reduced in value in a bankruptcy proceeding or corporate restructuring.

**Default and Recovery Rates and Other Debt Securities:** There are varying sources of statistical default and recovery rate data for loans and other debt securities and numerous methods for measuring default and recovery rates. The historical performance of the credit market or the leveraged loan market is not indicative of future results. However, in certain market conditions, the availability of these other sources of financing (principally high yield bond transactions), bridge loan commitments have been and may be drawn upon more regularly. Since these commitments were not regularly drawn upon in the past, there is little history for investors to rely upon in evaluating investments in bridge loans. Bridge loans often have shorter maturities than the permanent financing by which they are expected to be replaced. Borrowers and lenders typically agree to shorter maturities based on the anticipation that the bridge loans will be replaced with other forms of financing within such shorter time period. However, the source and timing of such replacement financing may be uncertain and can be affected by, among other things, market conditions and the financial condition of the borrower at the maturity date of the bridge. If the borrower is unable to obtain replacement financing and repay the bridge loan at maturity, the terms of the bridge loan may provide for the bridge loan to be converted to a longer term loan (with maturities similar to that of a bond). If bridge loans are not repaid (or cannot be disposed of on favorable terms) on the dates projected by the Investment Manager, there may be an adverse effect upon the ability of the Investment Manager to manage the assets of the Sub-Fund (indirectly through the Master Fund) in accordance with its models and projections or an adverse effect upon the Sub-Fund's (indirectly through the Master Fund's) performance and ability to make distributions.

**Risks associated with multiple objectives for investments.** In addition to any financial outcome, the AIFM and the Investment Manager will take into account the E/S Promotion when making decisions regarding the selection, management and disposal of investments. In certain situations, this strategy may outweigh financial considerations. For example, the AIFM and the Investment Manager may choose to invest in an E/S Aligned Investment that has a lower expected financial return because it has greater potential to achieve the relevant environmental and/or social characteristics than other investments. In addition, the AIFM and the Investment



Manager may reject an opportunity to increase the financial return of an existing investment in order to preserve the characteristics of an investment that achieve the environmental and/or social characteristics promoted by the Sub-Fund. Further, the AIFM and the Investment Manager may refrain from disposing of an underperforming investment in order to minimize any negative impact on the environmental and/or social characteristics promoted by the Sub-Fund. As a result of the foregoing, the Sub-Fund may achieve lower returns than if it did not seek to promote environmental and social characteristics. On the other hand, the AIFM and the Investment Manager may determine in any particular situation to take steps to preserve financial returns, notwithstanding any negative impact on the environmental and/or social characteristics promoted by the Sub-Fund.

**Borrower and Revolver Seller Fraud; Breach of Covenant.** The Sub-Fund (indirectly through the Master Fund) may acquire funded and unfunded revolving credit facilities ("**Revolvers**") having structural, covenant and other contractual terms providing adequate downside protection, but there can be no assurance that such features and terms will achieve their desired effect and potential Investors should regard an investment as being speculative and having a high degree of risk. Of paramount concern in acquiring a Revolver is the possibility of material misrepresentation or omission on the part of the Revolver seller, the borrowers thereunder (the "**Portfolio Borrower**") or other credit support providers, or breach of covenant by any such parties. Such inaccuracy or incompleteness or breach of covenants may adversely affect the valuation of the collateral underlying the loans or the ability of the Revolver lenders to perfect or effectuate a lien on the collateral securing the loan or the Sub-Fund's ability to otherwise realize on or avoid losses in respect of such investment. The AIFM, the Investment Manager or any Affiliate thereof will rely upon the accuracy and completeness of representations made by any such parties to the extent reasonable, but cannot guarantee such accuracy or completeness.

**Investments in Bank Loans and Participations.** The Sub-Fund (indirectly through the Master Fund) may invest in bank loans and participations. The special risks associated with these obligations include: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) environmental liabilities that may arise with respect to collateral securing the obligations; (iii) adverse consequences resulting from participating in such instruments with other institutions with lower credit quality; (iv) limitations on the ability of the Sub-Fund, the Master Fund, the AIFM, the Investment Manager or any Affiliate thereof to directly enforce any of their respective rights with respect to participations and (v) generation of income that is subject to U.S. federal income taxation as income effectively connected to a U.S. trade or business. The AIFM, the Investment Manager or any Affiliate thereof will attempt to balance the magnitude of these risks against the potential investment gain prior to entering into each such investment. Successful claims by third parties arising from these and other risks, absent bad faith, may be borne by the Sub-Fund (indirectly through the Master Fund).

Bank loans generally are transferable among financial institutions and other entities. However, they do not presently have the liquidity of conventional debt securities and are often subject to restrictions on resale. For example, third party approval is often required for the assignment of interests in bank loans. Due to the illiquidity of bank loans, the Sub-Fund (indirectly through the Master Fund) may not be able to dispose of its investments in bank loans in a timely fashion and at a fair price, which could adversely affect the performance of the Sub-Fund (indirectly through the Master Fund). With respect to bank loans acquired as participations by the Sub-Fund (indirectly through the Master Fund), because the holder of a participation generally has no contractual relationship with a borrower, the Sub-Fund (indirectly through the Master Fund) will have to rely upon a third party to pursue appropriate remedies against a borrower in the event of a default. As a result, the Sub-Fund (indirectly through the Master Fund) may be subject to delays, expenses and risks that are greater than those that would be involved if it could enforce its rights directly against a borrower or through the agent. Bank loans acquired as participations also involve the risk that the Sub-Fund (indirectly through the Master Fund) may be regarded as a creditor of a third party rather than a creditor of the borrower. In such a case, the Sub-Fund (indirectly through the Master Fund) would be subject to the risk that a selling participant may become insolvent.

A borrower of a bank loan, in some cases, may prepay the bank loan. Prepayments could adversely affect the Sub-Fund's (indirectly through the Master Fund's) interest income to the

extent that the Sub-Fund (indirectly through the Master Fund) is unable to reinvest promptly payments in bank loans or if such prepayments were made during a period of declining interest rates.

The Sub-Fund (indirectly through the Master Fund) may invest in broadly syndicated loans indirectly through acquiring participation interests in all or a portion of a loan. Participations in a loan will result in a contractual relationship between the Sub-Fund (indirectly through the Master Fund) and the institution participating out (such institution, the "**Underlying Lender**"), or selling, the relevant portion of the loan and not with the Portfolio Borrower under the loan. Participation interests will only give the Sub-Fund (indirectly through the Master Fund) the right to receive payments of principal and interest from the Underlying Lender, and not directly from the Portfolio Borrower. The Underlying Lender will generally retain all voting and consent rights, and the Sub-Fund (indirectly through the Master Fund) will typically have limited or no consent rights with respect to amendments of the underlying credit documents or other related matters. The Underlying Lender may have economic or business interests or goals that are inconsistent with those of the Sub-Fund, and may vote in a manner which is detrimental to the Sub-Fund's (indirectly through the Master Fund's) interests. The Underlying Lender may also require the Sub-Fund (indirectly through the Master Fund) to post collateral with it in order to secure the Sub-Fund's (indirectly through the Master Fund's) portion of the funding obligation under such loan. However, in the event that the Underlying Lender becomes insolvent and is subject to bankruptcy proceedings, the collateral posted by the Sub-Fund (indirectly through the Master Fund) may become subject to claims in the bankruptcy and the Sub-Fund's (indirectly through the Master Fund's) position may be that of a general unsecured creditor. In addition, the Sub-Fund's (indirectly through the Master Fund's) interest in any Revolver may be compromised due to the insolvency of the Underlying Lender or any other loan participant's failure to make payments to the Underlying Lender to fund a Revolver. The Sub-Fund (indirectly through the Master Fund) would also not have direct contractual recourse to the Underlying Lender and recovery would be dependent upon the grantor performing its contractual obligations under the participation, the failure of which may not be easily remediable. Further, independent action by the grantor could have a negative effect on recoveries.

It is possible that the Sub-Fund (indirectly through the Master Fund) will not realize its investment objectives by selling Revolver positions in advance of their anticipated maturities. However, if it should need to sell Revolver positions or other investments it holds as a result of a restructuring, in some cases, the Sub-Fund (indirectly through the Master Fund) may be legally, contractually or otherwise prohibited from selling such investments for a period of time or otherwise be restricted from disposing of them, and illiquidity may also result from the absence of an established market for certain investments. The realizable value of a highly illiquid investment, at any given time, may be less than its intrinsic value. In addition, certain types of investments held by the Sub-Fund (indirectly through the Master Fund) may require a substantial length of time to liquidate. The Sub-Fund (indirectly through the Master Fund) does not expect to be able to realize its investment objectives, as applicable, by sale or other disposition of Revolver positions or other investments they hold as a result of a restructuring.

**Time Required for Maturity of Investments.** The Sub-Fund (indirectly through the Master Fund) may, in connection with collateral held by the Sub-Fund (indirectly through the Master Fund) acquire non-marketable common or preferred equity securities and other illiquid assets with equity participation features, which, to the extent that they have value at all, will likely not have realizable value for a significant period of time. Accordingly, certain investments may need to be disposed of in the event the Sub-Fund (indirectly through the Master Fund) needed to liquidate certain assets for less than such assets potential value.

**No Amortization Requirements.** Revolvers have no mandatory amortization requirements. The absence of amortization of any debt over the life of the investment may increase the risk that the issuer will not be able to repay or refinance the loans held in the Sub-Fund (indirectly through the Master Fund) when it matures.

**Extension Risk.** Revolvers are generally the shortest maturity obligation in a company's capital structure and are often the first tranche of a company's debt targeted for refinancing. Incumbent Revolver lenders are typically the primary syndication targets for a maturity extension, partially

due to the inherent challenges a company faces in obtaining new Revolver capital. The ability for the Sub-Fund (indirectly through the Master Fund) to exit an existing position in a Revolver refinancing will be more challenging when the company is underperforming and its credit profile is weakened. In some circumstances, the Sub-Fund (indirectly through the Master Fund) may be required to participate in a maturity extension if it is deemed to be positive for the Revolver relative to the alternatives. Maturity extensions are typically accompanied by capacity reductions, amendment fees, and other economic or covenant enhancements, although these are case specific. Maturity extensions may result in lower diversity, and increase concentration risk. In addition, an extension increases the likelihood that the ability of the Portfolio Borrower to repay the principal of the loan is dependent upon a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

**Funding Revolver Prior To Restructuring.** Revolvers can generally be drawn by the Portfolio Borrower at any time prior to their maturity. Companies preparing to enter a court-sponsored bankruptcy proceeding or negotiate an out-of-court restructuring often fully fund their Revolvers. This is often done to provide additional cash liquidity and strengthen the company's negotiating position. Amounts funded under a Revolver become an obligation of the company and its bankruptcy estate. The discount received in the Revolver purchase price may limit the loss-given-default associated with recoveries in a restructuring. Recovery proceeds in a bankruptcy can be realized over variable time periods.

**Operational Requirements.** Revolver lenders can be required to advance funds upon request by a company. Borrowing notices can be submitted for same-day or next business day draw under a base-rate borrowing and a three business day notice for Eurocurrency borrowings. The Sub-Fund (indirectly through the Master Fund) will be required to satisfy these obligations from the assets of the Sub-Fund (indirectly through the Master Fund) when notice is received. Lenders who do not fund upon receipt of a borrowing notice may lose their voting rights and the right to interest and fees under the credit agreement governing a Revolver. Portfolio Borrowers may pursue Revolver lenders who do not fund their obligations for damages. This liability is principally the cost of obtaining replacement financing but in some cases may include consequential damages.

The AIFM, the Investment Manager or any Affiliate thereof may be required to balance borrowing and repayment requests from a number of Portfolio Borrowers on a weekly or other basis. The frequency and unpredictability of funding increases the potential for human error.

**Funding Variability.** Data on average Revolver utilization is not reported by an individual company and is not available across the market. Prediction of Revolver utilization is inherently subjective and may not take into account changes in credit quality and changes in cash flow, including working capital fluctuation and acquisition activity. While higher than expected utilization increases the current income of the Sub-Fund (indirectly through the Master Fund), it can also lower returns to the extent that the Sub-Fund (indirectly through the Master Fund) must satisfy borrowing requests and will increase the Sub-Fund's (indirectly through the Master Fund's) exposure to Portfolio Borrower defaults.

**Approval Rights.** Most credit agreements provide the borrower with negative consent rights over lender transfers of their Revolvers. Many sponsor-backed and corporate obligors will deny requests to transfer their Revolvers from investment and commercial banks to non-bank holders. This is partially due to concerns over the funding reliability of non-bank holders, who are unrated and otherwise do not have a relationship with the company. It may also be due to concerns about allowing persons that may be affiliated with competitors to have a creditor's information and other rights. These concerns may negatively affect the ability of the Sub-Fund (indirectly through the Master Fund) to be approved as the transferee of an interest in Revolvers. To the extent such rights are not granted, the Sub-Fund (indirectly through the Master Fund) may decide instead to acquire participation interests in a syndicated loan. Once a transfer is approved by the Portfolio Borrower, the Sub-Fund (indirectly through the Master Fund) may obtain traditional voting and lender information rights. However, Portfolio Borrower reluctance to approve transfers may also affect the Sub-Fund's (indirectly through the Master Fund's) ability to liquidate its position in a Revolver should it need to.

Administrative agent banks also have approval rights over assignments of Revolvers due to their role in advancing swingline and letter of credit borrowings on behalf of the Revolver lenders, therefore assuming counterparty credit risk. While agent banks have generally been comfortable with Apollo and Apollo Clients owning Revolvers, there is no assurance this will be the case in the future. Also such approval rights increase the illiquidity of Revolvers and can negatively impact the closing time period of secondary trades conducted to create the portfolio.

**Default and Concentration Risk.** The risk that payments to the Sub-Fund (indirectly through the Master Fund) could be adversely affected by borrower defaults will increase to the extent that the investment is concentrated in any one borrower, industry, or region. To the extent that a default occurs with respect to any investment and the Sub-Fund (indirectly through the Master Fund) sells or otherwise disposes of such investment, the proceeds of such sale or disposition are likely to be less than the unpaid principal and interest thereon. In addition, the Sub-Fund (indirectly through the Master Fund) may incur additional expenses to the extent it seeks recoveries upon the default of an investment or participates in the restructuring of an investment. Even in the absence of a default with respect to any of the investments, the potential volatility and lack of price liquidity at any time will vary and may vary substantially from par or from the price at which such investments were initially purchased and from the principal amount of such investments. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition of such investments at any time, or that the proceeds of any such sale or disposition would be sufficient to pay a corresponding redemption amount on the Sub-Fund (indirectly through the Master Fund). Moreover, there can be no assurance as to the timing of any recoveries in respect of defaulted obligations.

**Non-Performing Nature of Loans.** The Sub-Fund may invest in loans, which carries certain risks. There can be no assurance as to the amount and timing of payments with respect to the loans, the loans could become non-performing and possibly go into default, and the obligor and/or relevant guarantor could enter into bankruptcy or liquidation. Although the AIFM and the Investment Manager will attempt to manage risks of investing in loans, there can be no assurance that the Sub-Fund's investments will increase in value or that the Sub-Fund will not incur significant losses. Investors should be prepared to lose all or substantially all of their investment in the Sub-Fund.

**Investments in Apollo Clients:** The Sub-Fund (indirectly through the Master Fund) may also invest in other Apollo Clients, including (i) asset-backed securities investments issued by, related to or that otherwise constitute Apollo Clients, (ii) Platform Investments and joint ventures (including joint ventures formed in connection with Platform Investments, even in circumstances where the Sub-Fund (indirectly through the Master Fund) is not invested in the relevant Platform Investment), (iii) newly-formed Apollo Clients established for a particular investment and (iv) in circumstances where the Sub-Fund (indirectly through the Master Fund) may serve as the initial or "anchor" investor in such Apollo Client (any Apollo Clients into which the Sub-Fund (indirectly through the Master Fund) serves as an "anchor" investor, an "**Apollo Anchor Client**" and, any such anchor investment, being "**Anchor Capital**"). The Sub-Fund (indirectly through the Master Fund) will be directly or indirectly subject to the terms of the governing documents of the Apollo Client in which it invests, and such terms will control with respect to such investment without any corresponding application of the terms and conditions as between the Sub-Fund and/or the Master Fund and Apollo, such as the Prospectus, this Sub-Fund Supplement and the Articles (even if such terms are inconsistent). For example, the applicable governing documents of such Apollo Client may provide for a different form, manner, timing or calculation of performance-based compensation that may result in Apollo receiving such compensation from such Apollo Client in a greater amount, earlier or subject to fewer or less burdensome conditions than is the case for the fees allocable by the Sub-Fund and/or the Master Fund. Apollo Clients into which the Sub-Fund (indirectly through the Master Fund) invests may, in turn, invest in other Apollo Clients or portfolio companies of Apollo Clients. Such activity may subject the Sub-Fund (indirectly through the Master Fund) to additional risks. For example, the Sub-Fund (indirectly through the Master Fund) could bear an additional layer of fees and incentive compensation (which will not reduce management fees paid by the Sub-Fund and/or the Master Fund and will be retained by, and be for the benefit of, Apollo or any of their respective Affiliates or employees) as a result of investing into such Apollo Clients, as well as its pro rata share of the expenses of such Apollo Clients, which could adversely affect the Sub-Fund's and/or the Master Fund's returns. In some circumstances,

an Apollo Anchor Client that has received significant withdrawal and/or redemption requests may suspend or limit withdrawals and/or redemptions, including withdrawals and/or redemptions by the Sub-Fund (indirectly through the Master Fund). The Sub-Fund and/or the Master Fund will generally not have an active role in the day-to-day management of an Apollo Client, Platform Investment or joint venture or have the opportunity to evaluate the specific investments made thereby before they are made. The returns of the Sub-Fund (indirectly through the Master Fund) will depend in part on the performance of the team managing the Apollo Client and could be substantially adversely affected by the unfavorable performance of such team. Similarly, an Apollo Client may invest on the basis of certain short-term market considerations. As a result, the turnover rate with the Apollo Client may be significant, potentially involving substantial brokerage commissions, fees and other transaction costs. The Sub-Fund and/or the Master Fund will have no control over such turnover. Because an Apollo Anchor Client, Platform Investment or joint venture may be operated by a newly-formed management team without a significant track record, an Anchor Capital investment may be subject to more significant risks than would be the case if the Sub-Fund (indirectly through the Master Fund) invested with a more "seasoned" team with a longer track record.

**Senior Loans Risk.** Senior secured loans are usually rated below investment grade or may also be unrated. As a result, the risks associated with senior secured loans are similar to the risks of below investment grade fixed income instruments, although senior secured loans are senior and secured in contrast to other below investment grade fixed income instruments, which are often subordinated or unsecured. Investment in senior secured loans rated below investment grade is considered speculative because of the credit risk of their issuers. Such companies are more likely than investment grade issuers to default on their payments of interest and principal owed to the Sub-Fund and/or the Master Fund, and such defaults could have a material adverse effect on the Sub-Fund's and/or the Master Fund's performance. An economic downturn would generally lead to a higher non-payment rate, and a senior secured loan may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a senior secured loan may decline in value or become illiquid, which would adversely affect the senior secured loan's value. Senior secured loans are subject to a number of risks described elsewhere in this Sub-Fund Supplement, including liquidity risk and the risk of investing in below investment grade fixed income instruments.

There may be less readily available and reliable information about most senior secured loans than is the case for many other types of securities, including securities issued in transactions registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or registered under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). As a result, the AIFM, the Investment Manager or any Affiliate thereof will rely primarily on their own evaluation of a borrower's credit quality rather than on any available independent sources. Therefore, the Sub-Fund and/or the Master Fund will be particularly dependent on the analytical abilities of the AIFM, the Investment Manager or any Affiliate thereof.

In general, the secondary trading market for senior secured loans is not well developed. No active trading market may exist for certain senior secured loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that the Sub-Fund and/or the Master Fund may not be able to sell senior secured loans quickly or at a fair price. To the extent that a secondary market does exist for certain senior secured loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

**Subordinated Loans or Securities.** Certain of the Sub-Fund's and/or the Master Fund investments may consist of loans or securities, or interests in pools of securities that are subordinated or may be subordinated in right of payment and ranked junior to other securities issued by, or loans made to obligors. If an obligor experiences financial difficulty, holders of its more senior securities will be entitled to payments in priority to the Sub-Fund and/or the Master Fund. Some of the Sub-Fund's (indirect through the Master Fund) asset-backed investments may also have structural features that divert payments of interest and/or principal to more senior classes of loans or securities backed by the same assets when loss rates or delinquency exceeds certain levels. This may interrupt the income the Sub-Fund (indirectly through the Master Fund) receives from its investments, which may lead to the Sub-Fund having less income to distribute to Investors.

In addition, many of the obligors are highly leveraged and many of the Sub-Fund's and/or the Master Fund's investments will be in securities which are unrated or rated below investment grade. Such investments are subject to additional risks, including an increased risk of default during periods of economic downturn, the possibility that the obligor may not be able to meet its debt payments and limited secondary market support, among other risks.

**Adjustments to Terms of Investments.** The terms and conditions of the loan agreements and related assignments may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement must include a majority or a supermajority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders. Consequently, the terms and conditions of the payment obligation arising from loan agreements could be modified, amended or waived in a manner contrary to the preferences of the Sub-Fund (indirectly through the Master Fund), if a sufficient number of the other lenders concurred with such modification, amendment or waiver. There can be no assurance that any obligations arising from a loan agreement will maintain the terms and conditions to which the Sub-Fund (indirectly through the Master Fund) originally agreed. Because the Sub-Fund (indirectly through the Master Fund) may invest through participation interests, it is possible that the Sub-Fund (indirectly through the Master Fund) may not be entitled to vote on any such adjustment of terms of such agreements.

The exercise of remedies may also be subject to the vote of a specified percentage of the lenders thereunder. The Investment Manager will have the authority to cause the Sub-Fund (indirectly through the Master Fund) to consent to certain amendments, waivers or modifications to the investments requested by obligors or the lead agents for loan syndication agreements. The Investment Manager may, in accordance with its investment management standards, cause the Sub-Fund (indirectly through the Master Fund) to extend or defer the maturity, adjust the outstanding balance of any investment, reduce or forgive interest or fees, release material collateral or guarantees, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. The Investment Manager will make such determinations in accordance with its investment management standards. Any amendment, waiver or modification of an investment could adversely impact the Sub-Fund's (indirectly through the Master Fund's) investment returns.

**Loans to Private Companies.** Loans to private and middle market companies involve a number of particular risks that may not exist in the case of large public companies, including:

- these companies may have limited financial resources and limited access to additional financing, which may increase the risk of their defaulting on their obligations, leaving creditors such as the Sub-Fund (indirectly through the Master Fund) dependent on any guarantees or collateral they may have obtained;
- these companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- there may not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality;
- these companies are more likely to depend on the management talents and efforts of a small group of persons; as a result, the death, disability, resignation, liquidation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations;
- these companies have less predictable operating results than large businesses and may require substantial additional capital to support their operations, maintain their competitive position or expand their financial operations;
- these companies may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity; and

- these companies may use privately negotiated documentation not based on any particular industry standard (e.g., the Loan Market Association or Loan Syndicate Trading Association).

**Asset-Sourcing.** The leveraged loan market is a highly specialized and, in certain jurisdictions, is still a developing market. The consistency of available and suitable investments in leveraged loans, both in the case of new leveraged loans and in the secondary market, could be a risk. The lack of availability from time to time of assets for purchase by the Sub-Fund (indirectly through the Master Fund) may delay the Sub-Fund's (indirectly through the Master Fund's) ability to achieve its target portfolio size, composition or rate of return in its projected timeframe or to make investments thereafter, both of which circumstances could materially adversely affect the Sub-Fund's (indirectly through the Master Fund's) investment performance.

Factors that may affect the Sub-Fund's (indirectly through the Master Fund's) ability to source suitable investments include, among other things, the following: (i) developments in the market for leveraged loans or other general market events, which may include changes in interest rates or credit spreads or other events which may adversely affect the price of securities; (ii) whether individually or collectively, competition for investment opportunities and the inability of the Sub-Fund (indirectly through the Master Fund) to acquire securities at favorable yields (including, if the Sub-Fund's (indirectly through the Master Fund's) competitors have greater access to financial, technical and marketing resources than the Sub-Fund (indirectly through the Master Fund), a lower cost of funds than the Sub-Fund (indirectly through the Master Fund) and access to funding sources that are not available to the Sub-Fund (indirectly through the Master Fund)); (iii) the inability of the Sub-Fund (indirectly through the Master Fund) to reinvest the proceeds from the sale or repayment of any of its assets in suitable target investments on a timely basis, whether at prices that the Sub-Fund (indirectly through the Master Fund) believes are appropriate or at all; and (iv) the inability of the Sub-Fund (indirectly through the Master Fund) to secure debt financing or refinancing of the Sub-Fund's (indirectly through the Master Fund's) portfolio on a timely basis, whether on a basis that is satisfactory to the Sub-Fund (indirectly through the Master Fund) or at all.

Moreover, in the context of sourcing investment opportunities, certain private equity sponsors unaffiliated with Apollo who control borrowers may be reluctant to consent to having the Sub-Fund act as lender under a Revolver because of the Sub-Fund's (indirectly through the Master Fund's) affiliation with Apollo and other Apollo Clients.

**Sub-Fund's Income.** The Sub-Fund's income may at times be variable. For example, there may be times when the Sub-Fund holds instruments that are junior to other instruments and as a result of limited cash flow, the Sub-Fund receives little or no income. A wide range of factors may adversely affect an obligor's ability to make repayments, including adverse changes in the financial condition of such obligor or the industries or regions in which it operates, the obligor's exposure to counterparty risk; systemic risk in the financial system and settlement; changes in law or taxation; changes in governmental regulations or other policies; natural disasters; terrorism; social unrest, civil disturbances; or general economic conditions. Default rates tend to accelerate during economic downturns, which would in turn affect cash flow to the Sub-Fund. Any defaults will have a negative impact on the value of the Sub-Fund's investments and may reduce the return that the Sub-Fund receives from its investments in certain circumstances. While some amount of annual defaults is expected to occur, defaults in or declines in the value of the Sub-Fund's investments in excess of these expected amounts may result in breaches of covenants under the Sub-Fund's financing arrangements, triggering credit enhancement requirements or accelerated repayment provisions and, if not cured within the relevant grace periods, permitting the finance provider to enforce its security over all the assets of the Sub-Fund. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of an obligor, holders of debt instruments ranking senior to the Sub-Fund's investments would typically be entitled to receive payment in full before the Sub-Fund receives any distributions in respect of its investments. After repaying the senior creditors, such obligor may not have any remaining assets to repay its obligations to the Sub-Fund. In the case of debt ranking equally with the loans or debt securities in which the Sub-Fund invests, the Sub-Fund would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant investee company. Each jurisdiction in

which the Sub-Fund invests has its own insolvency laws. As a result, investments in similarly situated investee companies in different jurisdictions may well confer different rights in the event of insolvency.

**Loan Origination:** The Sub-Fund (indirectly through the Master Fund) may seek to originate loans, including, but not limited to, secured and unsecured notes, senior and second lien loans, mezzanine loans, and other similar investments. The Sub-Fund (indirectly through the Master Fund) may subsequently offer such investments for sale to third parties, which could include Apollo Clients; provided, that there is no assurance that the Sub-Fund (indirectly through the Master Fund) will complete the sale of such an investment. Further, the decision by any Apollo Client to accept or reject the offer may be made by a party independent of the Investment Manager, such as independent directors of such Apollo Client or an advisory or credit committee composed of individuals who are not affiliated with Apollo. In determining the target amount to allocate to such an investment, the Sub-Fund (indirectly through the Master Fund) may take into consideration the fact that it may sell, assign or offer participations in such investment to the third parties described above. If the Sub-Fund (indirectly through the Master Fund) is unable to sell, assign or successfully close transactions for the loans that it originates, the Sub-Fund (indirectly through the Master Fund) will be forced to hold its interest in such loans for an indeterminate period of time. This could result in the Sub-Fund's (indirectly through the Master Fund's) investments being over-concentrated in certain borrowers.

**Loan Origination Regulation:** The Sub-Fund (indirectly through the Master Fund) intends to engage in originating, lending and/or servicing loans, and may therefore be subject to regulation, borrower disclosure requirements, limits on fees and interest rates on some loans, lender licensing requirements and other regulatory requirements in the conduct of its business as they pertain to such transactions. The Sub-Fund (indirectly through the Master Fund) may also be subject to consumer disclosures and substantive requirements on consumer loan terms and other regulatory requirements applicable to consumer lending that are administered by applicable regulatory authorities, which are designed to protect borrowers.

**Investments in Structured Products.** The Sub-Fund (indirectly through the Master Fund) may invest in securities backed by, or representing interests in, certain underlying instruments ("**Structured Products**"). The cash flow on the underlying instruments may be apportioned among the Structured Products to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to the Structured Products is dependent on the extent of the cash flow on the underlying instruments. The Sub-Fund (indirectly through the Master Fund) may invest in Structured Products that represent derived investment positions based on relationships among different markets or asset classes.

The performance of Structured Products will be affected by a variety of factors, including its priority in the capital structure of the issuer, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

The risks associated with Structured Products involve the risks of loss of principal due to market movement. In addition, investments in Structured Products may be illiquid in nature, with no readily available secondary market. Because they are linked to their underlying markets or securities, investments in Structured Products generally are subject to greater volatility than an investment directly in the underlying market or security. Total return on a Structured Product is derived by linking the return to one or more characteristics of the underlying instrument. Because certain Structured Products of the type in which the Sub-Fund (indirectly through the Master Fund) may invest may involve no credit enhancement, the credit risk of those Structured Products generally would be equivalent to that of the underlying instruments. The Sub-Fund (indirectly through the Master Fund) may invest in a class of Structured Products that is either subordinated or unsubordinated to the right of payment of another class. Subordinated Structured Products typically have higher yields and present greater risks than unsubordinated Structured Products.



Certain issuers of Structured Products may be subject to law or regulation in the jurisdiction in which it has its registered office and/or head office and, as a result, the Sub-Fund's (indirect through the Master Fund) investments in these Structured Products may be limited by the restrictions contained in such law or regulation. Structured Products are typically sold in private placement transactions, and there currently is no active trading market for Structured Products. As a result, certain Structured Products in which the Sub-Fund (indirectly through the Master Fund) invests may be deemed illiquid and subject to its limitation on illiquid investments.

**Collateralized Loan Obligations (CLO).** Collateralized Loan Obligations ("CLO") securities are subject to credit, liquidity and interest rate risks. CLO securities are generally illiquid and dealer marks may not represent prices where assets can actually be purchased or sold in the market from time to time. Accordingly, the mark-to-market value of CLOs may be volatile and the value of the Sub-Fund (indirectly through the Master Fund) invested in CLOs could likewise be volatile. The value of the CLO securities generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the underlying collateral, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Consequently, holders of CLO securities must rely solely on distributions on the collateral or proceeds thereof for payment in respect thereof. If distributions on the collateral are insufficient to make payments on the CLO securities, no other assets will be available for payment of the deficiency and following realization of the CLO securities, the obligations of such issuer to pay such deficiency generally will be extinguished. Collateral often consists primarily of loans, but may consist of high yield debt or other securities, which often are rated below investment grade (or of equivalent credit quality). High yield debt securities generally are unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. The lower ratings of high yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest. Such investments may be speculative.

CLO issuers may acquire interests in loans and other debt obligations by way of sale, assignment or participation. The purchaser of an assignment typically becomes a lender under the credit agreement with respect to the loan or debt obligation; however, its rights can be more restricted than those of the assigning institution. In purchasing participations, a CLO issuer will usually have a contractual relationship only with the selling institution, and not the borrower. The CLO issuer generally will have neither the right directly to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor have the right to object to certain changes to the loan agreement agreed to by the selling institution. The CLO issuer may not directly benefit from the collateral supporting the related loan and may be subject to any rights of set-off the borrower has against the selling institution. In addition, in the event of the insolvency of the selling institution, under applicable law, the CLO issuer may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the loan. Consequently, the CLO may be subject to the credit risk of the selling institution as well as of the borrower.

**Asset-Backed Securities ("ABS") Investments.** The Sub-Fund's (indirect through the Master Fund) investment program may include a significant amount of ABS investments in a range of asset classes that will subject them to further risks, including, among others, credit risk, liquidity risk, interest rate and other market risk, operational risk, structural risk, sponsor risk, monoline wrapper risk and other legal risk. Some, but not all, of these additional asset classes and certain related risks are described below.

The investment characteristics of ABS differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that the principal may be prepaid at any time because the underlying loans or other assets generally may be prepaid at any time. ABS are not secured by an interest in the related collateral. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of a number of state and federal consumer loan laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Most issuers of ABS backed by automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there

is a risk that the purchaser would acquire an interest superior to that of the holders of the related ABS. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the ABS may not have a proper security interest in all of the obligations backing such ABS. Therefore, there is a possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities. The risk of investing in ABS is ultimately dependent upon payment of underlying loans by the debtor.

The collateral supporting ABS is of shorter maturity than certain other types of loans and is less likely to experience substantial prepayments. ABS are often backed by pools of any variety of assets, including, for example, real property leases, mobile home loans and aircraft leases, which represent the obligations of a number of different parties and use credit enhancement techniques such as letters of credit, guarantees or preference rights. The value of an ABS is affected by changes in the market's perception of the asset backing the security and the creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement.

In addition, investments in subordinated ABS involve greater credit risk of default than the senior classes of the issue or series. Default risks may be further pronounced in the case of ABS secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying loans. Certain subordinated securities absorb all losses from default before any other class of securities is at risk, particularly if such securities have been issued with little or no credit enhancement equity. Such securities, therefore, possess some of the attributes typically associated with equity investments.

There may also be no established, liquid secondary market for many of the ABS the Sub-Fund (indirectly through the Master Fund) may purchase. The lack of such an established, liquid secondary market may have an adverse effect on the market value of such ABS and ability to sell them. Further, ABS may be subject to certain transfer restrictions that may further restrict liquidity. Finally, the Sub-Fund (indirectly through the Master Fund) may engage in enforcement actions, litigation and settlement discussions that may expose the Sub-Fund (indirectly through the Master Fund) to additional expenses, legal proceedings and restrict its trading activities. There is no assurance that any of these enforcement actions or other activist efforts will prove successful.

**Solvency II and Securitizations.** Article 254 of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 ("**Solvency II Delegated Act**") sets forth generally (subject to the exceptions in article 255) a risk retention requirement in securitizations, whereby the originator, sponsors or original lender shall retain, on an ongoing basis, a material net economic interest which in any event shall not be less than 5%. Such commitment must be explicitly disclosed in the documentation governing the relevant instruments. Such net economic interest shall be measured at the time of origination and shall not be subject to any credit risk mitigation or any short positions or any other form of hedging and shall not be sold. In accordance with article 135(2)(a) of Solvency II, such requirement needs to be met in order for an insurance or reinsurance undertaking to be allowed to invest in securitization instruments generally issued after 1 January 2011. Further to article 135(2)(b) of Solvency II, article 256 of the Solvency II Delegated Act establishes qualitative requirements for investments by insurance and reinsurance undertakings in securitizations, including to conduct adequate due diligence, internal monitoring and reporting procedures, stress testing and proper understanding of the instruments, and article 257 establishes the procedures and consequences (including higher capital demands) applicable when the securitizations no longer meet the relevant requirements. There is the risk that certain ABS investments which might be acquired by the Sub-Fund (indirectly through the Master Fund) are subject to such requirements and do not meet or fully meet such requirements, including due to lack of or insufficient disclosure, in the opinion of the relevant regulators or otherwise, in the relevant prospectus and investors reports or the relevant originator, sponsor or original lender failing to meet the relevant disclosure or retention obligations which it has assumed upfront. Each Investor should make itself aware of all these provisions and make its own investigation and analysis as to the impact thereof to its legal and financial position.

**Lower Credit Quality Securities.** The Sub-Fund (indirectly through the Master Fund) may invest in investments that may be deemed by rating companies to have substantial vulnerability to

default in payment of interest and/or principal. The Sub-Fund (indirectly through the Master Fund) may invest in investments that may be unrated. Lower-rated and unrated securities in which the Sub-Fund (indirectly through the Master Fund) may be invested have large uncertainties or major risk exposures to adverse conditions, and are considered to be predominantly speculative. Generally, such securities offer a higher return potential than higher-rated securities, but involve greater volatility of price and greater risk of loss of income and principal.

The market values of certain of these securities (such as subordinated securities) also tend to be more sensitive to changes in economic conditions than higher rated securities. Declining real estate values, in particular, will increase the risk of loss upon default, and may lead to a downgrading of the securities by rating agencies. The value of such securities may also be affected by changes in the market's perception of the entity issuing or guaranteeing them, or by changes in government regulations and tax policies.

In general, the ratings of nationally recognized rating organizations represent the opinions of these agencies as to the quality of securities that they rate. These ratings may be used by the Sub-Fund (indirectly through the Master Fund) as initial criteria for the selection of portfolio securities. Such ratings, however, are relative and subjective; they are not absolute standards of quality and do not evaluate the market value risk of the securities. It is also possible that a rating agency might not change its rating of a particular issue on a timely basis to reflect subsequent events.

**Commercial Mortgage-Backed Securities (CMBS).** The Sub-Fund (indirectly through the Master Fund) may invest in commercial mortgage-backed securities ("**CMBS**") and other mortgage-backed securities, including subordinated tranches of such securities. The value of CMBS will be influenced by factors affecting the value of the underlying real estate portfolio, and by the terms and payment histories of such CMBS.

Some or all of the CMBS contemplated to be acquired by the Sub-Fund (indirectly through the Master Fund) may not be rated, or may be rated lower than investment-grade securities, by one or more nationally recognized statistical rating organizations. Lower-rated or unrated CMBS, or "B-pieces," have speculative characteristics and can involve substantial financial risks as a result. The prices of lower credit quality securities have been found to be less sensitive to interest rate changes than more highly rated investments, but more sensitive to adverse economic or real estate market conditions or individual issuer concerns. Securities rated lower than "B" by the rating organizations can be regarded as having extremely poor prospects of ever attaining any real investment standing and may be in default. Existing credit support and the owner's equity in the property may be insufficient to protect the Sub-Fund (indirectly through the Master Fund) from loss. As an investor in subordinated CMBS in particular, the Sub-Fund (indirectly through the Master Fund) will be first in line among debt holders to bear the risk of loss from delinquencies and defaults experienced on the collateral.

The Sub-Fund (indirectly through the Master Fund) may acquire subordinated tranches of CMBS issuances. In general, subordinated tranches of CMBS are entitled to receive repayment of principal only after all principal payments have been made on more senior tranches and also have subordinated rights as to receipt of interest distributions. Such subordinated tranches are subject to a greater risk of non-payment than are senior tranches of CMBS or CMBS backed by third-party credit enhancement. In addition, an active secondary market for such subordinated securities is not as well developed as the market for certain other mortgage-backed securities. Accordingly, such subordinated CMBS may have limited marketability and there can be no assurance that a more efficient secondary market will develop.

The value of CMBS and other mortgage-backed securities in which the Sub-Fund (indirectly through the Master Fund) may invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise, the value of such securities will decline. In addition, to the extent that the mortgage loans which underlie specific mortgage-backed securities are prepayable, the value of such mortgage securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline.

Mortgage loans on commercial properties underlying mortgage-backed securities ("**MBS**") often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity and repayment of the loan principal, and thus, often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default. Many commercial mortgage loans underlying MBS are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related MBS are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of MBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks, and governmental disclosure requirements with respect to the condition of the property may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related MBS. Revenues from the assets underlying such MBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court-appointed receiver to control collateral cash flow.

**Residential Mortgage Backed Securities (RMBS).** The Sub-Fund (indirectly through the Master Fund) may invest certain of its assets in residential mortgage-backed securities ("**RMBS**") and become holders of RMBS. Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized and the securities issued in such securitization may be guaranteed or credit enhanced. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

At any one time, a portfolio of RMBS may be backed by residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few countries, states or regions. As a result, the residential mortgage loans may be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations. In addition, the residential mortgage loans may include so-called "Jumbo" mortgage loans, having original principal balances that are higher than is generally the case for residential mortgage loans. As a result, such portfolio of RMBS may experience increased losses.

Each underlying residential mortgage loan in an issue of RMBS may have a balloon payment due on its maturity date. Balloon residential mortgage loans involve a greater risk to a lender than self-amortizing loans, because the ability of a borrower to pay such amount will normally depend on its ability to obtain refinancing of the related mortgage loan or sell the related mortgaged property at a price sufficient to permit the borrower to make the balloon payment, which will depend on a number of factors prevailing at the time such refinancing or sale is required, including the strength of the residential real estate markets, tax laws, the financial situation and operating history of the underlying property, interest rates and general economic conditions. If the borrower is unable to make such balloon payment, the related issue of RMBS may experience losses.

Prepayments on the underlying residential mortgage loans in an issue of RMBS will be influenced by the prepayment provisions of the related mortgage notes and may also be affected by a variety of economic, geographic and other factors, including the difference between the interest rates on the underlying residential mortgage loans (giving consideration to the cost of refinancing) and prevailing mortgage rates and the availability of refinancing. In general, if prevailing interest rates fall significantly below the interest rates on the related residential mortgage loans, the rate of prepayment on the underlying residential mortgage loans would be expected to increase. Conversely, if prevailing interest rates rise to a level significantly above the interest rates on the related mortgages, the rate of prepayment would be expected to decrease. Prepayments could reduce the yield received on the related issue of RMBS.

Residential mortgage loans in an issue of RMBS may be subject to various laws, public policies and principles of equity that protect consumers, which among other things may regulate interest rates and other charges, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit information and regulate debt collection practices. Violation of certain provisions of these laws, public policies and principles may limit the servicer's ability to collect all or part of the principal or interest on a residential mortgage loan, entitle the borrower to a refund of amounts previously paid by it, or subject the servicer to damages and sanctions. Any such violation could result also in cash flow delays and losses on the related issue of RMBS.

RMBS may have structural characteristics that distinguish them from other asset-backed securities. The rate of interest payable on RMBS may be set or effectively capped at the weighted average net coupon of the underlying mortgage loans themselves. As a result of this cap, the return to investors is dependent on the relative timing and rate of delinquencies and prepayments of mortgage loans bearing a higher rate of interest. In general, early prepayments will have a greater impact on the yield to investors. Applicable laws may also affect the return to investors by capping the interest rates payable by certain mortgagors. Certain RMBS may provide for the payment of only interest for a stated period of time.

In addition, structural and legal risks of RMBS include the possibility that, in a bankruptcy or similar proceeding involving the originator or the servicer (often the same entity or affiliates), the assets of the issuer could be treated as never having been truly sold by the originator to the issuer and could be substantively consolidated with those of the originator, or the transfer of such assets to the issuer could be voided as a fraudulent transfer. Challenges based on such doctrines could result also in cash flow delays and losses on the related issue of RMBS.

Reorganizations can be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. The AIFM, the Investment Manager or any Affiliate thereof, the Sub-Fund and/or the Master Fund may be named as defendants in civil proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne directly and/or indirectly by the Sub-Fund and would reduce net assets.

It is not expected that the RMBS will be guaranteed or insured by any governmental agency or instrumentality or by any other person. Distributions on RMBS will depend solely upon the amount and timing of payments and other collections on the related underlying mortgage loans.

**Consumer Loans.** Investments in consumer loans may be subject to particular risks related to non-performance. Secured consumer loans may involve collateral that is too highly leveraged, or limited by rehabilitation needs or poor management. Nonperforming consumer loans may also involve loan modifications that could reduce the loan's principal or interest rate, among other options. Consumer bankruptcy may also render a consumer loan partially or fully uncollectable. Additionally, there may be a limited market for the sale of consumer loans, or the collateral of defaulted consumer loans. A limited secondary market could prevent the recovery of adequate value for these assets.

**Debt Investments.** The Sub-Fund (indirectly through the Master Fund) may make investments in debt instruments or convertible debt securities in connection with investments in equity or equity-related securities or may make debt investments that have an expected return comparable

to equity or equity-related securities. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including, investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions.

It is likely that many of the debt instruments in which the Sub-Fund (indirectly through the Master Fund) may invest may have speculative characteristics. The Sub-Fund (indirectly through the Master Fund) may have few or no restrictions on the credit quality of the investments they may hold. Generally, such instruments offer a higher return potential than higher-rated securities, but involve greater volatility of price and greater risk of loss of income and principal. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

**Investments in Distressed Securities and Restructurings; Bankruptcy.** The Sub-Fund (indirectly through the Master Fund) may invest in obligations or securities that are rated below investment grade by recognized rating services such as Moody's and Standard & Poor's. Securities rated below investment grade and unrated securities generally offer a higher current yield than that available from higher grade issues but typically involve greater risk. Securities rated below investment grade and unrated securities are typically subject to adverse changes in general economic conditions, changes in the financial condition of their issuers and price fluctuation in response to changes in interest rates. During periods of economic downturn or rising interest rates, issuers of securities rated below investment grade and unrated securities may experience financial stress that could adversely affect their ability to make payments of principal and interest and increase the possibility of default. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the values and liquidity of securities rated below investment grade and unrated securities, especially in a market characterized by a low volume of trading. In addition, the secondary market for high-yield securities, which is concentrated in relatively few market makers, may not be as liquid as the secondary market for more highly rated securities. As a result, the Sub-Fund (indirectly through the Master Fund) could find it more difficult to sell these securities or may be able to sell the securities held by the Sub-Fund (indirectly through the Master Fund) only at prices lower than if such securities were widely traded.

The Sub-Fund (indirectly through the Master Fund) may make investments, in restructurings or otherwise, that involve issuers that are experiencing, or are expected to experience, severe financial difficulties. These financial difficulties may never be overcome and may lead to uncertain outcomes, including causing such issuer to become subject to bankruptcy proceedings. There are a number of significant risks inherent in the bankruptcy process. The bankruptcy courts have broad discretion to control the terms of a reorganization, and political factors may be of significant importance in high profile bankruptcies or bankruptcies in particular jurisdictions and, while creditors are generally given an opportunity to object to significant actions, there can be no assurance that a bankruptcy court in the exercise of its broad powers would not approve actions that would be contrary to the interests of the Sub-Fund (indirectly through the Master Fund). For example, in order to protect net operating losses of an obligor in bankruptcy, a bankruptcy court might take any number of actions, including prohibiting or limiting the transfer of claims held by certain classes of creditors. Such a prohibition could have a material adverse effect on the value of certain investments made by the Sub-Fund (indirectly through the Master Fund). For example, the Sub-Fund (indirectly through the Master Fund) might be prohibited from liquidating investments which are declining in value.

In addition, investments in issuers that are experiencing, or are expected to experience, severe financial difficulties could, in certain circumstances, subject the Sub-Fund (indirectly through the Master Fund) to certain additional potential liabilities that may exceed the value of the Sub-Fund's (indirectly through the Master Fund's) original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Sub-Fund (indirectly through the Master Fund) and distributions by the Sub-Fund (indirectly through the Master Fund) to the shareholders may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability, and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

The possibility of litigation between the participants in a reorganization is another consideration that makes any evaluation of the outcome of an investment uncertain. Such uncertainties may also be increased by legal and other factors that limit the ability of the AIFM, the Investment Manager or any Affiliate thereof to be able to obtain reliable and timely information concerning material developments affecting an obligor, or which lengthen a reorganization or liquidation proceeding.

Such investments could also be subject to bankruptcy laws and fraudulent conveyance laws, which may vary from jurisdiction to jurisdiction, if the securities relating to such investments were issued with the intent of hindering, delaying or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such securities. If such investments constitute debt and such debt is used for a buyout of shareholders, this risk is greater than if the debt proceeds are used for day-to-day operations or organic growth. Under certain circumstances, payments to the Sub-Fund (indirectly through the Master Fund) and distributions by the Sub-Fund (indirectly through the Master Fund) to the Investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Such debt may also be disallowed or subordinated to the claims of other creditors if the Sub-Fund (indirectly through the Master Fund) is found to have engaged in other inequitable conduct resulting in harm to other parties. The Sub-Fund's (indirectly through the Master Fund's) investment may be treated as equity if it is deemed to be a contribution to capital, or if the Sub-Fund (indirectly through the Master Fund) attempts to control the outcome of the business affairs of a company prior to its filing under the applicable bankruptcy laws. There can be no assurance that such claims will not be asserted or that the Sub-Fund (indirectly through the Master Fund) will be able to defend against them successfully.

**Creditors' Rights.** The Sub-Fund's (indirectly through the Master Fund's) investments and the collateral underlying those investments may be subject to various laws for the protection of creditors in the jurisdictions of the investments concerned. Such differences in law may also adversely affect the rights of the Sub-Fund (indirectly through the Master Fund) as a lender with respect to other creditors. Additionally, the Sub-Fund (indirectly through the Master Fund), as a creditor, may experience less favorable treatment under different insolvency regimes than those that apply in the EU, including in cases where the Sub-Fund (indirectly through the Master Fund) seeks to enforce any security it may hold as a creditor.

**Nature of Bankruptcy Proceedings.** In addition to the risks described above there are a number of additional risks when investing in companies involved in bankruptcy proceedings. First, many events in a bankruptcy are the product of contested matters and adversarial proceedings that are beyond the control of the creditors. Second, a bankruptcy filing may have adverse and permanent effects on a company. For instance, the company may lose its market position and key employees and otherwise may be incapable of restoring itself as a viable entity. Further, if the proceeding is converted to a liquidation, the liquidation value of the company may not equal the liquidation value that was believed to exist at the time of the investment. Third, the duration of a bankruptcy proceeding is difficult to predict. A creditor's return on investments can be adversely impacted by

delays while a plan of reorganization is negotiated, approved by the creditors and confirmed by the bankruptcy court, up until it ultimately becomes effective. Fourth, the administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor's estate prior to any return to creditors. Fifth, creditors can lose their ranking and priority if they exercise "domination and control" over a debtor and other creditors can demonstrate that they have been harmed by such actions, especially in the case of investments made prior to the commencement of bankruptcy proceedings. If the Sub-Fund (indirectly through the Master Fund) purchases creditor claims subsequent to the commencement of a bankruptcy case, such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller that may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser. Sixth, certain claims, such as claims for taxes, may have priority by law over the claims of certain creditors. Finally, if the Sub-Fund (indirectly through the Master Fund) seeks representation on creditors' committees, it may owe certain obligations generally to all creditors similarly situated that the committee represents, and it may be subject to various trading or confidentiality restrictions. Given the Sub-Fund (indirectly through the Master Fund) will indemnify any Indemnified Parties for claims arising from breaches of such obligations, indemnification payments could adversely affect the return on the Sub-Fund's (indirectly through the Master Fund's) investment in the applicable reorganization.

**Lender Liability and Equitable Subordination.** Some jurisdictions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "**Lender Liability**"). Generally, Lender Liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to a borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of the Sub-Fund's (indirectly through the Master Fund's) investments, the Sub-Fund (indirectly through the Master Fund) could be subject to allegations of Lender Liability.

In addition, under the legal principles applicable in certain jurisdictions that in some cases form the basis for Lender Liability claims, if a lender or bondholder (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors, or (iv) uses its influence as a shareholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors. The Sub-Fund (indirectly through the Master Fund) does not intend to engage in conduct that would form the basis for a successful cause of action based upon the foregoing. However, because of the nature of certain of the Sub-Fund's (indirectly through the Master Fund's) investments, the Sub-Fund (indirectly through the Master Fund) may be subject to claims from creditors of an obligor that debt obligations of which are held by the Sub-Fund (indirectly through the Master Fund) should be subordinated in such a manner.

Similar liability may be imposed by other jurisdictions upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above.

**Subdivision of Debt Obligations.** The Investment Manager and/or its Affiliates, acting in respect of the Sub-Fund and/or the Master Fund, and other Apollo Clients, is permitted, from time to time, to subdivide a debt obligation into two or more tranches, each of which has different terms from the original obligation with respect to interest and principal repayment, seniority and subordination, default remedies, rights to collateral and other matters. The owner of the original obligation, which could have been acquired directly from a borrower in a negotiated transaction or in the secondary market, can retain an interest in one or more tranches and elect to dispose of any such interests, including in related-party transactions between the Sub-Fund and/or the Master Fund and other Apollo Clients. The subdivision or "trenching" of debt obligations typically will be undertaken when Apollo determines that it can achieve competitive advantages or other benefits. For example, a borrower would be expected to favor a lender that is prepared to negotiate a single, consolidated credit arrangement, instead of having to negotiate senior and



subordinated loans and/or secured and unsecured loans with multiple lenders. Tranching can also facilitate access to debt obligations or other securities having specific features that suit the differing risk and return parameters of different Apollo Clients (including the Sub-Fund) on a more customized basis than is available in the market at a particular time. Participation by the Sub-Fund and/or the Master Fund in these tranching activities, either as a creator/seller of tranches to, or as a purchaser from, other Apollo Clients will give rise to a variety of potential conflicts of interest with Apollo and other Apollo Clients. See also "*—Risk Factors—Terms of Tranches*," "*—Exercise of Rights and Remedies*" and "*—Bankruptcy and Other Distress Situations*" below.

**Terms of Tranches.** The terms of the tranches, including pricing terms and other terms, including inter-creditor rights and obligations between or among the holders of the different tranches, typically will not be the result of any arm's-length negotiations. Apollo will endeavor to ascertain and adhere to prevailing market practices at the time that the terms of the tranches are established. However, for any particular terms, there can be no assurance that a prevailing market practice exists or can be readily ascertained or that it will be adopted if there are circumstances that cause Apollo to conclude that it is not appropriate in a particular case.

**Exercise of Rights and Remedies.** Once different tranches have been allocated among the Sub-Fund and/or the Master Fund and other Apollo Clients, a variety of situations could arise in which the holders of a particular tranche will have the opportunity to enforce rights or remedies relating to the borrower, or to vote on or consent to waivers, amendments or other changes. In general, if the relevant documents give holders of one tranche a right to take action, Apollo expects that under most circumstances, it will take such action in the manner that it believes to be in the best interests of such holders, without regard to the consequences for holders of other tranches, including the Sub-Fund and/or the Master Fund or other Apollo Clients. A decision on any of these matters on behalf of holders of one tranche could have an adverse effect on the expected return for holders of other tranches. In these circumstances, Apollo could consider whether there are alternative measures that could fairly reconcile the competing interests of its clients, but there can be no assurance that such alternative measures will be available. As a result, Apollo could be required to take, or not take, an action that will place the interests of another Apollo Client ahead of those of the Sub-Fund and/or the Master Fund. Alternatively, if the Sub-Fund and/or the Master Fund is the owner of a tranche in which unaffiliated investors also own a material interest, and other Apollo Clients own an interest in a different tranche, in order to mitigate conflict with such other Apollo Clients, Apollo could elect to take a passive approach in which it allows the unaffiliated holders to guide the action to be taken or not taken.

**Bankruptcy and Other Distress Situations.** As highlighted in "*—Risk Factors—Nature of Bankruptcy Proceedings*", when a debtor with different classes of outstanding debt becomes bankrupt or experiences severe financial distress, a resolution of the situation often requires adversarial judicial proceedings or contentious negotiations. If this were to occur with respect to a debtor for which the Sub-Fund and/or the Master Fund and other Apollo Clients hold different tranches of debt or other securities, it generally will not be feasible for Apollo to advocate effectively for the interests of all of its clients to the extent that there are conflicting or competing interests among holders of different tranches. As a threshold matter, Apollo expects that in a bankruptcy or other distressed situation, it will generally consider whether it is necessary or appropriate to arrange for separate legal counsel to be engaged on behalf of each separate tranche in order to analyze and identify the available rights, remedies, potential claims and legal strategies for seeking to maximize the recovery potentially available to the tranche, unless the outcome for a particular tranche is clear and certain. It is anticipated that, where feasible, an effort will be made to fashion a compromise solution. Any such effort to reach a compromise solution could result in the Sub-Fund and/or the Master Fund and in turn, other Apollo Clients experiencing a worse outcome than they might have achieved in the absence of Apollo's conflicting loyalties. In certain circumstances, Apollo could seek to mitigate the conflict by delegating certain decision-making responsibilities on behalf of the Sub-Fund and/or the Master Fund or other Apollo Clients to unaffiliated third parties, or by seeking to dispose in whole or in part of one or more tranches. Alternatively, Apollo can seek to accommodate the competing interests of Apollo Clients by assigning different teams of Apollo investment professionals, supported by separate legal counsel and other advisors, to act independently of each other in representing different tranches. There can be no assurance that any of these measures will be implemented, feasible or effective in any particular situation, and it is possible that the outcome for the Sub-Fund and/or the Master Fund,

and in turn, the Apollo Client, will be less favorable than might otherwise have been the case if Apollo had not had duties to Apollo Clients holding other tranches.

While Apollo anticipates that, over time, the overall benefits of permitting multiple clients, including the Sub-Fund and/or the Master Fund, to participate in different tranches will outweigh the potential disadvantages in particular circumstances, there is no way to predict whether these net benefits will ultimately be achieved. Moreover, Apollo's own interests will influence how conflicts between clients in these situations will be resolved. For example, Apollo will be perceived to have an incentive to favor the interests of Apollo Clients that invest primarily in more subordinated classes of debt, since Apollo's compensation from such clients is generally higher than the compensation earned from clients that invest primarily in more senior debt. While Apollo's policies and procedures for addressing the conflicts between its clients in these situations are intended to resolve the conflicts in an impartial manner, there can be no assurance that Apollo's own interests will not influence its conduct.

**Participation Interests.** The Sub-Fund (indirectly through the Master Fund) may purchase participation interests in debt instruments which do not entitle the holder thereof to direct rights against the obligor. Participations held by the Sub-Fund (indirectly through the Master Fund) in a seller's portion of a debt instrument typically result in a contractual relationship only with such seller, not with the obligor. The Sub-Fund (indirectly through the Master Fund) has the right to receive payments of principal, interest and any fees to which it is entitled only from the seller and only upon receipt by such seller of such payments from the obligor. In connection with purchasing participations, the Sub-Fund (indirectly through the Master Fund) generally will have no right to enforce compliance by the obligor with the terms of the related loan agreement, nor any rights of set-off against the obligor and the Sub-Fund (indirectly through the Master Fund) may not directly benefit from the collateral supporting the debt instrument in which it has purchased the participation. As a result, the Sub-Fund (indirectly through the Master Fund) will assume the credit risk of both the obligor and the seller selling the participation. In the event of the insolvency of such seller, the Sub-Fund (indirectly through the Master Fund) may be treated as a general creditor of such seller, and may not benefit from any set-off between such seller and the obligor. When the Sub-Fund (indirectly through the Master Fund) holds a participation in a debt instrument it may not have the right to vote to waive enforcement of any restrictive covenant breached by an obligor or, if the Sub-Fund (indirectly through the Master Fund) does not vote as requested by the seller, it may be subject to repurchase of the participation at par. Sellers voting in connection with a potential waiver of a restrictive covenant may have interests different from those of the Sub-Fund (indirectly through the Master Fund), and such selling institutions may not consider the interests of the Sub-Fund (indirectly through the Master Fund) in connection with its votes.

**Assignments.** The Sub-Fund (indirectly through the Master Fund) may also purchase assignments, which are arrangements whereby a creditor assigns an interest in a loan to the Sub-Fund (indirectly through the Master Fund). The purchaser of an assignment typically succeeds to all the rights and obligations of the assignor of the loan and becomes a lender under the loan agreement and other operative agreements relating to the investment. Assignments are, however, arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assignor of the loan. In contrast to the rights of the Sub-Fund (indirectly through the Master Fund) as an owner of a participation, the Sub-Fund (indirectly through the Master Fund), as an assignee, will generally have the right to receive directly from the obligor all payments of principal, interest and any fees to which it is entitled. In some assignments, the obligor may have the right to continue to make payments to the assignor with respect to the assigned portion of the loan. In such a case, the assignor would be obligated to receive such payments as agent for the Sub-Fund (indirectly through the Master Fund) and to promptly pay over to the Sub-Fund (indirectly through the Master Fund) such amounts as are received. As a purchaser of an assignment, the Sub-Fund (indirectly through the Master Fund) typically will have the same voting rights as other lenders under the applicable loan agreement and will have the right to vote to waive enforcement of breaches of covenants. The Sub-Fund (indirectly through the Master Fund) will also have the same rights as other lenders to enforce compliance by the obligor with the terms of the loan agreement, to set-off claims against the obligor and to have recourse to collateral supporting the investment. As a result, the Sub-Fund (indirectly through the Master Fund) may not bear the credit risk of the assignor and the insolvency

of an assignor of a loan should have little effect on the ability of the Sub-Fund (indirectly through the Master Fund) to continue to receive payments of principal, interest or fees from the obligor. The Sub-Fund (indirectly through the Master Fund) will, however, assume the credit risk of the obligor.

**Security Risk.** Certain investments such as trade claims or consumer receivables may not be secured over underlying assets. Investments may be secured by mortgages, charges, pledges, liens or other security interests. Depending on the jurisdiction in which such security interests are created, enforcement of such securities can be a complicated and difficult process. For example, enforcement of security interests in certain jurisdictions can require a court order and a sale of the secured property through public bidding or auction. In addition, some courts may delay, upon the obligor's application, the enforcement of a security if the obligor can show that it has a valid reason for requesting such delay, such as showing that the default was caused by temporary hardships. For example, some jurisdictions grant courts the power to declare security interest arrangements to be void if they deem the security interest to be excessive.

**Prepayment Risk.** The frequency at which prepayments (including voluntary prepayments by obligors and accelerations due to defaults) occur on bonds and loans will be affected by a variety of factors including the prevailing level of interest rates and spreads, as well as economic, demographic, tax, social, legal and other factors. Generally, obligors tend to prepay their fixed-rate obligations when prevailing interest rates fall below the coupon rates on their obligations. Similarly, floating rate issuers and borrowers tend to prepay their obligations when spreads narrow.

In general, "premium" securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments. Since many fixed-rate obligations will be premium instruments when interest rates and/or spreads are low, such debt instruments and asset-backed instruments may be adversely affected by changes in prepayments in any interest rate environment.

The adverse effects of prepayments may impact the Sub-Fund's portfolio in two ways. First, particular investments may experience outright losses, as in the case of an interest-only instrument in an environment of faster actual or anticipated prepayments. Second, particular investments may underperform relative to hedges that the AIFM, the Investment Manager or any Affiliate thereof may have constructed for these investments, resulting in a loss to the Sub-Fund's overall portfolio. In particular, prepayments (at par) may limit the potential upside of many instruments to their principal or par amounts, whereas their corresponding hedges often have the potential for unlimited loss.

**Regulatory Capital Trades.** The Sub-Fund (indirectly through the Master Fund) or the issuers of financial instruments that it holds may utilize regulatory capital trades by taking on the risks associated with potential bank losses in exchange for a fee. After engaging in such a trade, in the event of a default, the Sub-Fund (indirectly through the Master Fund) or such issuers could lose some or all of their investments. The risk remains the same even if the bank involved in the relevant trade is insured.

**Credit Linked Notes.** The Sub-Fund (indirectly through the Master Fund) may utilize notes the performance of which are linked to the credit performance of a reference portfolio of certain loan-related claims on corporate and similar entities that are specified from time to time ("CLNs"). CLNs may be speculative, may not be principal protected, and note holders may lose some or all of their initial investments. CLNs may not be rated by any credit agency and are subject not only to note holders' credit risk exposure, but also to the credit risk of the issuer, whose credit ratings and credit spreads may adversely affect the market value of such CLNs.

**Structured Finance Obligations.** Structured finance obligations may be subject to prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk (which may be exacerbated if the interest rate payable on a structured finance obligation changes based on multiples of changes in interest rates or inversely to changes in interest rates). In addition, certain structured finance obligations (particularly subordinated collateralized bond obligations) may provide that non-payment of interest is not an event of default in certain circumstances and the

holders of the securities will therefore not have available to them any associated default remedies. The price of a structured finance obligation, if required to be sold, may be subject to certain market and liquidity risks for securities of its type at the time of sale.

**Limited Liquidity.** There are liquidity risks associated with the investments. Due to certain characteristics of the investments, including the typically private, unique and bespoke nature of a loan agreement, the investments will not generally be as easily purchased or sold as publicly traded securities, and historically the trading volume in the loan market has been small relative to, for example, the corporate or high yield bond markets. Historically, investors in or lenders of corporate loans in Europe have been predominantly banks although the range of investors for such loans has broadened in recent years to include money managers, insurance companies, arbitrageurs, hedge funds, distressed investors, mutual funds and portfolio managers of trusts or special purpose companies issuing collateralized bond and loan obligations. Despite this broadening of the investor base for corporate loans in Europe, secondary market liquidity is expected to remain extremely low.

**Spread Widening Risks.** For reasons not necessarily attributable to any of the risks set forth herein and/or in the Prospectus (for example, supply/demand imbalances or other market forces), the prices of the debt instruments and other securities in which the Sub-Fund invests may decline substantially. In particular, purchasing debt instruments or other assets at what may appear to be "undervalued" or "discounted" levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk. Additionally, the perceived discount in pricing from previous environments described herein may still not reflect the true value of the assets underlying debt instruments in which the Sub-Fund invests.

**Financial Market and Interest Rate Fluctuations.** General fluctuations in the market prices of securities and interest rates may affect the value of the investments held by the Sub-Fund. Volatility and instability in the securities markets may also increase the risks inherent in the Sub-Fund's investments. The ability of companies or businesses in which the Sub-Fund may invest to refinance debt securities may depend on their ability to sell new securities in the high yield debt or bank financing markets, which in recent months have been extraordinarily difficult to access at favorable rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

**Private Debt Terms.** A private debt investment may have a contractual return that is not paid entirely in cash, but rather partially or wholly in-kind or as an accreting liquidation preference, thus lengthening the time before cash is received, and increasing the Sub-Fund's (indirectly through the Master Fund's) risk exposure to the underlying portfolio company. While the AIFM and the Investment Manager intend to achieve the Sub-Fund's (indirectly through the Master Fund's) targeted returns for a given investment, including private debt, other factors, such as overall economic conditions, the competitive environment and the availability of potential purchasers of the securities, may shorten or lengthen the Sub-Fund's (indirectly through the Master Fund's) holding period and some investments may take several additional years from the initial investment date to achieve a realization. In some cases, the Sub-Fund (indirectly through the Master Fund) may be prohibited by contract from selling certain securities for a period of time. If the Sub-Fund (indirectly through the Master Fund) is required to liquidate all or a portion of its portfolio positions quickly, then the Sub-Fund (indirectly through the Master Fund) may realize significantly less than the value at which the Sub-Fund (indirectly through the Master Fund) previously recorded those investments.

**Confidential Information.** As a holder of loans, the Sub-Fund (indirectly through the Master Fund) may be entitled to receive material, non-public information regarding borrowers which may

limit the ability of Apollo's funds and accounts, under applicable securities laws, to trade in the public securities of such borrowers, including the borrowers' high yield bonds. The Sub-Fund (indirectly through the Master Fund) anticipates that, to avoid such restriction, it may elect not to receive such non-public information. In situations where the Sub-Fund (indirectly through the Master Fund) decides to receive such information, it may seek to discontinue receiving non-public information concerning the borrower under a loan when it is disclosed by such borrower that the borrower will issue high yield bonds in the near future. As a result, the Sub-Fund (indirectly through the Master Fund), at times, may receive less information regarding such a borrower than is available to the other investors in such borrower's loan, which may result in the Sub-Fund (indirectly through the Master Fund) taking actions or refusing to take actions in a manner different than had it received such non-public information.

**Loan Origination Risks.** The AIFM and the Investment Manager may originate loans on behalf of the Sub-Fund (indirectly through the Master Fund). In making loans, the Sub-Fund (indirectly through the Master Fund) will compete with a broad spectrum of lenders, some of which may be willing to lend money on better terms (from a borrower's standpoint) than the Sub-Fund (indirectly through the Master Fund). Increased competition for, or a diminution in the available supply of, qualifying loans may result in lower yields on such loans, which could reduce returns to the Sub-Fund (indirectly through the Master Fund).

In addition, loan origination involves a number of particular risks that may not exist in the case of secondary debt purchases, including:

When originating loans, the AIFM, the Investment Manager or any Affiliate thereof will generally have to rely more on their own resources to conduct due diligence of the borrower, which will likely be more limited than the diligence conducted for a broadly syndicated transaction involving an underwriter;

Loan origination may involve additional regulatory risks given the requirement to hold a license for certain types of lending in some jurisdictions. The AIFM, the Investment Manager or any Affiliate thereof will review and take advice on the loan origination regulations in each relevant country and seek to ensure that the Sub-Fund's (indirectly through the Master Fund's) investments are compliant with such regulations. However, the scope of these regulatory requirements (and certain permitted exemptions) vary from jurisdiction to jurisdiction and may change from time to time; and

The borrowers may in some circumstances be higher credit risks who could not obtain debt financing in the syndicated markets.

In addition to the above, originating loans to private and middle-market companies involves risks that may not exist in the case of large, more established and/or publicly-traded companies, including:

- these companies may have limited financial resources and limited access to additional financing, which may increase the risk of their defaulting on their obligations, leaving creditors, such as the Sub-Fund, dependent on any guarantees or collateral that they may have obtained;
- these companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render such companies more vulnerable to competition and market conditions, as well as general economic downturns;
- there will not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality;
- these companies are more likely to depend on the management talents and efforts of a small group of persons; as a result, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations;

- these companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance their expansion or maintain their competitive position; and
- Although the AIFM, the Investment Manager or any Affiliate thereof will attempt to manage risks of investing in loans, there can be no assurance that the Sub-Fund's investments will increase in value or that the Sub-Fund will not incur significant losses. Investors should be prepared to lose all or substantially all of their investment in the Sub-Fund.

The Sub-Fund (indirectly through the Master Fund) may offer such originated loans or instruments for sale to third parties. Such third parties could include an Apollo Client. There is no assurance that such third parties will complete the sale of such an investment. The decision to accept or reject such an offer by an Apollo Client may or may not be made by a party independent of the AIFM, the Investment Manager or any Affiliate thereof, such as independent directors or an advisory or credit committee composed of individuals that are not affiliated with Apollo. When considering the target amount to allocate to such an investment, the AIFM and the Investment Manager may take into consideration the fact that the Sub-Fund (indirectly through the Master Fund) may sell, assign or offer participations in such investment to the third parties. If the AIFM and the Investment Manager are unable to arrange to sell, assign or successfully close transactions for the loans that the Sub-Fund (indirectly through the Master Fund) originates, the Sub-Fund (indirectly through the Master Fund) will be forced to hold its interest in such loans for an indeterminate period of time. This could result in the investments being over-concentrated in certain borrowers.

**Investment Grade Debt Securities.** The Sub-Fund may invest in investment grade debt securities which are investment grade rated obligations that have credit ratings that are intended to reflect (but will not necessarily reflect) relatively less credit and liquidity risk than high-yield debt securities, mezzanine debt securities or other debt instruments that are not rated investment grade. Risks of investment grade debt securities may include (among others): (i) market place volatility resulting from changes in prevailing interest rates, (ii) the absence, in many instances, of collateral security, (iii) the operation of mandatory sinking fund or call/redemption provisions during periods of declining interest rates that could cause the Sub-Fund to reinvest premature redemption proceeds in lower-yielding debt obligations and (iv) the declining creditworthiness and the greater potential for insolvency of the issuer of such investment debt securities during periods of rising credit spreads and/or interest rates and/or economic downturn.

**General Government/Municipal Bonds Risks.** The Sub-Fund may invest in municipal bonds which are subject to interest rate, credit and market risk. The ability of an issuer to make payments could be affected by litigation, legislation or other political events or the bankruptcy of the issuer. Lower-rated municipal bonds are subject to greater credit and market risk than higher quality municipal bonds. The market prices of residual interest bonds may be highly sensitive to changes in market rates and may decrease significantly when market rates increase.

**Other Municipal Securities Risks.** Municipal securities risks include the ability of the issuer to repay the obligation, the relative lack of information about certain issuers of municipal securities, and the possibility of future legislative changes which could affect the market for and value of municipal securities. These risks include:

- General Obligation Bonds Risks. The full faith, credit and taxing power of the municipality that issues a general obligation bond secures payment of interest and repayment of principal. Timely payments depend on the issuer's credit quality, ability to raise tax revenues and ability to maintain an adequate tax base.
- Revenue Bonds Risks. Payments of interest and principal on revenue bonds are made only from the revenues generated by a particular facility, class of facilities or the proceeds

of a special tax or other revenue source. These payments depend on the money earned by the particular facility or class of facilities, or the amount of revenues derived from another source.

- Private Activity Bonds Risks. Municipalities and other public authorities issue private activity bonds to finance development of industrial facilities for use by a private enterprise. The private enterprise pays the principal and interest on the bond, and the issuer does not pledge its full faith, credit and taxing power for repayment. If the private enterprise defaults on its payments, the Sub-Fund may not receive any income or get its money back from the investment.
- Moral Obligation Bonds Risks. Moral obligation bonds are generally issued by special purpose public authorities of a state or municipality. If the issuer is unable to meet its obligations, repayment of these bonds becomes a moral commitment, but not a legal obligation, of the state or municipality.
- Structured Settlement Securities Risks. Structured settlement securities depend on settlement payments from non-municipal entities, including public and private companies and therefore bear risks associated with such settlement payments.
- Municipal Notes Risks. Municipal notes are shorter term municipal debt obligations. They may provide interim financing in anticipation of, and are secured by, tax collection, bond sales or revenue receipts. If there is a shortfall in the anticipated proceeds, the notes may not be fully repaid and the Sub-Fund invested in such notes may lose money.
- Municipal Lease Obligations Risks. In a municipal lease obligation, the issuer agrees to make payments when due on the lease obligation. The issuer will generally appropriate municipal funds for that purpose, but is not obligated to do so. Although the issuer does not pledge its unlimited taxing power for payment of the lease obligation, the lease obligation is secured by the leased property. However, if the issuer does not fulfil its payment obligation it may be difficult to sell the property and the proceeds of a sale may not cover the Sub-Fund's.

**Securities Lending Risk.** In the event of bankruptcy or other default of a borrower of portfolio securities, the Sub-Fund could experience both delays in liquidating the loan collateral or recovering the loaned securities and losses including (a) possible decline in the value of the collateral or in the value of the securities loaned during the period which the Sub-Fund seeks to enforce its rights thereto, (b) possible sub-normal levels of income and lack of access to income during this period, and (c) expenses of enforcing its rights. In an effort to reduce these risks, the AIFM, the Investment Manager and/or Affiliate thereof will monitor the creditworthiness of the firms to which the Sub-Fund lends securities. Although not a principal investment strategy, the Sub-Fund may engage in securities lending to a significant extent.

**Stripped Debt Securities Risk.** The Sub-Fund may purchase stripped bonds, which are securities created by separating bonds into their principal and interest components and selling each piece separately. The yield to maturity on a stripped debt security is extremely sensitive not only to changes in prevailing interest rates but also to the rate of principal payments (including prepayments) on the underlying assets. A rapid rate of principal prepayments may have a measurably adverse effect on the Sub-Fund's yields to maturity to the extent that they invest in bonds that pay interest only. If the assets underlying the interest only bond experience greater than anticipated prepayments of principal, the Sub-Fund may fail to recoup fully its initial investments in these securities. Conversely, bonds which pay principal only tend to increase in value if prepayments are greater than anticipated and decline if prepayments are slower than anticipated. The secondary market for stripped securities may be more volatile and less liquid than that for other debt securities, potentially limiting the Sub-Fund's ability to buy or sell those securities at any particular time.

**Ratings Generally.** The Sub-Fund may invest in instruments that are unrated or in instruments that are in fact rated. In general, the ratings of nationally recognized rating organizations represent the opinions of these agencies as to the quality of securities that they rate. These ratings may be used by the AIFM, the Investment Manager or any Affiliate thereof as initial criteria for the selection of portfolio securities. Such ratings, however, are relative and subjective; they only evaluate the credit risk with respect to payment of principal and interest. Such ratings are not absolute standards of quality and do not evaluate the market value risk of the securities. It is also possible that a rating agency might not change its rating of a particular issue to timely reflect subsequent events. Further, with respect to mortgage-backed securities, such ratings do not represent any assessment of the likelihood that future prepayment experience will differ from prepayment assumptions or historical prepayment rates. Hence, such ratings will not address the possibility that prepayment rates higher or lower than anticipated by an Investor may cause such Investor to experience a lower than anticipated yield.

**Risks Associated with Investments in Loans to Mid-Market Companies.** The Sub-Fund (indirectly through the Master Fund) intend to invest in loans to mid-market companies, which may be associated with additional risks compared with loans to larger companies.

Such additional risks may include the following:

- a) mid-market companies may have limited financial resources and may therefore be unable to meet their obligations, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Sub-Fund (indirectly through the Master Fund) realizing any guarantees they may have obtained in connection with its investment;
- b) mid-market companies may have shorter operating histories, narrower product lines and smaller market shares than large businesses, making them more vulnerable to competitors' actions, market conditions and general economic downturns;
- c) mid-market companies may depend on the management skills of a small group of persons; accordingly the resignation or termination of one or more of these persons could have a material adverse impact on the Sub-Fund's (indirectly through the Master Fund's) investment in any such company;
- d) little public information may be available about certain mid-market companies and Apollo may be unable to uncover all material information about these companies, which may prevent it from making a fully informed investment decision and cause the Sub-Fund (indirectly through the Master Fund) to lose money on its investments;
- e) mid-market companies have less predictable operating results than large businesses and may require substantial additional capital to support their operations, maintain their competitive position or expand their financial operations;
- f) mid-market companies may have difficulty accessing the capital markets to meet future capital needs; and
- g) mid-market companies may use privately negotiated documentation not based on any particular industry standard (e.g., the Loan Market Association or Loan Syndicate Trading Association).

**Acquisition of Portfolios of Investments.** The Sub-Fund (indirectly through the Master Fund) may purchase entire portfolios or substantial portions of portfolios from market participants in need of liquidity or suffering from adverse valuations. The Sub-Fund (indirectly through the Master Fund) may be required to bid on such portfolios in a very short time frame and may not be able to perform normal due diligence on the portfolio. Such a portfolio may contain instruments or complex arrangements of multiple instruments that are difficult to understand or evaluate. Such a portfolio may suffer further deterioration after purchase by the Sub-Fund (indirectly through the Master Fund) before it is possible to ameliorate such risk. As a consequence, there is substantial risk that the relevant portfolio manager will not be able to adequately evaluate particular risks or



that market movements or other adverse developments will cause the Sub-Fund (indirectly through the Master Fund) to incur substantial losses on such transactions.

**Index-related Risks.** The Sub-Fund (indirectly through the Master Fund) may utilize a variety of indices, index-related products or other broad market indicators to make investments or pursue hedging strategies. Several economic and market factors, many of which are beyond the control of the Sub-Fund (indirectly through the Master Fund), will influence the value of the underlying credit products comprising the various indices, including: (i) the value of any indices at any time; (ii) the volatility (frequency and magnitude of changes in value) of any indices; (iii) interest and yield rates in the particular credit markets; (iv) geopolitical conditions and economic, financial, political and regulatory or judicial events that affect the credit products underlying the indices, or credit markets generally, and that may affect the final value of the indices; (v) the time remaining to the maturity of the underlying credit products comprising the various indices; (vi) a variety of economic, financial, political, regulatory or judicial events; and (vii) the creditworthiness of the underlying credit products comprising the various indices.

Some or all of these factors will influence the price fluctuations of the underlying credit products in such indices. For example, the Sub-Fund (indirectly through the Master Fund) may sell its interests coupled to any such indices at a substantial discount from the original purchase price if at the time of sale, the value of any such index is at or below its initial value or if market conditions result in a divergence of such interests and indices.

The publishers of the indices can add, delete or substitute the credit products underlying each of the indices, and can make other methodological changes required by certain events relating to the underlying credit products that could change the value of the indices. Any such changes could adversely affect the value of the underlying credit products. The publishers of the indices may discontinue or suspend calculation or publication of any index at any time. In these circumstances, the Sub-Fund (indirectly through the Master Fund) will have the sole discretion to substitute a successor index that is comparable to the discontinued index. In addition, the publishers of the indices have limited operating histories upon which an evaluation of likely performance may be based, and past performance may not be indicative of the future performance of the publishers of the indices.

As an investor, a shareholder will not have voting or similar rights to receive any distributions or any other rights with respect to the credit products that underlie the indices.

The Sub-Fund (indirectly through the Master Fund) may carry out hedging activities related to the credit products linked to the indices or their components, including trading in indices and their tranches and trading in the credit products underlying the indices and options contracts on the indices. The Sub-Fund (indirectly through the Master Fund) may also trade in the credit products underlying the indices and other financial instruments related to the indices on a regular basis as part of its general business.

**Fraud.** Of concern in investments in loans is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Sub-Fund (indirectly through the Master Fund) to perfect or effectuate a lien on any collateral securing the loan. The Sub-Fund (indirectly through the Master Fund) will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Sub-Fund (indirectly through the Master Fund) may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

**Risk of Loss Due to the Bankruptcy or Failure of Counterparties.** The Sub-Fund is subject to the risk of the insolvency of their respective counterparties (broker dealers, futures commission merchants, banks, other financial institutions, exchanges or clearinghouses).

The Sub-Fund's assets could be lost or impounded during a counterparty's bankruptcy or insolvency proceedings and a substantial portion or all of the Sub-Fund's assets could become

unavailable to it either permanently or for a matter of years. Were any such bankruptcy or insolvency to occur, the relevant portfolio manager might decide to liquidate, suspend, limit or otherwise alter the Sub-Fund's trading, perhaps causing the Sub-Fund to miss significant profit opportunities. Even if the Sub-Fund does not lose any of its assets on deposit with a bankrupt or insolvent counterparty, the disruption of the Sub-Fund's trading resulting from such counterparty's inability to continue to function in such capacity could result in material losses to the Sub-Fund. Open positions held by the Sub-Fund may not be closed out merely because an insolvent counterparty to the Sub-Fund is unable to execute transactions, and may result in substantial losses which the Sub-Fund is powerless to prevent.

There are increased risks in the Sub-Fund dealing with certain brokers and unregulated trading counterparties, including the risk that the Sub-Fund's assets may not benefit from the protection afforded to "customer funds" deposited with regulated brokers and dealers. The Sub-Fund may be required to post margin for its trading activities with counterparties who are not required to segregate customer funds. In the case of a counterparty's bankruptcy or inability to satisfy substantial deficiencies in other customer accounts, the Sub-Fund may recover, even with respect to property specifically traceable to it, only a pro rata share of all property available for distribution to all of such counterparty's customers.

The Lehman Brothers bankruptcies in September 2008 led to widespread chaos in the global financial markets, as well as significant outright losses as numerous market participants found themselves in the position of being general creditors of Lehman Brothers even with respect to assets which they had deposited with Lehman Brothers. The effects of the Lehman Brothers bankruptcies, as well as the ensuing events, led to a dramatic contraction in credit (including even inter-bank lending) and steep monetary losses in the financial sector. The ramifications of the Lehman Brothers bankruptcies are unlikely to be resolved for a number of years, but could be adverse to the prospects for the Sub-Fund and/or private investment vehicles in general. Moreover, the Lehman Brothers bankruptcies have demonstrated the systemic risks of any comparable failure. It is not possible to predict if or when one or more such failures might occur. Were this to happen, the results could be materially adverse to the Sub-Fund.

While the Refco, Inc. ("**Refco**") and MF Global, Inc. ("**MF Global**") bankruptcies did not have the same widespread systemic consequences as the Lehman Brothers bankruptcies, they demonstrate a number of systemic risks in trading through commodity brokers. It appears that many clients of both Refco and MF Global believed that their funds on deposit to support their trading had the benefit of customer protected "segregation" when this was not, in fact, the case.

The Refco bankruptcy demonstrated that a significant portion of customer accounts on deposit with CFTC-regulated futures brokers are, as a matter of practice, maintained in "unregulated" rather than "regulated" accounts at the futures brokers. The futures brokers do not have to maintain "net capital" with respect to amounts on deposit in unregulated accounts. However, amounts in unregulated accounts are not subject to "customer protection" in the event of the futures broker's bankruptcy — in which case such amounts become simply unsecured debts of the futures brokers.

**Expedited Transactions.** Investment analyses and decisions by a portfolio manager will often be undertaken on an expedited basis in order for the Sub-Fund (indirectly through the Master Fund) to take advantage of investment opportunities. For example, the Sub-Fund (indirectly through the Master Fund) may seek to purchase entire portfolios or substantial portions of portfolios from market participants in need of liquidity or suffering from adverse valuations, and the Sub-Fund (indirectly through the Master Fund) may be required to bid on such portfolios in a very short time frame. In such cases, the information available to the relevant portfolio manager at the time of an investment decision may be limited, and the relevant portfolio manager may not have access to the detailed information necessary for a full evaluation of the investment opportunity. As a consequence, there is substantial risk that the relevant portfolio manager will not be able to adequately evaluate particular risks or that market movements or other adverse developments will cause the Sub-Fund (indirectly through the Master Fund) to incur substantial losses on such transactions. In addition, the relevant portfolio manager may rely upon independent consultants or advisors in connection with the evaluation of proposed investments.

There can be no assurance that these consultants or advisors will accurately evaluate such investments.

**Currency Value Fluctuations.** The Sub-Fund expect that its investments will be primarily denominated in the Sub-Fund's base currency. The Sub-Fund may also invest, however, in securities denominated in other currencies. Even though the Sub-Fund may hedge any currency investments, investments that are denominated in currencies other than the base currency are subject to the risk from an investor's perspective that the value of the currency may change in relation to the base currency. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

**Default and Recovery Rates and Other Debt Securities.** There are varying sources of statistical default and recovery rate data for loans and other debt securities and numerous methods for measuring default and recovery rates. The historical performance of the credit market or the leveraged loan market is not indicative of future results.

However, in certain market conditions, the availability of these other sources of financing (principally high yield bond transactions), bridge loan commitments have been and may be drawn upon more regularly. Since these commitments were not regularly drawn upon in the past, there is little history for investors to rely upon in evaluating investments in bridge loans. Bridge loans often have shorter maturities than the permanent financing by which they are expected to be replaced. Borrowers and lenders typically agree to shorter maturities based on the anticipation that the bridge loans will be replaced with other forms of financing within such shorter time period. However, the source and timing of such replacement financing may be uncertain and can be affected by, among other things, market conditions and the financial condition of the borrower at the maturity date of the bridge. If the borrower is unable to obtain replacement financing and repay the bridge loan at maturity, the terms of the bridge loan may provide for the bridge loan to be converted to a longer term loan (with maturities similar to that of a bond). If bridge loans are not repaid (or cannot be disposed of on favorable terms) on the dates projected by the Investment Manager, there may be an adverse effect upon the ability of the Investment Manager to manage the assets of the Sub-Fund in accordance with its models and projections or an adverse effect upon the Sub-Fund's performance and ability to make distributions.

**Idiosyncratic Investment Approach.** While the Sub-Fund (indirectly through the Master Fund) will generally focus on investments in corporate and structured credit as well as selective equity investments, the Investment Manager has broad and unfettered investment authority, and may trade in any type of security, issuer or group of related issuers, country, region and sector that it believes will help the Sub-Fund (indirectly through the Master Fund) achieve its investment objectives. Additionally, the strategies that the Investment Manager may pursue for the Sub-Fund (indirectly through the Master Fund) are not limited to the strategies described herein; furthermore, such strategies may change and evolve materially over time. The Investment Manager has broad latitude with respect to the management of the Sub-Fund's (indirectly through the Master Fund's) risk parameters. Although the Investment Manager will maintain internal risk guidelines, such guidelines may be subject to change over time and the Sub-Fund (indirectly through the Master Fund) may pursue investment strategies not described herein or may make investment decisions that fall outside such guidelines. The Investment Manager will opportunistically implement whatever strategies, techniques and discretionary approaches, as well as such other investment tactics, as it believes from time to time may be suited to prevailing market conditions. The Investment Manager may utilize such position size, duration, leverage (if any) and other portfolio management techniques as it believes are appropriate for the Sub-Fund (indirectly through the Master Fund). Prospective investors must recognize that in investing in the Sub-Fund, they are placing their capital indirectly under the full discretionary management of the Investment Manager and authorizing the Investment Manager indirectly to trade for the Sub-Fund (including, indirectly through the Master Fund) using whatever strategies in such manner as the Investment Manager may determine. Any of these new investment strategies, techniques, discretionary approaches and investment tactics may not be thoroughly tested before being employed and may have operational or other shortcomings that could result in unsuccessful investments and, ultimately, losses to the Sub-Fund. In addition, any new investment strategy,

technique and tactic developed by the Sub-Fund (including, indirectly through the Master Fund) may be more speculative than earlier investment strategies, techniques and tactics and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Sub-Fund. Investors will not generally be informed of any changes in the Investment Manager's strategies, techniques, discretionary approach and tactics. There can be no assurance that the Investment Manager will be successful in applying its approach and there is material risk that an investor may suffer significant impairment or total loss of its capital.

**High-Yield Securities.** The Sub-Fund may invest in high-yield securities. Such securities are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. In addition, the Sub-Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities that react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

**Interest Rate Risk:** Changes in interest rates can affect the value of the Sub-Fund's investments in fixed income instruments. Increases in interest rates may cause the value of the Sub-Fund's investments to decline. The Sub-Fund may experience increased interest rate risk to the extent it invests, if at all, in lower-rated instruments, debt instruments with longer maturities, debt instruments paying no interest (such as zero coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments.

**Investments in Loans Secured by Real Estate.** The Sub-Fund (indirectly through the Master Fund) may invest in loans secured by real estate and may, as a result of default, foreclosure or otherwise, hold real estate assets it was not otherwise expecting to hold. Special risks associated with such investments include changes in the general economic climate or local conditions (such as an oversupply of space or a reduction in demand for space), competition based on rental rates, attractiveness and location of the properties, changes in the financial condition of tenants, and changes in operating costs. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing and potential liability under changing environmental and other laws. Of particular concern may be those environmental risks provided by mortgaged properties that are, or have been, the site of manufacturing, industrial or disposal activity. Such environmental risks may give rise to a diminution in the value of property (including real property securing any investment) or liability for clean-up costs or other remedial actions, which liability could exceed the value of such property or the principal balance of the related Sub-Fund (indirectly through the Master Fund) investment. In certain circumstances, a lender may choose not to foreclose on contaminated property rather than risk incurring liability for remedial actions.

**Investments in Bridge Loans.** The Sub-Fund (indirectly through the Master Fund) may commit to provide bridge loans to borrowers seeking, among other things, to facilitate acquisitions, including leveraged buyouts. Bridge loans are frequently made because, for timing or market reasons, longer term financing is not available at the time the funds are needed, which is often at the time of the closing of an acquisition. In the past, these commitments were not frequently drawn upon due to the availability of other sources of financing. In such instances, the borrower may never require funding of the loan, which may permit the Sub-Fund (indirectly through the Master Fund) to earn associated fees with such commitments without ever needing to deploy the associated capital to fund the loan.

**CDO Securities.** Collateralized debt obligation ("CDO") securities generally are limited-recourse obligations of the issuer thereof payable solely from the underlying securities of such issuer or proceeds thereof. Consequently, holders of CDO securities must rely solely on distributions on the underlying securities or proceeds thereof for payment in respect thereof. If distributions on the underlying securities are insufficient to make payments on the CDO securities, no other assets will be available for payment of the deficiency and following realization of the underlying assets, the obligations of such issuer to pay such deficiency will be extinguished. Such underlying securities may consist of high-yield debt securities, loans, structured finance securities and other debt instruments, generally rated below investment-grade (or of equivalent credit quality) except for structured finance securities. High-yield debt securities are generally unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. The lower rating of high-yield debt securities and below investment-grade loans reflects a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal or interest. Such investments may be speculative.

Issuers of CDO securities may acquire interests in loans and other debt obligations by way of sale, assignment or participation. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution.

The underlying securities of an issuer of CDO securities may bear interest at a fixed rate while the CDO securities issued by such issuer may bear interest at a floating rate (or the reverse may be true). As a result, there could be a floating/fixed rate or basis mismatch between such CDO securities and underlying securities. In addition, there may be a timing mismatch between the CDO securities and underlying securities that bear interest at a floating rate, as the interest rate on such floating rate underlying securities may adjust more frequently or less frequently, on different dates and based on different indices, than the interest rates on the CDO securities. As a result of such mismatches, an increase or decrease in the level of the floating rate indices could adversely impact the ability of the issuers thereof to make payments on the CDO securities.

There is no established, liquid secondary market for many of the CDO securities that the Sub-Fund (indirectly through the Master Fund) may purchase, and the lack of such an established, liquid secondary market may have an adverse effect on the market value of such CDO securities and the ability to dispose of them. Such illiquidity may adversely affect the price and timing of the liquidation of CDO securities, including the liquidation of CDO securities following the occurrence of an event of default under the indenture or in connection with a redemption of the notes.

**The Equity Securities Issued by CDOs and CLOs.** A portion of the Sub-Fund's (indirect through the Master Fund) assets may consist of equity securities issued by any one or more CDOs or CLOs. These equity securities are subject to substantial risks including the following:

**Leveraged investment.** CDO or CLO equity tranches represent leveraged investments in the underlying collateral held by the CDO or CLO issuer. This leverage will increase the cash flow available in respect of the amount invested by the holders as compared with the cash flow that would be available in respect of a comparable investment in a non-leveraged transaction. Such increased cash flow will directly affect the yield on the CDO or CLO equity tranches. However, the use of leverage also creates risk for the holders because the leverage increases their exposure to losses with respect to the collateral. As a result, the occurrence of defaults with respect to only a small portion of the collateral could result in the substantial or complete loss of the investment in the CDO or CLO equity tranches. Due to the existence of leverage, changes in the market value of the CDO or CLO equity tranches could be greater than the changes in the values of the underlying collateral of the relevant issuer, which itself may be subject to, among other things, credit and liquidity risk. Although the use of leverage creates an opportunity for increased returns on the CDO or CLO equity tranches, it increases substantially the likelihood that the holders of the CDO or CLO equity tranches could lose their entire investment if the pool of collateral held by such CDO or CLO entity is adversely affected.

**Limited sources for dividends and other distributions on CDO or CLO equity.** The CDO or CLO equity tranches represent equity interests in the relevant CDO/CLO issuer only. Like other securities issued by CDOs or CLOs, they are payable solely from and to the extent of the available proceeds from the collateral held by the issuer. The CDO or CLO equity tranches are part of the issued share capital of the issuer and are not secured. Except for the issuer, no person is obligated to pay dividends or any other amounts with respect to the CDO or CLO equity tranches. Consequently, holders of the CDO or CLO equity tranches must rely solely upon distributions on the collateral. If distributions on such collateral are insufficient to pay required fees and expenses, to make payments on the debt securities of the issuer or to pay dividends or other distributions on the CDO or CLO equity tranches, all in accordance with the applicable priority of payments, no other assets of the CDO/CLO issuer or any other person will be available for the payment of the deficiency. Once all proceeds of the collateral have been applied, no funds will be available for payment of dividends or other distributions on the CDO or CLO equity tranches. Therefore, whether holders of the CDO or CLO equity tranches receive a return equivalent to the repayment of the purchase price paid for the CDO or CLO equity tranches and any additional return thereon will depend upon the aggregate amount of dividends and other distributions paid on the CDO or CLO equity tranches prior to any final redemption date and the amount of available funds on the final redemption date available for distribution to holders of the CDO or CLO equity tranches.

**Subordination of the CDO or CLO equity tranches.** Payments of principal of, and interest on, debt issued by CDOs and CLOs, and dividends and other distributions on CDO or CLO equity tranches, are subject to priority of payments. CDO or CLO equity tranches are subordinated to the prior payment of all obligations under debt securities. Further, in the event of default under any debt securities issued by a CDO or CLO, holders of the CDO or CLO equity tranches generally have no right to determine the remedies to be exercised. To the extent that any elimination, deferral or reduction in payments on debt securities occurs, such elimination will be borne first by the CDO or CLO equity tranches and then by the debt securities in reverse order of seniority. Thus, the greatest risk of loss relating to defaults on the collateral held by CDOs and CLOs is borne by the CDO or CLO equity tranches. To the extent that a default occurs with respect to any collateral and such collateral is sold or otherwise disposed of, it is likely that the proceeds of such sale or other disposition will be less than the unpaid principal and interest on such collateral. Excess funds available for distribution to the CDO or CLO equity tranches will be reduced by losses occurring on the collateral, and returns on the CDO or CLO equity tranches will be adversely affected.

**Legal status of the CDO or CLO equity tranches.** The CDO or CLO equity tranches will rank behind all of the creditors, whether secured or unsecured and known or unknown, of the issuer, including the holders of all the classes of debt securities issued by the CDO/CLO issuer.

Payments in respect of such CDO or CLO equity tranches are subject to certain requirements imposed by the relevant jurisdiction of a CDO/CLO issuer. All payments to holders of CDO or CLO equity, other than payments made on the final redemption date, will be paid as dividends in accordance with the corporate law of the issuer. Therefore, any amounts paid as dividends or other distributions on CDO or CLO equity will be payable only if the issuer has sufficient distributable profits and/or share premium and meets any other application restrictions imposed on the issuer. In addition, such distributions (including any distribution upon redemption of equity securities) will be payable only to the extent that the issuer is and remains solvent after such distributions are paid.

To the extent the requirements under applicable law described in the preceding paragraph are not met, amounts otherwise payable to the holders of the CDO or CLO equity are generally held until, in the case of a distribution by way of dividend, the next succeeding payment date on which such requirements are met and, in the case of any payment on redemption of the CDO or CLO equity, the next succeeding day on which commercial banks in the relevant jurisdictions are open for normal business on which such requirements are met.

**Yield, maturity, distributions and other performance considerations.** The amount of distributions on the CDO or CLO equity tranches will be affected by, among other things, the timing of purchases of collateral, the rates of repayment of or distributions on the collateral, the timing of reinvestment in substitute collateral and the interest rates available at the time of

reinvestment. The longer the period of time before reinvestment of cash in collateral, the greater the adverse impact may be on the aggregate interest collected, thereby lowering yields and otherwise affecting performance of the CDO or CLO equity tranches. The amount of distributions on CDO or CLO equity tranches may also be affected by rates of delinquencies and defaults on and liquidations of the collateral, sales of collateral and purchases of collateral having different payment characteristics. The yield and other measures of performance may be adversely affected to the extent that the issuer incurs any significant unexpected expenses.

**Synthetic CDOs.** The Sub-Fund may (indirectly through the Master Fund) hold, and expects to invest in, synthetic CDOs or similar assets. Synthetic CDOs enter into credit default swaps and total return swaps that entail the risks described above. In addition, synthetic CDOs are subject to a number of risks, including the following:

- The individual reference obligations referenced in the credit default swaps may be static. Therefore, no additions, removals, substitutions or modifications to the credit default swap portfolio will be effected in response to any changes in the market conditions applicable to the reference obligations.
- The underlying CDOs that invest in credit default swaps rely on the creditworthiness of the credit default swap counterparty. Consequently, in addition to relying upon the creditworthiness of the reference entities, the issuer is also relying upon the creditworthiness of the credit default swap counterparty to perform its obligations under the credit default swaps and of the issuers of or obligors with respect to the other eligible investments.
- Under the credit default swaps, the issuer has a contractual relationship only with the credit default swap counterparty. Consequently, the issuer has no legal or beneficial interest in any reference obligation or any other obligation of any reference entity. The issuer has no right directly to enforce compliance by the obligor under any reference obligation with the terms thereof, does not have any rights of set-off against such obligor, does not have any voting rights with respect to such reference obligation, does not directly benefit from any collateral supporting such reference obligation and does not have the benefit of the remedies that would normally be available to a holder of such reference obligation.

**Subprime Mortgage Loans Backing RMBS Held by CDOs are Subject to Additional Risks.** Asset-backed CDOs in which the Sub-Fund may (indirectly through the Master Fund) acquire and hold equity have invested in RMBS, including primarily RMBS backed by collateral pools of subprime residential mortgage loans. "Subprime" mortgage loans refer to mortgage loans that have been originated using underwriting standards that are less restrictive than the underwriting requirements used as standards for other first and junior lien mortgage loan purchase programs. These lower standards include mortgage loans made to borrowers having imperfect or impaired credit histories (including outstanding judgments or prior bankruptcies), mortgage loans where the amount of the loan at origination is 80% or more of the value of the mortgaged property, mortgage loans made to borrowers with low credit scores, mortgage loans made to borrowers who have other debt that represents a large portion of their income and mortgage loans made to borrowers whose income is not required to be disclosed or verified.

Additionally, some of the mortgage loans backing the RMBS held by CDOs the Sub-Fund may (indirectly through the Master Fund) acquire may be "non-conforming loans" and may not be eligible for purchase by relevant purchasers due to either credit characteristics of the related mortgagor or documentation standards in connection with the underwriting of the related mortgage loan that do not meet the underwriting guidelines for "A" credit mortgagors for relevant purchasers. These credit characteristics include mortgagors whose creditworthiness and repayment ability do not satisfy such purchasers' underwriting guidelines and mortgagors who may have a record of credit write-offs, outstanding judgments, prior bankruptcies and other credit items that do not satisfy such purchasers' underwriting guidelines. These documentation standards may include mortgagors who provide limited or no documentation in connection with the underwriting of the related mortgage loan. In addition, certain mortgage loans may fail to conform to the underwriting standards of the related originators.

Due to economic and market conditions, including increased interest rates and lower home prices, as well as aggressive lending practices, subprime, as well as Alt-A, mortgage loans have in recent periods experienced unprecedented increased rates of delinquency, foreclosure, bankruptcy and loss, and they are likely to continue to experience rates that are higher, and that may be substantially higher, than those experienced by mortgage loans underwritten in a more traditional manner. "Alt-A" mortgage loans refer to mortgage loans with a risk profile that falls between prime and subprime mortgages and that have been originated using underwriting standards that are slightly higher than the underwriting requirements used as standards for subprime mortgage loans. Thus, because of the higher delinquency rates and losses associated with subprime mortgage loans, the performance of RMBS backed by collateral pools with a significant subprime component could be correspondingly adversely affected, which, in turn, would adversely affect the performance of CDOs containing such RMBS in their collateral pools.

**SIVs.** The Sub-Fund may (indirectly through the Master Fund) invest in one or more securities issued by structured investment vehicles ("**SIVs**") or may invest in assets acquired from SIVs. SIVs generally issue one or more classes of debt securities, including medium term notes, Euro notes and commercial paper of various degrees of seniority. The securities issued by SIVs are often backed by ABS, RMBS, CMBS, CLO or CDO securities or other asset types of the kind discussed herein and, accordingly, are subject to the risk factors inherent in the types of assets backing the securities of the SIVs. SIVs may have swap counterparties or liquidity providers that provide hedging, liquidity or other credit support or enhancement. These features of SIVs make them subject to counterparty and performance risks similar to those discussed herein with respect to other derivatives. In light of recent market volatility, many SIVs have experienced defaults on their securities, liquidity events such as the inability to issue commercial paper in the markets that required liquidity providers to advance funds to the SIVs, covenant defaults with respect to portfolio composition, ratings or other limitations, payment or other events of default or other events. In addition, many SIVs have undertaken debt restructurings through exchange offers or other means. The Sub-Fund may (indirectly through the Master Fund) invest in debt or equity securities of original or restructured SIVs or may participate in auction or foreclosures of the assets of SIVs. In addition to the risks relating the underlying assets of a SIV, the structure and securities issued by a SIV may introduce certain other risks such as credit, market, liquidity, downgrade, hedge or liquidity counterparty, interest or currency, redemption, prepayment, the effects of leverage and other risks inherent in structured vehicles. The Investment Manager and its Affiliates may have certain conflicts of interest in connection with certain SIVs insofar as Apollo Clients managed by the Investment Manager or its Affiliates may from time to time buy, sell or hold securities issues by SIVs that are not of the same priority as those acquired by the Sub-Fund (indirectly through the Master Fund) and the Investment Manager or its Affiliates may be engaged to conduct an auction or bid in a foreclosure on SIV assets.

**Developments in the Structured Credit Markets and Their Broader Impact.** Declines in the market value of ABS and MBS, especially those backed by subprime mortgages, were associated with significant market events resulting in the financial crisis of the late 2000s and the subsequent regulatory and market responses to the financial crisis. Increasing credit and valuation problems in the subprime mortgage market generated extreme volatility and illiquidity in the markets for portfolio companies directly or indirectly exposed to subprime mortgage loans. This volatility and illiquidity extended to the global credit and equity markets generally, and, in particular, to the high yield bond and loan markets, exacerbated by, among other things, uncertainty regarding the extent of problems in the mortgage industry and the degree of exposure of financial institutions and others, decreased risk tolerance by investors and significantly tightened availability of credit. Except for agency RMBS, and despite modest increases in non-agency RMBS issuance, the market for RMBS has not significantly recovered (relative to the pre-financial crisis market) from these conditions and it is difficult to predict if or when the non-agency RMBS market will recover from such conditions. If the structured credit markets continue to face uncertainty or to deteriorate, then the Sub-Fund (indirectly through the Master Fund) may not be presented with sufficient investment opportunities in ABS and MBS, which may prevent the Sub-Fund (indirectly through the Master Fund) from successfully executing investment strategies in such investments. Moreover, further uncertainty or deterioration in the structured credit markets could result in further declines in the market values of or increased uncertainty with respect to such investments made or considered by the Master Fund, which could require the Sub-Fund (indirectly through



the Master Fund) to dispose of such investments at a loss while such adverse market conditions prevail.

**Use of Derivatives and Other Specialized Techniques – Generally.** The Sub-Fund may directly and/or indirectly engage in a variety of over the counter ("**OTC**") and other derivative transactions as part of its hedging or investment strategy, including interest rate swaps, forward contracts, purchases and sales of commodity futures, put and call options, floors, collars or other similar arrangements and derivative transactions. Both the U.S. Commodity Futures Trading Commission (the "**CFTC**") and EU Regulation No 648/2012, as amended, on over-the-counter derivatives, central counterparties and trade repositories (also known as "**EMIR**"), currently require the clearing of certain derivatives by relevant entities other than certain specified "end users" in relation to the CFTC and "non-financial counterparties below the clearing threshold" in relation to EMIR. Additional products are expected to be required to be cleared in the future. Clearinghouse collateral requirements may differ from and be greater than the collateral terms negotiated with derivatives counterparties in the over-the-counter market. This may increase the Sub-Fund's cost in entering into these products and impact the Sub-Fund's ability to pursue certain investment strategies. For swaps that are cleared through a clearinghouse, the Sub-Fund will face the clearinghouse as legal counterparty and will be subject to clearinghouse performance and credit risk. It is anticipated that the Sub-Fund may constitute "end users" (or non-financial counterparties below the clearing threshold in relation to EMIR) and will therefore be eligible to elect an exemption from the clearing requirements described above.

The swap markets with respect to non-cleared swaps are "principals' markets," in which performance with respect to a swap contract is the responsibility only of the counterparty to the contract, and not of any exchange or clearinghouse. As a result, the Sub-Fund and its investments will be subject to counterparty risk relating to the inability or refusal of a counterparty to perform such uncleared derivatives contracts (although under EMIR, the implementation of certain risk mitigation techniques may be required). If a counterparty's creditworthiness declines, the value of derivatives contracts with such counterparty can be expected to decline, potentially resulting in significant losses to the Sub-Fund or any of its investments. If a default, an event of default, termination event or other similar condition or event were to occur with respect to the Sub-Fund or any of its investments under any derivative instruments, the relevant derivative counterparty may generally terminate all transactions with the Sub-Fund or such investments potentially resulting in significant losses to the Sub-Fund or such investment, as the case may be. Suitable hedging or other derivative instruments may not continue to be available at a reasonable cost.

Participants in the swap and other derivative markets are generally not required to make continuous markets in the derivative instruments in which they trade. Participants could also refuse to quote prices for derivatives contracts or could quote prices with an unusually wide spread. Disruptions can also occur in any market in which the Sub-Fund or any of its issuers trades due to unusually high trading volume, political intervention or other factors. A reduction or absence of price transparency or liquidity could increase the margin requirement under the relevant transactions and may result in significant losses or loss of liquidity to the Sub-Fund and its issuers. There is no limitation on daily price movements on these instruments. The imposition of controls by governmental authorities might also limit such trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of the Sub-Fund. Market illiquidity or disruption could result in significant losses to the Sub-Fund.

Derivative instruments may also embed varying degrees of leverage. Accordingly, the leverage offered by trading in derivative instruments may magnify the gains and losses experienced by the Sub-Fund or the relevant investment. Thus, like other leveraged investments, a derivatives trade may result in losses in excess of the amount invested. Any increase in the amount of leverage applied will increase the risk of loss due to the amount of additional leverage applied. Also, swap agreements tend to shift the investment exposure from one type of investment to another. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Sub-Fund or the relevant investment. A significant factor in the performance of swap agreements is the change in the specific factors that determine the amounts of payments due to and from the Sub-Fund or the relevant investment. If a swap agreement calls for payments by the Sub-Fund or the relevant investment, the Sub-Fund or such investment must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the

value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses to the Sub-Fund or such investment.

In addition to any EMIR related obligations to which the Sub-Fund may be subject to, counterparties to the Sub-Fund or the relevant investment may be subject to capital and other requirements as a "swap dealer" or "major swap participant" which may increase their costs of doing business, a portion of which increase may be passed on to the Sub-Fund or the relevant investment. Persons deemed to be swap dealers or major swap participants are likely to be subject to a number of regulatory requirements, such as specific recordkeeping, back-office and reporting requirements, margin collection requirements for swaps that are not cleared, capital requirements, disclosure obligations, specific compliance obligations and special obligations to governmental entities. While it is unlikely that the Sub-Fund or the relevant investment would be subject to these requirements, the requirements will likely apply to many of the Sub-Fund or the relevant investment's counterparties which may increase the cost of trading swaps through increased fees to offset the counterparties' trading and compliance costs. On the other hand, the Sub-Fund and its issuers may trade in certain swaps or derivative instruments with unregistered and unregulated entities, and therefore may not benefit from protections afforded to counterparties of registered and regulated swap entities.

Pursuant to certain exemptions from the CFTC regulations, the Investment Manager does not expect to be required to register, nor will it be registered, with the CFTC or the National Futures Association. In the event that the Investment Manager cannot avail itself of the relevant exemptions under the CFTC regulations, the Investment Manager will be required to register with the CFTC. Failure to register may result in severe penalties and could have a material adverse effect on the Sub-Fund.

Speculative position limits are not currently applicable to swap transactions, although the Sub-Fund's swap counterparties may limit the size or duration of positions available to the Sub-Fund as a consequence of credit or other considerations. Position limits are the maximum amounts of net long or net short positions that any one person or entity may own or control in a particular financial instrument. In addition, pursuant to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") the CFTC has sought to implement regulations for federal speculative position limits in 25 core commodity futures and option contracts and their economically equivalent futures, options and swaps as well as aggregation rules and exemptions therefrom. In addition, the Dodd-Frank Act requires the U.S. Securities and Exchange Commission (the "**SEC**") to set position limits on security-based swaps. Other position limits may be in place with respect to certain exchange-traded derivatives. It is possible that trading decisions may have to be modified and that positions held may have to be liquidated in order to avoid exceeding such limits. Such modification or liquidation, if required, could adversely affect the Sub-Fund's operations and profitability.

The Dodd-Frank Act and related CFTC and SEC rules (certain of which have not yet been released or finalized) also impose other significant new regulations on the derivatives markets, including the registration of and regulations on persons deemed to be swap dealers or major swap participants. Such regulated swap entities are subject to a number of regulatory requirements which may result in such counterparties increasing the Sub-Fund's and its issuers' cost of trading derivatives instruments through increased fees or spreads to offset the compliance costs and requirements.

Pursuant to the Dodd-Frank Act, the CFTC and other prudential regulators have finalized margin requirements for uncleared over-the-counter derivatives. Although the regulations include limited exemptions from margin requirements for so-called "nonfinancial end-users," the Sub-Fund may not be able to rely on such exemptions. It is anticipated, however, that the Sub-Fund will constitute "end-users" and therefore will be exempt from the margin requirements described above. Uncertainty remains regarding the application of post-financial crisis swaps legislation (including the Dodd-Frank Act and the regulations adopted thereunder) and, consequently, the full impact that such legislation ultimately will have on the Sub-Fund and its issuers' derivative instruments is not fully known to date.

The investment techniques related to derivative instruments are highly specialized and may be considered speculative. Such techniques often involve forecasts and complex judgments regarding relative price movements and other economic developments. The success or failure of these investment techniques may turn on small changes in exogenous factors not within the control of issuers, the Board of Directors, the Investment Manager or any of the Sub-Fund's investments. For all the foregoing reasons, while the Sub-Fund may benefit from the use of derivatives and related techniques, such instruments can expose the Sub-Fund and its investments to significant risk of loss and may result in a poorer overall performance for the Sub-Fund than if it had not entered into such transactions.

**Use of Derivatives and Other Specialized Techniques – Options.** The Sub-Fund may buy or sell (write) both call options and put options (either exchange-traded or over-the-counter in principal-to-principal transactions), and when it writes options it may do so on a "covered" or an "uncovered" basis. The risk of writing a call is theoretically unlimited unless the call option is "covered." A call option is "covered" when the writer owns the underlying assets in at least the amount of which the call option applies. The Sub-Fund's options transactions may be part of a hedging tactic (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the Sub-Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances. When the Sub-Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of the Sub-Fund's investment in the option (including commissions). When the Sub-Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price.

**Synthetic Investment Instruments.** The Sub-Fund may utilize customized derivative instruments, to receive synthetically the economic attributes associated with an investment in a security or financial instrument or a basket of securities or financial instruments. There may be circumstances in which the Investment Manager would conclude that the best or only means by which the Sub-Fund could make a desirable investment is through the use of such derivative structures. The Sub-Fund may be exposed to certain risks should the Investment Manager use derivatives as a means to implement synthetically its investment strategies. If the Sub-Fund enters into a derivative instrument whereby it agrees to receive the economic return of an individual security or financial instrument or a basket of securities or financial instruments, it will typically contract to receive such returns for a predetermined period of time. During such period, the Sub-Fund may not have the ability to increase or decrease its exposure. In addition, such customized derivative instruments are expected to be highly illiquid and it is possible that the Sub-Fund will not be able to terminate such derivative instruments prior to their expiration date or that the penalties associated with such a termination might impact the Sub-Fund's performance in a materially adverse manner. In the event the Sub-Fund seeks to participate through the use of such synthetic derivative instruments, the Sub-Fund may not acquire any voting interests or other shareholder rights that would be acquired with a direct investment in the underlying securities or financial instruments. Accordingly, the Sub-Fund may not be able to participate in matters submitted to a vote of the shareholders. In addition, the Sub-Fund may not receive all of the information and reports to shareholders that the Sub-Fund would receive with a direct investment. Further, the Sub-Fund will pay the counterparty to any such customized derivative instrument structuring fees and ongoing transaction fees, which will reduce the investment performance of the Sub-Fund.

**Investments in Convertible Securities:** Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics

and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Sub-Fund is called for redemption, the Sub-Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Sub-Fund's ability to achieve its investment objective.

**Counterparty Risk:** A number of the markets in which the Sub-Fund and/or the Master Fund or any of their investments may effect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Sub-Fund and/or the Master Fund or such Portfolio Company to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Sub-Fund and/or the Master Fund or such Portfolio Company to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Sub-Fund and/or the Master Fund has concentrated its transactions with a single or small group of counterparties. The Sub-Fund and/or the Master Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of the Sub-Fund and/or the Master Fund to transact business with any one or number of counterparties, the potential lack of transparent information to enable meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Sub-Fund and/or the Master Fund.

**Creditors' Rights:** The Sub-Fund's and/or the Master Fund's investments and the collateral underlying those investments will be subject to various laws for the protection of creditors in the jurisdictions of the investments concerned. Such differences in law may also adversely affect the rights of the Sub-Fund and/or the Master Fund as a lender with respect to other creditors. Additionally, the Sub-Fund and/or the Master Fund, as a creditor, may experience less favorable treatment under different insolvency regimes than those that apply in the United States, including in cases where the Sub-Fund and/or the Master Fund seeks to enforce any security it may hold as a creditor.

**Investment in the Energy Industry:** Investments in the energy sector may be subject to a variety of risks, not all of which can be foreseen or quantified. Such risks may include, but are not limited to: (i) the risk that the technology employed in an energy project will not be effective or efficient; (ii) uncertainty about the availability or efficacy of energy sales agreements or fuel supply agreements that may be entered into in connection with a project; (iii) risks that regulations affecting the energy industry will change in a manner detrimental to the industry; (iv) environmental liability risks related to energy properties and projects; (v) risks of equipment failures, fuel interruptions, loss of sale and supply contracts or fuel contracts, decreases or

escalations in power contract or fuel contract prices, bankruptcy of key customers or suppliers, tort liability in excess of insurance coverage, inability to obtain desirable amounts of insurance at economic rates, acts of God and other catastrophes; (vi) uncertainty about the extent, quality and availability of oil and gas reserves; (vii) the risk that interest rates may increase, making it difficult or impossible to obtain project financing or impairing the cash flow of leveraged projects; and (viii) the risk of changes in values of companies in the energy sector whose operations are affected by changes in prices and supplies of energy fuels (prices and supplies of energy fuels can fluctuate significantly over a short period of time due to changes in international politics, energy conservation, the success of exploration projects, the tax and other regulatory policies of various governments and the economic growth of countries that are large consumers of energy, as well as other factors). The occurrence of events related to the foregoing may have a material adverse effect on the Sub-Fund and its investments.

In addition to the foregoing, certain of the investments in which the Sub-Fund (indirectly through the Master Fund) invests may be subject to the risks inherent in acquiring or developing recoverable oil and natural gas reserves, including capital expenditures for the identification and acquisitions of projects, the drilling and completion of wells and the conduct of development and production operations. The presence of unanticipated pressures or irregularities in formations, miscalculations or accidents may cause such activity to be unsuccessful, which may result in losses. Furthermore, successful investment in oil and natural gas properties and other related facilities and properties requires an assessment of (i) recoverable reserves; (ii) future oil and natural gas prices; (iii) operating and capital costs; (iv) potential environmental and other liabilities; and (v) other factors. Such assessments are necessarily inexact and their accuracy inherently uncertain. Also, the revenues generated by certain of the investments in which the Sub-Fund (indirectly through the Master Fund) invests may be dependent on the future prices of and the demand for oil and natural gas. Oil and gas investments may have significant shortfalls in projected cash flow if oil and gas prices decline from levels projected at the time the investment is made. Various factors beyond the control of the Sub-Fund will affect prices of oil, natural gas and natural gas liquids, including the worldwide supply of oil and natural gas, political instability or armed conflict in oil and natural gas producing regions, the price of foreign imports, the level of consumer demand, the price and availability of alternative fuels, the availability of pipeline capacity and changes in existing government regulation, taxation and price control. Prices for oil and natural gas have fluctuated greatly during the past, and markets for oil, natural gas and natural gas liquids continue to be volatile. Further, to the extent the Sub-Fund (indirectly through the Master Fund) invests in or receives energy royalty interests, the Sub-Fund will generally receive revenues from those royalty interests only upon sales of oil, gas and other hydrocarbon production by the underlying property or upon sale of the royalty interests themselves. There can be no assurance that reserves sufficient to provide the expected royalty income will be discovered or produced.

Volatile oil, natural gas and natural gas liquids prices make it difficult to estimate the value of developed properties for acquisition and divestiture (and collateral purposes) and often cause disruption in the market for oil, natural gas and natural gas liquids developed properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects. In addition, estimates of hydrocarbon reserves by qualified engineers are often a key factor in valuing certain oil and gas assets. These estimates are subject to wide variances based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such reserve estimates to be significantly revised from time to time, creating significant changes in the value of the Sub-Fund's investments.

**Legal and Regulatory Matters in the Energy Sector:** Power generation and transmission, as well as oil, natural gas and coal storage, handling, processing and transportation, are extensively regulated; statutory and regulatory requirements may include those imposed by energy, zoning, environmental, safety, labor and other regulatory or political authorities. Failure to obtain or a delay in the receipt of relevant governmental permits or approvals, including regulatory approvals, could hinder operation of an investment and result in fines or additional costs. Obtaining permits and approvals or complying with ongoing regulatory requirements may be costly and/or time-consuming to obtain. Moreover, the adoption of new laws or regulations, including those with respect to the emission of greenhouse gasses, or changes in the interpretation of existing laws

or regulations or changes in the persons charged with political oversight of such laws or regulations, could have a material adverse effect upon the profitability of the Sub-Fund (indirectly through the Master Fund) or its investments and could necessitate the creation of new business models and the restructuring of investments in order to meet regulatory requirements, which may be costly and/or time-consuming.

**General Risks of Investments in the Utility and Power Industries:** The Sub-Fund (indirectly through the Master Fund) may invest in the utility and power sectors. These investments are sensitive to fluctuations in resource availability, energy supply and demand, interest rates, special risks of constructing and operating facilities (including nuclear facilities), lack of control over pricing, merger and acquisition activity, weather conditions (including abnormally mild winter or summer weather and abnormally harsh winter or summer weather), availability and adequacy of pipeline and other transportation facilities, geopolitical conditions in gas or oil producing regions and countries (including the risk of nationalization of the natural gas, oil and related sectors), the ability of members of the Organization of the Petroleum Exporting Countries to agree upon and maintain oil prices and production levels, the price and availability of alternative fuels, international and regional trade contracts, labor contracts, the impact of energy conservation efforts, environmental considerations, public policy initiatives and regulation.

**Regulatory Risks of Investments in the Utility and Power Industries:** Utility and power companies are subject to significant regulation in many aspects of their operations, including how facilities are constructed, maintained and operated, environmental and safety controls and the prices they may charge for the products and services. There are a variety of risks relating to actions of various governmental agencies and authorities in such industries. Additionally, stricter laws, regulations or enforcement policies could be enacted or pursued in the future, which would likely increase compliance costs and may adversely affect the financial performance of energy companies which may have implications for the companies that support the energy sectors' infrastructure-related requirements.

**Investment in the Communications Industry:** The Sub-Fund's (indirectly through the Master Fund's) investments may include communications companies. Communications companies in the U.S., Europe and other developed and emerging countries undergo continual changes mainly due to evolving levels of governmental regulation or deregulation as well as the rapid development of communication technologies. Competitive pressures within the communications industry are intense, and the securities of communications companies may be subject to significant price volatility. In addition, because the communications industry is subject to rapid and significant changes in technology, the companies in this industry in which the Sub-Fund (indirectly through the Master Fund) may invest will face competition from technologies being developed or to be developed in the future by others, which may make such companies' products and services obsolete.

**General Airline Industry Risks:** The Sub-Fund (indirectly through the Master Fund) may invest in aviation assets, including aircraft and related aviation interests such as aircraft leases. The airline business is dependent on the price and availability of aircraft fuel. Continued periods of high aircraft fuel costs, significant disruptions in the supply of aircraft fuel or significant further increases in fuel costs could have a significant negative impact on air carriers' operating results. Union disputes, employee strikes and other labor-related disruptions may adversely affect airlines' operations. The travel industry is materially adversely affected by public health emergencies and pandemics, such as the COVID-19 pandemic, terrorist attacks, and continues to face on-going security concerns and cost burdens associated with security and health, safety and overall sanitation related expenses. Increases in insurance costs or reductions in insurance coverage may adversely impact an airline's operations and financial results. Changes in government regulation could increase airline operating costs and limit their ability to conduct their business. The airline industry is intensely competitive. It is at risk of losses and adverse publicity stemming from any accident involving any aircraft, including aircraft operated by other airlines, and is subject to weather factors and seasonal variations in airline travel, which cause financial results to fluctuate. Any of these factors can affect the value of the Sub-Fund's (indirectly through the Master Fund's) aviation assets.

**Operating and Financial Risks of Aviation Assets:** Aviation assets in which the Sub-Fund (indirectly through the Master Fund) invests could deteriorate as a result of, among other factors, an adverse development in aviation industry or the lessors' business, a change in competitive environment, an economic downturn or, in the case of aircraft assets, wear and tear, malfunction or breakage. As a result, aviation assets that the Sub-Fund (indirectly through the Master Fund) may have expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to continue their operations or to perform additional maintenance or repair, and the lessors may otherwise have a weak financial condition or be experiencing financial distress. In some cases, in addition to the service providers' (including Affiliated Service Providers') ability to maintain the condition of the aviation assets, the success of the Sub-Fund's (indirectly through the Master Fund's) investment strategy and approach will depend, in part, on the ability of the Sub-Fund (indirectly through the Master Fund) to maintain and successfully remarket aviation assets. There can be no assurance that the Sub-Fund (indirectly through the Master Fund) will be able to successfully identify and implement its strategy. In addition, the Sub-Fund (indirectly through the Master Fund) may cause its aviation assets to bear certain fees, costs and expenses that the Sub-Fund (indirectly through the Master Fund) would otherwise bear, including the fees, costs and expenses incurred in developing, investigating, negotiating, structuring or consummating the Sub-Fund's (indirectly through the Master Fund's) investment or any other investment in such aviation assets. For example, the Investment Manager may cause such aviation assets to bear the fees, costs and expenses that are incurred in connection and concurrently with the acquisition of such aviation assets and such other fees, costs and expenses that may otherwise be treated as Operating Expenses. The payment of such fees, costs and expenses by such aviation assets may reduce the amount of cash that the aviation assets have on hand.

**Reliance on Corporate Management and Financial Reporting:** Many of the strategies implemented by the Sub-Fund (indirectly through the Master Fund) rely on the financial information made available by the issuers in which the Sub-Fund (indirectly through the Master Fund) invests. The Investment Manager has no ability to independently verify the financial information disseminated by the issuer in which the Sub-Fund (indirectly through the Master Fund) invests and is dependent upon the integrity of both the management of these issuers and the financial reporting process in general.

**Broker, Dealer or Custodian Insolvency:** The Sub-Fund's assets may be held in one or more accounts maintained for the Sub-Fund by its prime brokers or at other brokers or with one or more custodians, which may be located in various jurisdictions. Such prime brokers, local brokers and custodians, as brokerage firms, custodians or commercial banks, may be 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 Sub-Fund'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 custodian or any of their respective sub-custodians, agents or affiliates, or a local broker, it is impossible to generalize about the effect of their insolvency on the Sub-Fund 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 Sub-Fund, which could be material.

**Investments in the Insurance Sector:** The Sub-Fund (indirectly through the Master Fund) may also invest in esoteric asset classes such as the insurance capital markets, which include insurance-linked securities (whereby the performance and return of the investment depend on the results of the underlying policy or instrument), insurance securitizations, catastrophe bonds, life insurance/life annuity combination bonds, structured settlements, insurance reserve financing, mortality/longevity swaps, life settlements, premium finance loans and other similar asset backed securities or instruments. These are specialized asset classes with unique risks, and prospective Investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of their investments in the Sub-Fund (indirectly through the Master Fund). On an opportunistic basis, the Sub-Fund (indirectly through the Master Fund) may invest in insurance-linked securities, whereby the performance and return of the investment depend on the results of the underlying insurance policy or instrument. An investment by the Sub-Fund (indirectly through the Master Fund) in the insurance capital markets involves a high degree of risk, including the risk that the entire amount invested may be lost. Such

investments would constitute investing in a relatively new and developing asset class where a significant part of the asset class involves relatively illiquid instruments.

**Investments in Insurance-Linked Securities:** The Sub-Fund (indirectly through the Master Fund) may invest in a wide variety of insurance-linked instruments using a number of strategies and investment techniques with significant risk characteristics, including the risks arising from the illiquidity and difficulty in the valuation of such instruments, risk of catastrophic events and other events giving rise to losses under such instruments, volatility of capital markets, the risk of borrowings and short sales, the risk arising from leverage associated with trading in the currencies and over-the-counter derivatives markets, the illiquidity of derivative instruments and the risks of loss from counterparty default. The Sub-Fund (indirectly through the Master Fund) may utilize such investment techniques such as option transactions, margin transactions, short sales, leverage and derivatives, which in practice can involve substantial volatility and can, in certain circumstances, substantially increase the risks of an adverse impact on the Sub-Fund's (indirectly through the Master Fund's) investment portfolio.

**Insurance-Linked Instruments:** Insurance-linked securities are instruments with a significant amount of insurance risk. There are many different types of insurance events, but they are generally characterized by frequency (how often the event occurs) and severity (the costliness of the event when it occurs). The estimated severity and frequency of different insurance risks are based on a vast amount of historical data and actuarial analysis. However, there is no guarantee that the actual insurance losses incurred will turn out to be in line with expectations.

**Illiquidity for Insurance-Linked Instruments:** The markets for investments in insurance-linked instruments have limited liquidity and depth. Although a number of institutions may be actively trading these instruments, the resale of these instruments may be difficult or impossible, and it may require substantial time to enter into or exit a position. Liquidity may also be affected by a number of other factors, such as whether or not a catastrophic event has occurred, or whether or not a catastrophe season has passed. Investors in insurance-linked instruments must be prepared to hold these instruments for an indefinite period of time.

**Valuation Risk for Insurance-Linked Instruments:** The lack of an actively-traded market in certain of the Sub-Fund's (indirectly through the Master Fund's) investments may create valuation uncertainty. The value of insurance-linked instruments may be expected to exhibit substantial volatility before or after the occurrence of a catastrophic or other triggering event on the security. The market price may also be affected if rated instruments are downgraded by a rating agency, or if the market experiences limited liquidity at any time.

**Catastrophe Risk:** The Sub-Fund (indirectly through the Master Fund) may have exposure to losses resulting from natural and man-made disasters and other catastrophic events. Catastrophes can be caused by various events, including hurricanes, earthquakes, hailstorms, explosions, severe winter weather and fires. The incidence and severity of such catastrophes are inherently unpredictable and the Sub-Fund's (indirectly through the Master Fund's) losses from catastrophes could be substantial. The occurrence of claims from catastrophic events is likely to result in substantial volatility in the Sub-Fund's (indirectly through the Master Fund's) financial condition or results of operations for any fiscal quarter or year and could have a material adverse effect on the Sub-Fund (indirectly through the Master Fund) or a Portfolio Company's ability to write new business. The Investment Manager expects that increases in the values and concentrations of insured property will increase the severity of such occurrences in the future. Although the Investment Manager will attempt to manage the Sub-Fund's (indirectly through the Master Fund's) exposure to such events, a single catastrophic event could affect multiple geographic regions and lines of business or the frequency or severity of catastrophic events could exceed the Investment Manager's estimates, either of which could have a material adverse effect on the Sub-Fund's (indirectly through the Master Fund's) financial condition or results of operations.

**Cyclical Fluctuations in Insurance Markets:** The insurance and reinsurance business has historically been a cyclical industry, with significant fluctuations in operating results due to competition, catastrophic events, general economic and social conditions and other factors. This cyclicity has produced periods characterized by intense price competition due to excess



underwriting capacity as well as periods during which shortages of capacity permitted favorable premium levels. In addition, increases in the frequency and severity of losses suffered by reinsurers can significantly affect these cycles. It is difficult to predict the timing of such events with certainty or to estimate the amount of loss that any given event will generate. The Sub-Fund (indirectly through the Master Fund) can be expected to be exposed to the effects of such cyclicity. Moreover, in respect of certain derivatives, there can be significant fluctuations in operating results due to competition, catastrophic events and other factors.

**Due Diligence of Insurance Investments:** The market for insurance-linked instruments is developing and the Investment Manager will from time to time need to originate investment opportunities that currently do not exist. These opportunities may be sizeable and infrequent and may require lengthy due diligence. Although the Investment Manager anticipates that it will be able to identify a steady, albeit relatively infrequent, stream of opportunities, there may be prolonged periods of time when the Investment Manager is unable to identify attractive opportunities. This may result in lower re-investment returns than the Investment Manager anticipates.

**Claims and Coverage:** As industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to claims and coverage may emerge. These issues may adversely affect the Sub-Fund's and/or the Master Fund's investments in certain insurance-linked instruments and, in some instances, these changes may not become apparent until such instruments are affected by these changes. As a result, the full extent of liability as a result of these changes may not be known for many years following the Sub-Fund's and/or the Master Fund's investment in such instruments.

**Correlation of Insurance Investments with Other Asset Classes:** While insurance related events, such as mortality and natural or man-made catastrophes are uncorrelated to the financial markets, including the global equity and bond markets, insurance-linked securities are nevertheless fundamentally financial instruments and may exhibit a direct or strong positive correlation with other sectors of the financial markets. Therefore, there can be no assurance of low correlation or beneficial pricing.

**Sovereign Debt:** It is anticipated that the Sub-Fund and/or the Master Fund may invest in instruments issued by a government, its agencies, instrumentalities or its central bank ("**Sovereign Debt**"). Sovereign Debt may include securities that the Investment Manager believes are likely to be included in restructurings of the external debt obligations of the issuer in question. The ability of an issuer to make payments on Sovereign Debt, the market value of such debt and the inclusion of Sovereign Debt in future restructurings may be affected by a number of other factors, including such issuer's: (i) balance of trade and access to international financing; (ii) cost of servicing such obligations, which may be affected by changes in international interest rates; and (iii) level of international currency reserves, which may affect the amount of foreign exchange available for external debt payments. Significant ongoing uncertainties and exposure to adverse conditions may undermine the issuer's ability to make timely payment of interest and principal, and issuers may default on their Sovereign Debt.

## **CONFLICT OF INTEREST DISCLOSURES**

**Discretionary Expense Cap:** The Investment Manager may in its sole discretion apply a cap on certain defined Organizational Expenses and Operating Expenses to be borne by the Sub-Fund in any given month and defer the payment and/or reimbursement of the expenses in excess of such expense cap to subsequent periods. If such cap is applied, the Investment Manager will remove this cap on such Organizational Expenses and Operating Expenses at its sole discretion and at such time, the Sub-Fund will bear any excess unreimbursed expenses deferred pursuant to the prior sentence and/or any other outstanding unreimbursed amounts of Organizational Expenses and Operating Expenses, in instalments on a monthly basis following the date such cap is removed provided that the reimbursements do not cause the certain defined Organizational Expenses and Operating Expenses to exceed such cap previously in place, with, for the avoidance of doubt, such reimbursements in such case being deferred until the foregoing applicable limitation would not be exceeded by such reimbursements, as applicable. By subscribing for Shares, Investors will be deemed to have acknowledged and agreed that: (i) this

discretionary expense cap will lower the Organizational Expenses and Operating Expenses burden on the Sub-Fund for the period in time the cap is in place (resulting in a greater NAV per Share during such period than would otherwise be the case), and consequently defer expenses to later periods; (ii) they may be required to bear a portion of Organizational Expenses and/or Operating Expenses relating to periods prior to their admission into the Sub-Fund; (iii) Investors redeeming their Shares before the complete reimbursement of Organizational Expenses and/or Operating Expenses, will bear a lower amount of Organizational Expenses and/or Operating Expenses than would have otherwise be the case, should the discretionary cap not have been in place; and (iv) Investors redeeming their Shares before the Effective Date will bear no Organizational Expenses and potentially limited Operating Expenses.

**ANNEX IV  
CLASSES OF SHARES**

Class	Currency	Enrolled in the Hedging Program	Type of Investor	Type of Share	Minimum Initial Subscription and Minimum holding amount <sup>17</sup>	Minimum Subsequent Subscription <sup>18</sup>	Initial Subscription Price	Management Fee
Class I1	EUR	No	Institutional	Distribution	25,000	1,000	100	1.25%
Class I2	EUR	No	Institutional	Accumulating	25,000	1,000	100	1.25%
Class I3	USD	Yes	Institutional	Distribution	28,000	1,200	100	1.25%
Class I4	USD	Yes	Institutional	Accumulating	28,000	1,200	100	1.25%
Class I5	GBP	Yes	Institutional	Distribution	25,000	1,000	100	1.25%
Class I6	GBP	Yes	Institutional	Accumulating	25,000	1,000	100	1.25%
Class I7	CHF	Yes	Institutional	Distribution	25,000	1,000	100	1.25%
Class I8	CHF	Yes	Institutional	Accumulating	25,000	1,000	100	1.25%
Class A1	EUR	No	Advisory	Distribution	25,000	1,000	100	2.00%
Class A2	EUR	No	Advisory	Accumulating	25,000	1,000	100	2.00%
Class A3	USD	Yes	Advisory	Distribution	28,000	1,200	100	2.00%
Class A4	USD	Yes	Advisory	Accumulating	28,000	1,200	100	2.00%
Class A5	GBP	Yes	Advisory	Distribution	25,000	1,000	100	2.00%
Class A6	GBP	Yes	Advisory	Accumulating	25,000	1,000	100	2.00%
Class A7	CHF	Yes	Advisory	Distribution	25,000	1,000	100	2.00%
Class A8	CHF	Yes	Advisory	Accumulating	25,000	1,000	100	2.00%
Class A9	ILS	Yes	Advisory*	Distribution	100,000	5,000	100	2.00%
Class A10	ILS	Yes	Advisory*	Accumulating	100,000	5,000	100	2.00%
Class FA9	ILS	Yes	Founder: Advisory*	Distribution	100,000	5,000	100	2.00%
Class FA10	ILS	Yes	Founder: Advisory*	Accumulating	100,000	5,000	100	2.00%
Class FI1	EUR	No	Founder: Institutional	Distribution	25,000	1,000	100	0.75%

<sup>17</sup> Note to investors: Certain sub-distributors and/or countries may have higher minimums.

<sup>18</sup> Note to investors: Certain sub-distributors and/or countries may have higher minimums.

Class FI2	EUR	No	Founder: Institutional	Accumulating	25,000	1,000	100	0.75%
Class X1	EUR	No	Institutional	Distribution	25,000	1,000	100	0.00%
Class X2	EUR	No	Institutional	Accumulating	25,000	1,000	100	0.00%
Class X3	USD	Yes	Institutional	Distribution	28,000	1,200	100	0.00%
Class X4	USD	Yes	Institutional	Accumulating	28,000	1,200	100	0.00%
Class X5	GBP	Yes	Institutional	Distribution	25,000	1,000	100	0.00%
Class X6	GBP	Yes	Institutional	Accumulating	25,000	1,000	100	0.00%
Class X7	CHF	Yes	Institutional	Distribution	25,000	1,000	100	0.00%
Class X8	CHF	Yes	Institutional	Accumulating	25,000	1,000	100	0.00%
Class K1	EUR	No	Apollo-related*	Distribution	25,000	1,000	100	0.00%
Class K2	EUR	No	Apollo-related*	Accumulating	25,000	1,000	100	0.00%

Subject to the sole discretion of the Board of Directors, each investor will generally be eligible for Class I Shares, Class A Shares, Class X Shares, Class FA Shares, Class FI Shares or Class K Shares as follows:

Class I Shares are being offered exclusively to institutional and/or professional investors investing directly, financial intermediaries investing for their own account, investors who invest in their own name, investors who have account-based fee arrangements known as advisory/wrap accounts, discretionary managed accounts, or comparable fee arrangements with their financial intermediary and financial intermediaries within the European Union who: (i) must make investments for their own account; (ii) cannot receive distribution fees in accordance with applicable regulatory requirements and/or (iii) must only offer their clients Classes with no retrocessions in accordance with written agreements in place with their clients.

Class A Shares will generally be available to Investors where the Financial Intermediary through which such Investor acquired Shares provides such Investor with ongoing reporting, administrative and/or other services.

Class X Shares will be available to investors where they, or their financial intermediary or underlying investor have entered into a specific prior written agreement with the Investment Manager or one of its Affiliates, specifying the amounts of management fee and/or performance fee (or their equivalents) they will be charged outside of their investment in the Sub-Fund, and which will not be reflected in the Sub-Fund's NAV. For the avoidance of doubt, Class X Shares will be available to any such eligible investors until determined by the Board of Directors. Class X Shares will not bear any Management Fee or Underlying Performance Fee.

Class FA Shares will be available to investors placed into the Sub-Fund by the founding financial intermediaries (and their affiliates), such founding financial intermediaries being the financial intermediaries through which investors acquired Shares during the initial offering period and that have been designated as such by the Board of Directors in its sole discretion or have been designated as such by the Board of Directors in its sole discretion based on any other criteria (the "**Founding Financial Intermediaries**"), and who provide such investors with ongoing reporting, administrative and/or

other services. For the avoidance of doubt, Class FA Shares will be available to investors placed into the Sub-Fund by the Founding Financial Intermediaries until determined by the Board of Directors. Class FA Shares will not bear any Underlying Performance Fee.

Class FI Shares will be available to founding institutional and/or founding professional investors investing directly, founding financial intermediaries investing for their own account, founding investors who invest in their own name, founding investors who have account-based fee arrangements known as advisory/wrap accounts, discretionary managed accounts, or comparable fee arrangements with their financial intermediary and founding financial intermediaries within the European Union who: (i) must make investments for their own account; (ii) cannot receive distribution fees in accordance with applicable regulatory requirements and/or (iii) must only offer their clients Classes with no retrocessions in accordance with written agreements in place with their clients, such founding investors being the investors who acquired Shares during the initial offering period and that have been designated as such by the Board of Directors in its sole discretion or have been designated as such by the Board of Directors in its sole discretion based on any other criteria (the "**Founding Investors**"). For the avoidance of doubt, Class FI Shares will be available to the Founding Investors until determined by the Board of Directors.

It should be noted that: (i) only Apollo-related Investors (as defined more particularly below) will be eligible to hold Class K Shares. Class K Shares will not bear any Management Fee, Underlying Performance Fee or Subscription Fee; and (ii) where an asterisk (\*) symbol is included in the "Type of Investor" column in the table above such Class is not eligible for subscription by Retail Investors in the EEA or UK.

Certain Classes, as indicated in the table above, are "Distribution Class" Shares and certain other Classes, as indicated in the table above, are "Accumulation Class" Shares. Investors that subscribe for Distribution Class Shares will receive in cash any distributions that the Sub-Fund pays in respect of such Shares. For the avoidance of doubt, Investors may elect to reinvest such cash distributions into the Sub-Fund for additional Shares. In contrast, Investors that subscribe for Accumulation Class Shares will, in lieu of receiving cash distributions, have any such amounts reinvested in such Class. In each case, distributions (whether in cash to the Distribution Class Investors or reflected in the NAV of the Shares held by the Accumulation Class Investors) are made in the discretion of the Board of Directors and are subject to reasonable reserves for the payment of a *pro rata* portion of the Operating Expenses and any other obligations of the Sub-Fund attributable to such Shares and subject to deductions for any required tax withholdings or other tax amounts to be borne by the Investor. If an Investor does not indicate in its Subscription Agreement whether it is subscribing for Accumulation Class or Distribution Class Shares, the Investor's subscription will be for the Accumulation Class of the relevant Class.

Certain Classes, as indicated in the table above, may, from time to time, depending on the prevailing circumstances be fully or partially hedged from the relevant currency against the Euro (or such other currency as indicated in the table above) (the "**Hedging Program**"), without taking into consideration any hedging strategies separately entered into by any Investor, although there can be no assurance that any hedging strategies employed by the Sub-Fund will be effective in protecting against currency exchange rate fluctuations. Investors subscribing for Classes in any country in which Euros are not the local currency should note that changes in the value of foreign exchange between the Euro and such currency may have an adverse effect on the value, price or income of the investment to such Investors. Any costs associated with such hedging shall be allocated to the relevant Class which will reduce returns. In relation to currency hedging undertaken in the interest of a hedged Class, Investors should note that the various Classes do not constitute separate portfolios of assets and liabilities, and similar considerations may apply to the Master Fund or other investment structure to the extent the hedging program is undertaken at such level. Accordingly, while gains and losses and the expense of the hedging program will be allocated to the hedged Classes only, the Sub-Fund and/or the Master Fund or other investment structure as a whole, may be liable for obligations in connection with currency hedges. Additionally, any financing facilities or guarantees utilized in

connection with the hedging program may be entered into by the Umbrella Vehicle in respect of the Sub-Fund, the Master Fund or other investment structure and not any specific Class. Although a Class might benefit from the use of the hedging program, changes in currency exchange rates or other factors could result in poorer overall performance for such Class compared to what such Class' performance would have been if it had not been hedged. Any Class may, from time to time, be over-hedged or under-hedged, and the performance of any particular Class may diverge materially from the performance of the reference currency of such Class, and may diverge materially from the performance of any other Class.

Before making an investment decision each Investor should consult with their Financial Intermediary (as applicable) regarding their eligibility for any Class.

For the purposes of this Sub-Fund Supplement, "**Apollo-related Investor**" means:

- a) any director, officer, member, manager, partner, consultant or employee or former director, officer, member, manager, partner, consultant or employee or other person engaged or formerly engaged in the business of a member of the Apollo Group;
- b) at the sole discretion of the Board of Directors, any such person's spouse or close relative;
- c) at the sole discretion of the Board of Directors, any entity controlled by any of the persons referred to in paragraphs (a) and (b) above or the trustees of a trust of which they are beneficiaries; and
- d) any Apollo Client, or the Investment Manager or any of its Affiliates,

provided, in each case, that the relevant person is considered by the Board of Directors (or its delegate) to be sufficiently sophisticated to understand the risks involved in investing in the Sub-Fund and meets any other requirements that the Board of Directors (or its delegate) deems appropriate from a legal, regulatory or liquidity perspective. For the avoidance of doubt, reference to any former employee(s) or person(s) formerly engaged in the business of a member of the Apollo Group includes only such persons who have ceased to be so employed or engaged following the acceptance of their subscription for Shares, unless otherwise agreed by the Board of Directors.

**ANNEX V  
SUSTAINABLE FINANCE DISCLOSURES REGULATION**

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Apollo European Private Credit – Sub-Fund I (the "Sub-Fund")

**Legal entity identifier:** 635400W1CDBZWH4RBL71

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee...

**The EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the...

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___%	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%	<input type="checkbox"/> with a social objective  <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



**What environmental and/or social characteristics are promoted by this financial product?**

Capitalized terms used in this Annex and not otherwise defined shall have the meanings ascribed to them in this Sub-Fund Supplement or in the Prospectus, as applicable.

For the purposes of SFDR, the AIFM, and not the Investment Manager, is the "financial market participant" required to make pre-contractual disclosures in relation to the Sub-Fund. In this Annex, all references to the Investment Manager are references to the Investment Manager providing portfolio management services to the Sub-Fund as delegate of (and subject to the overall supervision and oversight of) the AIFM.

The Sub-Fund will invest as a limited partner in the Master Fund. The Investment Manager, on behalf of the Sub-Fund, intends to make through the Master Fund certain E/S Aligned Investments which, in addition to satisfying the Investment Manager's investment underwriting criteria, may fall into one or more of the following categories of environmental and social characteristics promoted by the Sub-Fund.

The environmental characteristic promoted by the Sub-Fund is advancing the climate & energy transition and is aligned with at least one of the following United Nations Sustainable Development Goals ("SDGs"):

- SDG 7, Affordable and Clean Energy;
- SDG 12, Responsible Consumption and Production; and
- SDG 13, Climate Action.

The social characteristic promoted by the Sub-Fund is expanding social opportunities and is aligned with at least one of the following SDGs:

- SDG 3, Good Health and Well-Being;
- SDG 4, Quality Education;
- SDG 5, Gender Equality;
- SDG 8, Decent Work and Economic Growth;
- SDG 10, Reduced Inequalities; and
- SDG 16, Peace, Justice and Strong Institutions.

While the environmental and social characteristics promoted by the Sub-Fund are each aligned with at least one of the SDGs set out above, as applicable, E/S Aligned Investments do not necessarily qualify as Sustainable Investments.

No reference benchmark has been designated for the purposes of attaining the E/S Promotion.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The attainment of the E/S Promotion will be measured at a portfolio level using sustainability indicators relevant to the environmental and/or social characteristics promoted by the Sub-Fund. Set out below is a non-exhaustive list of sustainability indicators that the Investment Manager may use for these purposes. Given the Master Fund expects to invest opportunistically across a range of assets and the Sub-Fund is an open-ended investment compartment, the sustainability indicators that the Investment Manager may use are subject to change and the list is provided for illustrative purposes only. The Investment Manager may further develop any sustainability indicators it uses over time.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

<b><u>Promoted characteristic</u></b>	<b><u>Sustainability indicators</u></b>
<b>Advancing the climate &amp; energy transition</b>	<b>Thermal Coal Mining/Extraction:</b> % of revenue of eligible holdings
	<b>Thermal Coal Energy Generation:</b> % of revenue of eligible holdings



**Oil sands:** % of revenue of eligible holdings

**Arctic Oil/Gas Drilling:** % of revenue of eligible holdings

**Expanding social opportunities** **Tobacco production:** % of revenue of eligible holdings

**Tobacco sales:** % of revenue of eligible holdings

**Private Prison Operation:** % of revenue of eligible holdings

**Both advancing the climate & energy transition AND expanding social opportunities**

**Controversial weapons:** % of revenue of eligible holdings

**Nuclear weapons production:** % of revenue of eligible holdings

**UN Global Compact and OECD Guidelines for Multinational Enterprises:** % of eligible holdings assessed as violating the UN Global Compact and/or OECD Guidelines for Multinational Enterprises

**Proprietary ESG Risk Rating Framework (Very High Risk):** % of eligible holdings scored Very High Risk

*What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*

Not applicable – the Investment Manager, on behalf of the Sub-Fund, does not commit to make "sustainable investments" as defined in Article 2(17) of SFDR (each a "Sustainable Investment").

*How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.



## Does this financial product consider principal adverse impacts on sustainability factors?

- Yes, the Investment Manager, on behalf of the Sub-Fund, considers the principal adverse impacts of its investment decisions on sustainability factors by evaluating such decisions against the adverse sustainability indicators set out below.

For the avoidance of doubt, although the Investment Manager pursues a reduction of the negative externalities caused by the investments underlying the Sub-Fund, the Investment Manager is not subject to the SFDR and does not consider the adverse impacts of its investment decisions on sustainability factors at "entity level" (i.e., across its investment management activities more broadly) for the purposes of Article 4 of SFDR.

### Adverse sustainability indicators

The Investment Manager, on behalf of the Sub-Fund, considers the following indicators from Table 1 of Annex I of the SFDR Regulatory Technical Standards (Commission Delegated Regulation (EU) 2022/1288) (the "RTS").

- 10) Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development ("OECD") Guidelines for Multinational Enterprises
- 14) Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

### How the Investment Manager considers adverse harm

Prior to making any investment, the Investment Manager will conduct investment due diligence on the proposed investment to evaluate a variety of factors, including the above sustainability factors (where relevant to the proposed investment). The evaluation will include a quantitative assessment of the impact of the investment against the above indicators.

The Investment Manager's approach to defining adverse impact depends on the nature of the metric to which the indicator relates. If the metric produces a numerically ranged or percentage output for a given investment, the Investment Manager will set a threshold for each indicator based on the industry sector of the issuer and will assess whether an investment causes adverse impact against this threshold. If a metric produces a binary output for a given investment (for example, Yes/No or True/False), then the Investment Manager considers that the investment causes adverse impact if the investment falls onto the harmful side of the binary output.

Following the assessment of an investment against the indicators, the Investment Manager will decide what action to take, with a view to limiting or reducing the identified adverse impact. Such action may include (subject at all times to the obligation of the Investment Manager to act in the best interests of the Sub-Fund and its investors as well as in accordance with the investment objectives and policies of the Sub-Fund and the Master Fund):

- deciding not to make the investment;
- limiting the position size of the investment; or
- making the investment with an intention to engage on improving the asset from a sustainability perspective.

The impact of an investment against the above indicators will continue to be monitored on an annual basis.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### **Where will the Investment Manager report further information?**

Further information on principal adverse impacts on sustainability factors will be set out in the Sub-Fund's annual report.

No

### **What investment strategy does this financial product follow?**

The Sub-Fund will invest as a limited partner in the Master Fund. The Master Fund's investment focus will primarily be direct lending in the mid-market and large cap originations and to a lesser extent for liquidity management purposes more liquid credit investments, in each case, primarily in relation to European (including, for the avoidance of doubt, U.K.) borrowers, with its strategy aimed at generating favourable returns across credit cycles with an emphasis on capital preservation. The Master Fund's portfolio will be senior orientated, with the majority of its investments intended to be first lien or senior secured loans and to a lesser extent second lien loans. The portfolio may also comprise bonds, loan receivables, syndications, funded or unfunded sub-participations, assignments, leveraged loans or any other kind of loan asset of companies.

The Master Fund's investments may include, in relation to borrowers with a history of profitability, sponsor backed primary leveraged buyouts and non-sponsored companies, bonds, capital structure refinancings, dividend recapitalizations and general corporate loans. The Master Fund may also make investments for liquidity management purposes in, cash, cash equivalents and other short-term investments.

The Master Fund may also invest in the debt securities and equity securities of entities or groups to whom it lends and in warrants and rights attaching to such securities, provided that such investment is related to the Master Fund's debt investments or lending activities. The Master Fund may also invest in other securities or debt instruments.

In order to seek to ensure that the E/S Promotion is followed on a continuous basis, the Investment Manager implements the following requirements.

- **During the due diligence phase**, credit investment teams collaborate with the Investment Manager's ESG team and third-party advisors, where applicable, to conduct assessments on ESG issues that could present material risks or opportunities for investment. An assessment evaluating ESG risks and opportunities is generally completed before a credit deal is executed, and a summary of the findings of the assessment is presented in underwriting materials.
- **Post-acquisition**, credit investment teams collaborate with the Investment Manager's ESG team and third-party advisors, where applicable, to monitor scores under ESG Risk Rating Framework (as defined below) and assess relevant ESG risks along with ESG opportunities. Periodic engagement is applied to address one or more ESG risks or opportunities that could impact the issuers long term financial performance. The Investment Manager and third-party advisors where applicable may seek opportunities to raise any issues with an issuers management team, board of directors or other representatives.

#### ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

In order to meet the E/S Promotion, the Investment Manager applies binding criteria to the selection of underlying assets as part of its investment decision-making process. These binding investment criteria may not be disapplied or overridden by the Investment Manager. The binding investment criteria include negative screens as well as portfolio-



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

level requirements set in respect of ESG scoring (using a proprietary ESG risk rating framework (the "ESG Risk Rating Framework")) and engagement on ESG issues through the application of the Investment Manager's ESG Policy, including the offering of sustainability-linked transaction provisions. The negative screens detailed below are applied at the point of investment and the portfolio level targets are measured quarterly and assessed on an annual basis.

Promoted characteristic	Type	Binding investment criteria
Advancing the climate & energy transition	Negative screen	Except for certain Green UoP Loans (as defined below), negatively screen investments for revenue involvement in mining and/or extraction of thermal coal (equal to or greater than 1% of revenue)
	Negative screen	Except for certain Green UoP Loans, negatively screen investments for revenue involvement in energy generation using thermal coal (equal to or greater than 25% of revenue)
	Negative screen	Except for certain Green UoP Loans, negatively screen investments for revenue involvement in extraction of oil sands (equal to or greater than 5% of revenue)
	Negative screen	Except for certain Green UoP Loans, negatively screen investments for revenue involvement in extraction of Arctic oil and/or gas (equal to or greater than 5% of revenue)
Expanding social opportunities	Negative screen	Negatively screen investments for revenue involvement in tobacco production (equal to or greater than 1% of revenue)
	Negative screen	Negatively screen investments for revenue involvement in the sale of tobacco (equal to or greater than 10% of revenue)
	Negative screen	Negatively screen investments for revenue involvement in the operation of private prisons (equal to or greater than 1% of revenue)
	Negative screen	Negatively screen investments for revenue involvement in the production of controversial weapons (greater than 0% of revenue)
	Negative screen	Negatively screen investments for revenue involvement in the production nuclear weapons (equal to or greater than 5% of revenue)
Both advancing the climate & energy transition <u>AND</u> expanding social opportunities	Negative screen	Negatively screen investments assessed as violating the UN Global Compact and/or OECD Guidelines for Multinational Enterprises
	Portfolio level requirement	Apply proprietary ESG Risk Rating Framework to all eligible holdings
	Negative screen	Negatively screen investments scoring "Very High Risk" on proprietary ESG Risk Rating Framework
	Portfolio level requirement	Equal to or greater than 80% of eligible holdings will have scored "Average" or better on proprietary ESG Risk Rating Framework

	Portfolio level requirement	Over a 24-month period, engage with all eligible holdings in line with the Investment Manager's ESG Policy
	Portfolio level requirement	Offer sustainability-linked transaction provisions to all eligible loans

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable.

- **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager assesses the good governance practices of investee companies and potential investee companies in accordance with the Investment Manager's good governance policy. The Investment Manager uses third-party service providers to assess *inter alia* compliance of investee companies with the UN Global Compact principles and OECD Guidelines for Multinational Enterprises. The Investment Manager applies exclusionary screens based on the information provided by such third-party data sources in accordance with the Investment Manager's good governance policy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### What is the asset allocation planned for this financial product?

**#1 Aligned with E/S characteristics:** After the Ramp-Up Period (as defined below), the Investment Manager intends to invest a minimum of 80% of the Sub-Fund's assets through the Master Fund in investments which, in addition to seeking to attain the broader economic objectives and investment strategy of the Sub-Fund and Master Fund, are E/S Aligned Investments (the "**E/S Alignment Commitment**"). The E/S Alignment Commitment will be measured as a percentage calculated over the period of each financial year of the Master Fund, the numerator of which is the total cost basis of the underlying E/S Aligned Investments of the Master Fund and the denominator of which is the total cost basis of all the underlying investments of the Master Fund, excluding cash, derivatives, and ancillary liquid assets where such instruments are used, as the context may require, for efficient portfolio management, liquidity management, hedging or cost management.

At the point of investment and on an annual basis, the Investment Manager will assess whether an investment is aligned with one or more of the environmental and/or social characteristics promoted by the Sub-Fund using a positive screening approach based on its proprietary ESG Risk Rating Framework. The Investment Manager may also determine that an investment is an E/S Aligned Investment if it is a loan for which the proceeds must be applied by issuers to projects with an environmental objective ("**Green UoP Loans**"). Exceptionally, the Investment Manager may determine that an investment is an E/S Aligned Investment based on engagement with an issuer carried out in line with the Investment Manager's ESG Policy that results in changes that contribute to the environmental and/or social characteristics promoted by the Sub-Fund as reasonably determined by the Investment Manager in its sole discretion, which may include the acceptance of a sustainability-linked transaction provision by an issuer.

The E/S Alignment Commitment is subject to the following:

- As the Master Fund will seek to invest opportunistically in illiquid assets, the Investment Manager considers that it is appropriate to measure the E/S Alignment Commitment by reference to total cost basis and calculated over the period of the financial year of the Master Fund. In addition, given the Master Fund will seek to invest opportunistically in illiquid assets, there may be periods during the financial year and during the lifecycle of the Master Fund (including its initial investment period, and divestment period) where the proportion of the Master Fund's underlying portfolio invested in E/S Aligned Investments



**Asset allocation** describes the share of investments in specific assets.

is less than 80%. In relation to the initial investment period of the Sub-Fund, the E/S Alignment Commitment will not apply during a ramp-up period of 12 months after the Master Fund's first subscriptions from investors are received (the "**Ramp-Up Period**").

- Should the minimum commitment not be achieved because of market or currency fluctuations, no remedial action will be required for these reasons.
- Any reference in this Annex to the E/S Alignment Commitment and/or to the percentage amount of that commitment must be read subject to the exceptions in the above bullet points.

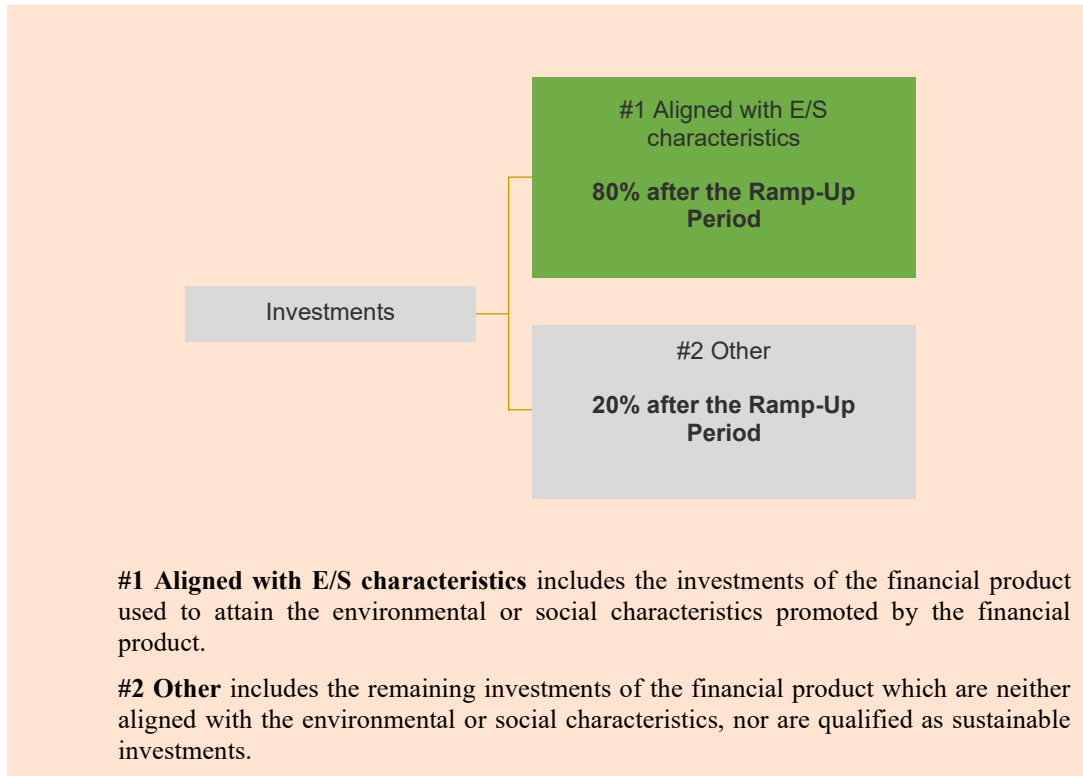
**#1A Sustainable:** The Master Fund might acquire assets qualifying as Sustainable Investments. However, given the likelihood of variation in scale and valuation of various potential investments, the Investment Manager cannot estimate the minimum proportion of Sustainable Investments or the degree to which assets will be allocated to specific categories of investments. Consequently, the Investment Manager does not commit to making Sustainable Investments.

**#2 Other:** The remaining investments will seek to achieve the broader economic objectives and investment strategies of the Sub-Fund and the Master Fund. Such investments may include investments made to seek to generate favourable economic returns, investments made for diversification purposes, and investments for which data are lacking. There could also be investments that may not match the binding elements of the investment strategy used to attain the E/S Promotion, as described above, in their entirety or for which the Investment Manager and the Master Fund will not have sufficient influence or information rights to implement or monitor the implementation of the Sub-Fund's objectives in this respect.

For the avoidance of doubt, cash, derivatives, and ancillary liquid assets, where such instruments are used, as the context may require, for efficient portfolio management, liquidity management, hedging or cost management, are not considered to be investments for asset allocation purposes. Therefore, as described above, such instruments are excluded from the denominator used by the Investment Manager to measure the E/S Alignment Commitment and will not be included in either "#1 Aligned with E/S characteristics" nor "#2 Other" categories of investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g., for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The Investment Manager will not generally use derivatives to attain the environmental or social characteristics of the Sub-Fund.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Investment Manager, on behalf of the Sub-Fund, does not commit to make investments which are aligned to any minimum extent with the EU Taxonomy. As such, the Investment Manager discloses for the purposes of the SFDR and the EU Taxonomy that the Sub-Fund has no minimum alignment with the EU Taxonomy.

The Investment Manager does not currently use the EU Taxonomy as a mandatory part of its investment process, and so wishes to retain the flexibility to invest in investments which are suitable for the Sub-Fund and the Master Fund, without being tied to a minimum commitment to make Taxonomy-aligned investments. The Investment Manager considers that this approach is consistent with its duty to act in the best interests of investors in the Sub-Fund.

While the Investment Manager, on behalf of the Sub-Fund, does not commit to make investments which are aligned to any minimum extent with the EU Taxonomy, the Master Fund may nevertheless make sustainable investments aligned with the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

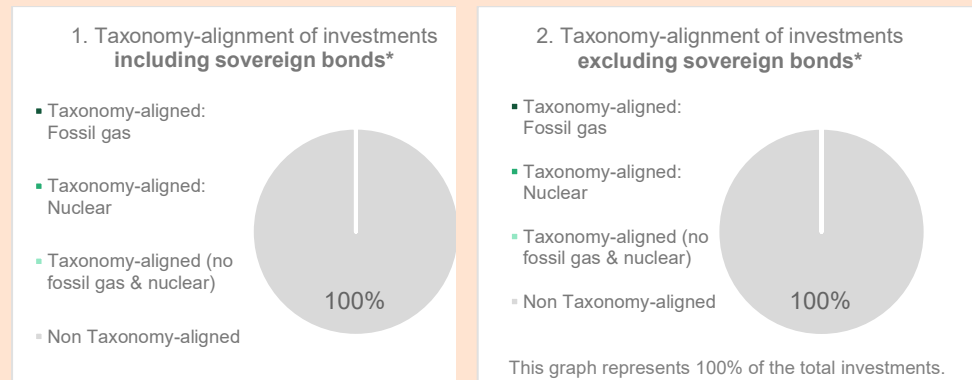
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>19</sup>?**

- Yes:
  - In fossil gas
  - In nuclear energy
- No

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**




*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign expos*

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable as the Investment Manager, on behalf of the Sub-Fund, does not commit to make investments which are aligned with the EU Taxonomy.

● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Investment Manager, on behalf of the Sub-Fund, does not commit to make Sustainable Investments. While the Investment Manager, on behalf of the Sub-Fund, does not commit to make a minimum share, as noted above, the Master Fund may nevertheless make Sustainable Investments with an environmental objective that are not aligned with the EU Taxonomy.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally



<sup>19</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.





**What is the minimum share of socially sustainable investments?**

Not applicable, the Investment Manager, on behalf of the Sub-Fund, does not commit to make a minimum share of socially Sustainable Investments. While the Investment Manager, on behalf of the Sub-Fund, does not commit to make a minimum share, as noted above, the Master Fund may nevertheless make socially Sustainable Investments.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The purpose of any investments made by the Master Fund that may be classified as "#2 Other" within the SFDR will be to seek to achieve the broader economic objectives and investment strategies of the Sub-Fund and the Master Fund. Such investments may include investments made to seek to generate favourable economic returns, investments made for diversification purposes, and investments for which data are lacking. There could also be investments that may not match the binding elements of the investment strategy used to attain the E/S Promotion, as described above, in their entirety or for which the Investment Manager and the Master Fund will not have sufficient influence or information rights to implement or monitor the implementation of the Sub-Fund's objectives in this respect.

For the avoidance of doubt, cash, derivatives, and ancillary liquid assets, where such instruments are used, as the context may require, for efficient portfolio management, liquidity management, hedging or cost management, are not considered to be investments for asset allocation purposes. Therefore, as described above, such instruments are excluded from the denominator used by the Investment Manager to measure the E/S Alignment Commitment and will not be included in either "#1 Aligned with E/S characteristics" nor "#2 Other" categories of investments.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

*How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable.

*How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable.

*How does the designated index differ from a relevant broad market index?*

Not applicable.

*Where can the methodology used for the calculation of the designated index be found?*

Not applicable.

**Where can I find more product specific information online?**

More product-specific information can be found on the website: <https://investor.apollo.com>.





25. **SUB-FUND SUPPLEMENT: APOLLO CLEAN TRANSITION EQUITY ELTIF**

to the Prospectus of **Apollo Private Markets SICAV**

relating to the sub-fund **Apollo Clean Transition Equity ELTIF**

(hereinafter the "**Sub-Fund**")

**Important Notice**

This Sub-Fund Supplement summarizes the features of the Sub-Fund in table format. Investors are strongly recommended to carefully read this Sub-Fund Supplement in conjunction with the general part of the Prospectus and the Articles and to seek professional advice before making any decision to subscribe for shares in the Sub-Fund. Terms not otherwise defined in this Sub-Fund Supplement shall have the meaning given to them in the Prospectus.

The Sub-Fund qualifies as a European Long-Term Investment Fund under Regulation (EU) 2015/760 on European Long-Term Investment Funds ("**ELTIFs**", and Regulation (EU) 2015/760, as amended by Regulation (EU) 2023/606 and as further amended from time to time, the "**ELTIF Regulation**"). For the avoidance of doubt, the terms of this Sub-Fund Supplement are subject to the ELTIF Regulation and the ESMA draft regulatory technical standards for ELTIFs or any other related EU delegated act adopted by the European Commission amending or supplementing the ELTIF Regulation or regulatory guidance from time to time including, for the avoidance of doubt, as may become applicable, further to a revision of the ELTIF Regulation.

Investment in the Sub-Fund is only intended for investors who: (i) understand the Sub-Fund's strategy, characteristics and risks in order to make an informed investment decision; and (ii) have knowledge of, or investment experience in, products such as this Sub-Fund, including (in particular) those that may use borrowing to leverage investment (such as this Sub-Fund) and financial markets generally.

The Sub-Fund is also intended to be marketed to Retail Investors that are eligible investors under the ELTIF Regulation.

Prospective Investors should be aware that long-term assets are typically assets that are of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature. As a result, each prospective Investor in the Sub-Fund should carefully consider the appropriate amount of its overall investment portfolio to be invested, and it is recommended that such Investor only invests a small proportion of its overall investment portfolio in the Sub-Fund. The Sub-Fund is only appropriate for Investors who are able to sustain a long-term and illiquid commitment.

The end of the life of the Sub-Fund, consistent with the long-term nature of the Sub-Fund's investments, shall be the earlier of: (i) the date upon which the Board of Directors determines, following the end of the Investment Period, that the Sub-Fund shall start its wind down phase and the orderly disposing of all its investments and discharging all its outstanding liabilities and obligations which shall in no case occur prior to the sixth anniversary of the Initial Closing; (ii) the date determined following and as a consequence of a No-Fault Dissolution; and (iii) the eighth anniversary of the date of the Initial Closing.

All Investors in each Class of Shares will benefit from equal treatment and no preferential treatment, accordingly specific economic benefits will not be granted to individual Investors or other groups of Investors within the same Class.

Investors may freely transfer their Shares to third parties subject to the conditions laid down in section "*Transfers*" below.

The Sub-Fund may make use of borrowings and will comply with Article 16 of the ELTIF Regulation.

Participation in the Sub-Fund will be offered primarily through Financial Intermediaries, which generally have client net worth thresholds and other requirements. Accordingly, the Sub-Fund is primarily intended for investors who have established relationships with such Financial Intermediaries. Investors should consult with

their Financial Intermediary to discuss potential eligibility and suitability requirements for investment in the Sub-Fund.

In the EEA or the UK, a key information document ("**KID**"), in compliance with the relevant provisions of Regulation (EU) 1286/2014, as amended, and Commission Delegated Regulation (EU) 2017/653 (including as it forms part of UK domestic law by virtue of the EUWA) will be published for each Class available to Retail Investors. KIDs will be made available to prospective Retail Investors in good time prior to their subscription for Shares in the Sub-Fund and will be provided: (i) in paper form or (ii) using a durable medium other than paper or (iii) available electronically, such as in a data room for Investors or on a website for the Sub-Fund or (iv) upon request to the Sub-Fund and/or the AIFM.

Investors are specifically referred to the risk factors in the general part of the Prospectus and in this Sub-Fund Supplement, under "Risk Factors" and as set out in Annex I.

Participation in the Sub-Fund involves intricate tax and regulatory matters that may differ from Investor to Investor. Each Investor is advised to clarify the actual tax and regulatory effects that participation in the Sub-Fund may have in its particular case with its personal tax and legal advisor.

References to the "Sub-Fund" in this Sub-Fund Supplement shall include, unless the context otherwise requires, the Umbrella Vehicle (or any agent thereof) acting in respect of the Sub-Fund.

### **Notice to residents of the European Economic Area**

Pursuant to the EU Directive 2011/61/EU on the Alternative Investment Fund Managers Directive (the "**AIFMD**"), the Umbrella Vehicle will constitute an EU AIF whose AIFM is itself an EU AIFM. Each Member State of the European Economic Area has adopted legislation implementing the AIFMD into national law. Under the AIFMD, marketing of the Shares of the Sub-Fund to any (prospective) Investor domiciled or with a registered office in the European Economic Area will be restricted by such laws and no such marketing shall take place except as permitted by such laws. Potential Investors should ensure they are able to subscribe for Shares in the Sub-Fund in accordance with the above laws.

When marketed under the AIFMD marketing passport provided for in Article 32 of the AIFMD, Shares in the Sub-Fund are available for purchase by (i) Professional Investors, being Investors that are considered to be a professional client or may, on request, be treated as a professional client, within the meaning of Annex II to Directive 2014/65/EU ("**MiFID II**"), and (ii) Retail Investors fulfilling the eligibility requirements of the ELTIF Regulation.

### **Notice to residents of the United Kingdom**

This communication is issued in the UK by Apollo Management International LLP.

The Umbrella Vehicle (including the Sub-Fund) is a collective investment scheme for the purposes of Section 235 of the Financial Services and Markets Act 2000 of the United Kingdom, as amended ("**FSMA**"). It has not been authorized, or otherwise recognized or approved, by the FCA and as an unregulated collective investment scheme, it cannot be promoted in the United Kingdom to the general public. Accordingly, neither the Prospectus nor this Sub-Fund Supplement is to be distributed, delivered or passed on to any person resident in the United Kingdom, unless it is being made only to, or directed at persons falling within, the categories discussed below.

The communication of the Prospectus and this Sub-Fund Supplement (together, the "**Materials**") is directed at, and Shares are available only to, the following persons in the United Kingdom:

If made by a person who is not an authorised person in the UK, such offer or distribution is being made only to or, directed only at: (i) persons falling within any of the categories of "investment professionals" as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**") (ii) persons falling within any of the categories of persons described in Article 49(2) of the Financial Promotion Order (high net worth companies, unincorporated associations etc.), (iii) persons falling within the categories of "high net worth individual" described in Article 48(2) of the Financial Promotion Order or "self-certified sophisticated investor" described in Article 50A(1) of the Financial Promotion Order and (iv) any other person to whom it may otherwise lawfully be made (all such persons together being referred to as "**A Relevant Persons**"). Communication of the Materials to, or reliance on them by, any person

who is not a Relevant Person is unauthorized and may contravene FSMA, and any such person should return them immediately.

If made by a person who is an authorised person in the UK, such offer or distribution is being made only to or, directed only at: (i) persons falling within any of the categories of "investment professionals" as defined in article 14(5) of the Financial Services and Markets Act 2000 (Promotion of CIS)(Exemptions) Order 2001, (as amended) (the "**CISO**"); (ii) persons to whom Article 22(2) of the CISO (high net worth companies, unincorporated associations, etc.) applies; (iii) persons falling within the categories of "high net worth individual" described in Article 21(2) of the CISO (being individuals who have certified their net worth in the form and as required by the CISO) and "self-certified sophisticated investor" described in Article 23A(1) of the CISO (being individuals who have certified that they are a sophisticated investor in the form and as required by the CISO); (iv) persons falling who fall within the categories of persons described in COBS 4.12B of the FCA Handbook of rules and guidance, subject to the requisite procedural requirements in COBS 4.12B being complied with; or (v) any person to whom it may otherwise lawfully be made (all such persons together being referred to as "**B Relevant Persons**", and A Relevant Persons and B Relevant Persons being collectively referred to as "**Relevant Persons**").

For Relevant Persons who are high net worth individuals, self-certified sophisticated investors or other Relevant Persons falling within similar exemptions under the FPO or the CISO: the content of this promotion has not been approved by an authorised person within the meaning of FSMA. Reliance on this promotion for the purpose of buying the Shares to which the promotion relates may expose an individual to a significant risk of losing all of the property or other assets invested. This Prospectus is exempt from the general restriction in Section 21 of FSMA on the communication of invitations or inducements to engage in investment activity and/or section 238 of FSMA the restriction on the promotion of unregulated schemes, on the grounds that it is being issued to and/or directed at only the types of person referred to above. The Umbrella Vehicle is a limited liability company and any person who acquires Shares will not thereby be exposed to any significant risk of incurring additional liability. If a Potential Investor is in doubt about the investment to which this promotion relates, they should consult an authorised person specialising in advising on investments of the kind in question.

For Relevant Persons who fall within the categories of persons described in COBS 4.12B of the FCA Handbook: Don't invest unless you're prepared to lose all the money you invest. **This is a high-risk investment and you are unlikely to be protected if something goes wrong.**

Furthermore, the Sub-Fund is a non-mass market investment (NMMI) and is only suitable for investors with a certain profile and objectives. An investment in the Sub-Fund should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment. The Sub-Fund is likely to be suitable for sophisticated investors with knowledge of investments of this nature, who are of capable of bearing the loss of all capital invested and have a high risk tolerance, who have read and fully understood the risks set out in the Key Information Document (KID) and Section 19 "Risk Factors" of this Prospectus as well as the investment objectives, charges, fees and expenses of the Sub-Fund. The Sub-Fund is not appropriate for investors seeking a short term investment – the recommended holding period for the Sub-Fund as set out in the KID is 8 years. The Sub-Fund is not suitable for, and no offer in this Prospectus is made to, any investors whose profile and objectives are not consistent with those described in this paragraph. Nothing in this Prospectus should be construed as investment advice.

Communication of the Materials to, or reliance on them by, any person who is not a Relevant Person is unauthorized and may contravene FSMA, and any such person should return them immediately. No person, other than Relevant Persons, may act on the Materials and any investment or investment activity to which they relate is available only to Relevant Persons and will be engaged in only with such persons. Persons of any other description in the United Kingdom may not receive and should not act or rely on the Materials or any other marketing materials relating to the Sub-Fund. The Materials will only be distributed, and Shares will only be offered, in circumstances permitted under the Alternative Investment Fund Managers Regulations 2013, as amended ("**UK AIFM Regulations**"). This Prospectus will only be distributed, and Shares will only be offered, in circumstances permitted under the Alternative Investment Fund Managers Regulations 2013.

Potential Investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Sub-Fund, and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The Materials are not an approved prospectus for the purposes of section 85 of the FSMA.

## Notice to residents of Switzerland

The Umbrella Vehicle is not approved by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") for offering to non-qualified investors in Switzerland pursuant to Art. 120(1) and (2) of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("**CISA**"). Consequently, Shares may not be offered or advertised and the Prospectus, this or any Sub-Fund Supplement, the Articles, the Subscription Agreement and any other offering material or document relating to the Umbrella Vehicle, the Sub-Fund(s) and/or the Shares may not be distributed or otherwise made available in Switzerland to non-qualified investors within the meaning of the CISA. Investors in the Umbrella Vehicle do not benefit from the specific investor protection provided by the CISA and the supervision by FINMA in connection with the approval for offering.

The Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement and any accompanying documentation do not constitute an issuance prospectus pursuant to the Swiss Federal Act on Financial Services of 15 June 2018, as amended (the "**FinSA**"), nor otherwise under Swiss law, and may therefore not comply with the corresponding disclosure standards. Furthermore, the Shares have not been and are not expected to be listed on any stock exchange or other regulated trading venue in Switzerland and, consequently, the information presented in the Prospectus, this or any Sub-Fund Supplement or any accompanying documentation does not necessarily comply with the disclosure standards set out in the relevant listing rules. Neither the Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement nor any other offering or marketing materials relating to the Umbrella Vehicle or the Shares have been or will be filed with, or approved by, any Swiss governmental authority.

In Switzerland, the Umbrella Vehicle and the Shares may only be advertised or offered, and the Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement or any other advertising or offering materials relating to the Umbrella Vehicle or the Shares may solely be provided, to qualified investors pursuant to art. 10 para. 3 CISA (i.e. professional clients or institutional clients in accordance with art. 4 para. 3 to 5 or art. 5 para. 1 and 4 of the FinSA). Certain persons may on a discretionary basis be considered eligible for investment in the Umbrella Vehicle (a) under art. 10 para. 3ter CISA if they intend to subscribe in the context of a long-term, remunerated investment management or investment advisory agreement with a prudentially regulated financial intermediary, or (b) if an intended subscription comes about at the express initiative of the potential investor that was not preceded by any advertising by the Umbrella Vehicle, its Affiliates, agents or representatives.

The Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement and any accompanying documentation do not constitute investment advice. Said materials may only be used by those persons to whom they have been delivered in connection with the Umbrella Vehicle or the Shares and may neither be copied nor directly or indirectly distributed or made available to other persons.

The Prospectus, this Sub-Fund Supplement, any other Sub-Fund Supplement and/or key information documents as well as annual and semi-annual reports may be obtained free of charge from the Swiss Representative.

In respect of the Shares offered in Switzerland, the place of performance is the registered office of the Swiss Representative. The place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or place of residence of the Investor.

### The Sub-Fund Supplement

<p><b>Sub-Fund</b></p>	<p>Apollo Clean Transition Equity ELTIF (the "<b>Sub-Fund</b>") is a closed-ended investment compartment (<i>compartiment</i>) of the Umbrella Vehicle. The Sub-Fund qualifies as an ELTIF under the ELTIF Regulation.</p>
<p><b>Investment Objective and Strategy</b></p>	<p>The Sub-Fund qualifies as an ELTIF in accordance with the ELTIF Regulation and is intended to be invested in long-term assets. Long-term assets are typically assets that are of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature. Due to the nature of the investment strategy described in this section and the investment opportunities identified as part of the strategy, the Sub-Fund offers Investors the opportunity to participate in long-term investment opportunities which require patient capital that will remain invested for a considerable period of time. The Sub-Fund is designed to channel capital towards long-term investments in the real economy.</p> <p>The Sub-Fund's investment objective is to seek long-term capital gains by seeking to leverage Apollo's historical expertise to pursue private equity-like opportunities including buyouts, carve-outs, public equity and toe-holds and stressed capital structure investments that are focused on capturing relative value across the clean transition equity ecosystem. CTIF Eligible Investments (as defined in Annex III) will be rigorously assessed for alignment with Apollo's proprietary climate and transition investment framework ("<b>Climate and Transition Investment Framework</b>") in addition to certain of the climate-focused United Nations Sustainable Development Goals ("<b>SDGs</b>"). For more information on the Climate and Transition Investment Framework, please refer to Annex III.</p> <p>The Sub-Fund will generally invest as minority co-investor alongside one or more Apollo affiliated products (and, in some cases, third-parties) (the "<b>Other CTE Funds</b>") and together with the Sub-Fund the "<b>CTE Funds</b>") directly or indirectly through intermediary vehicles. See the sections "<i>Co-Investments with the Other CTE Funds, other Apollo Clients and Other Persons</i>", "<i>Apollo Side-by-Side Investment Rights</i>", "<i>Cross Investments</i>" and "<i>Conflicts of Interest</i>" below for description of certain potential conflicts of interest. Each of the Sub-Fund's investments, alongside the Other CTE Funds or otherwise, will be subject always to the ELTIF Regulation in general and the ELTIF Investment Restrictions in particular. In circumstances where the Sub-Fund cannot, in whole or in part, participate in an investment to be made by the Other CTE Funds, then the Sub-Fund may, directly or indirectly through intermediary vehicles, make additional or different investments to the Other CTE Funds consistent with the investment strategy in order to construct a diversified investment portfolio and remain compliant with the ELTIF Regulation.</p> <p>It is generally expected that the CTE Funds will primarily invest in opportunities that the Sub-Investment Manager believes will require no less than \$50,000,000 and no more than \$500,000,000 of equity, though the CTE Funds may also seek larger or smaller investments outside of, and will not be restricted by, this range.</p> <p>The Sub-Fund may also hold cash, cash equivalents and/or liquid instruments allowed by the ELTIF Regulation.</p> <p>The Sub-Fund may make investments on a global basis. At least annually, in, or alongside the Sub-Fund's annual report or more frequently, Investors will be informed of the jurisdictions in which the assets of the Sub-Fund have been invested.</p> <p>The following sets out certain of the principal investment restrictions in the ELTIF Regulation (the "<b>ELTIF Investment Restrictions</b>") but is not intended to be exhaustive. Any investor consent required to effectuate such amendments</p>

shall be deemed to have been provided at the time of the first investment. As indicated below, certain of the following investment restrictions will not apply during a ramp-up period of three years after the Initial Closing (as defined below) (the "**Ramp-Up Period**").

Capitalized terms not otherwise defined in this Sub-Fund Supplement refer to the definitions given to these terms in the ELTIF Regulation:

- Except during the Ramp-Up Period and Wind-down Period (as defined below), at least 55% of the capital of the Sub-Fund, must be invested in investments that qualify as Eligible Investment Assets in accordance with Articles 9, 10 and 11 of the ELTIF Regulation, notably (a) qualifying portfolio undertakings within the meaning of the ELTIF Regulation, (b) listed qualifying portfolio undertakings provided their market capitalization, at the time of the investment, does not exceed EUR 1,500,000,000; or (c) target ELTIFs, EuVECAs or EuSEFs, EU AIFs managed by EU AIFMs provided that those ELTIFs, EuVECAs, EuSEFs, UCITS and EU AIFs invest in eligible investments as referred to in Article 9(1) and (2) of the ELTIF Regulation and have not themselves invested more than 10% of their assets in any other collective investment undertaking or (d) real assets as foreseen in the ELTIF Regulation.

- Investments of the Sub-Fund in debt instruments which are (i) not held for liquidity purposes and (ii) not expected to have a credit quality equivalent to at least a speculative grade rating (or, in case of structured products, investment grade rating) will exclusively be made via qualifying portfolio undertakings, ELTIFs, EuVECAs or EuSEFs, EU AIFs managed by EU AIFMs or other intermediary vehicles.

- The Sub-Fund shall not invest in
  - working capital loans, i.e., short-term loans to business enterprises for financing their current assets, or
  - movable assets/claims to movable assets and intangible assets,

unless such assets are of an ancillary nature (such as, for instance, short-term debt granted by the Sub-Fund to its portfolio undertakings to provide them with short-term liquidity in addition to long-term (equity or debt) financing). For the avoidance of doubt, these restrictions do not apply to investments made by or through qualifying portfolio undertakings, ELTIFs, EuVECAs or EuSEFs, EU AIFs managed by EU AIFMs or other intermediary vehicles.

- Except during the Ramp-Up Period and Wind-down Period no single investment shall exceed 20% of the capital of the Sub-Fund (measured at the time of acquisition of an investment).

- With regard to qualifying portfolio undertakings (within the meaning of the ELTIF Regulation), the Sub-Fund may invest in countries outside the European Union which (at the time of acquisition of an investment) (i) are not identified as a high-risk third country listed in the delegated act adopted pursuant to Article 9(2) of Directive (EU) 2015/849 of the European Parliament and of the Council and (ii) are not mentioned in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes.

- Subject to the other provisions of this Sub-Fund Supplement, the Sub-Fund may invest directly or indirectly through intermediary



vehicles in real assets (within the meaning of the ELTIF Regulation).

- Where a qualifying portfolio company, after having been invested in, no longer fulfills the condition to be either unlisted, or if listed, having a market capitalization below EUR 1,500,000,000 then such investment shall continue to be accounted for as an Eligible Investment Asset for a maximum duration of three (3) years from the time when the condition is no longer fulfilled.

- Except during the Ramp-Up Period and Wind-down Period 45% of the capital of the Sub-Fund, may be invested in liquid investments in accordance with Article 9(1)(b) of the ELTIF Regulation, notably including transferable securities, bank deposits, target funds and money market instruments fulfilling the relevant criteria (the "**Liquid Investments**"). With respect to Liquid Investments:

- The following risk spreading rules shall apply:

- in accordance with the ELTIF Regulation, the assets invested in Liquid Investments shall at no time, except during the Ramp-Up Period and Wind-down Period, exceed 45% of the capital of the Sub-Fund;

- no single Liquid Investment shall exceed 10% of the capital of the Sub-Fund, in each case, measured at the time of acquisition of an investment, where such Liquid Investment has been issued by a single body, subject to the exceptions set out under Article 13 of the ELTIF Regulation; and

- the Sub-Fund may not (measured at the time of acquisition of an investment) acquire more than 30% of the units or shares of a single ELTIF, EuVECA, EuSEF, UCITS or of an EU AIF managed by an EU AIFM in accordance with Article 15 of the ELTIF Regulation; and

- the Sub-Fund may not be invested in sovereign debt instruments of issuers assessed as "not free" according to the latest available annual Freedom in the World Report published by Freedom House as determined by the Investment Manager and/or Sub-Investment Manager at the time of acquisition of such investment.

Additional investment restrictions applicable to the Sub-Fund:

- The Sub-Fund will not enter into short selling activities and will not take direct or indirect exposure to commodities trading.

- In accordance with the ELTIF Regulation, a financial derivative instrument shall only be used for hedging risks arising from exposures to assets referred to in Article 9 (1) of the ELTIF Regulation.

- Any securities lending, repurchase or reverse repurchase transactions shall not affect more than 10% of the Sub-Fund's assets (measured at the time of such a transaction).

- The aggregate risk exposure to a counterparty stemming from OTC derivative transactions, repurchase or reverse repurchase agreements may not exceed 10% of the value of the capital of the Sub-Fund (measured at the time of such a transaction).

Except during the Ramp-Up Period, without the approval of the Board of Directors, the Sub-Fund will not invest more than 35% of its NAV at the time of acquisition of an investment, in investments in Portfolio Companies that (i) are

organized outside of OECD Countries and (ii) do not have significant operations in OECD Countries.

For the purposes of the foregoing restriction, "**OECD Countries**" means, Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the UK and the U.S.

As determined by the Investment Manager and/or Sub-Investment Manager in their discretion at the time of acquisition of such investment, the Sub-Fund will not invest in any Portfolio Company (as defined below) that, at the time of the Sub-Fund's initial investment in such Portfolio Company:

(a) (i) derives (A) 15% or more of its annual gross revenue from its exploration, production, mining, or processing (defined as the preparation of mined material for market) of thermal coal (such companies, "**Thermal Coal Companies**") or (B) 30% or more of annual gross revenue from its exploration, production, mining, or processing (defined as the preparation of mined material for market) of coal other than thermal coal (such companies, "**Coal Companies**"), or (ii) is primarily engaged in the exploration, production, mining or processing (defined as the preparation of mined material for market) of oil and natural gas (such companies, "**Oil and Gas Companies**", and, together with Thermal Coal Companies and Coal Companies, "**Fossil Fuel Portfolio Companies**"); provided, that such limitation shall not apply to investments: (i) in any Fossil Fuel Portfolio Company that the Investment Manager and/or Sub-Investment Manager intends to shut down, retire, or convert to a non-fossil fuel energy source within a reasonable period after the acquisition of such Fossil Fuel Portfolio Company, (ii) in a Fossil Fuel Portfolio Company in which all or any portion of the invested proceeds will be used to support, maintain, build, grow or otherwise invest in assets or businesses in pursuit of the investment objectives described in this Sub-Fund Supplement, or (iii) in any subsidiary or special purpose vehicle of a Fossil Fuel Portfolio Company that is involved in activities that are characterized as Sustainable Economy Activities ("**SEAs**") under the Climate and Transition Investment Framework. For more information on the Climate and Transition Investment Framework, please refer to Annex III;

(b) is engaged in the production, sale or distribution of antipersonnel landmines, cluster bombs, nuclear weapons, chemical or biological weapons, or depleted uranium ammunition; is engaged in the production, sale or distribution of antipersonnel landmines, cluster bombs, nuclear weapons, chemical or biological weapons, or depleted uranium ammunition;

(c) derives 10% or more of its annual gross revenue from its sale of conventional weapons to be used in an act of war or military conflict or its trade and provision of conventional weapons to or with countries and non-state actors subject to UN Security Council and/or Council of the European Union arms embargoes;

(d) derives 10% or more of its annual gross revenue from its production of non-military firearms and/or sale of guns (including, without limitation, handguns) to consumers; or

(e) derives 5% or more of its annual gross revenue from its production of tobacco or tobacco products (i.e., cigars, cigarettes and e-cigarettes),

	<p>(collectively, the "<b>Prohibited Investment Criteria</b>").</p> <p>The Investment Manager will use commercially reasonable efforts to notify Investors in a reasonable time if a Portfolio Company, as determined by the Investment Manager in its discretion, breaches the Prohibited Investment Criteria.</p> <p>Without the approval of the Board of Directors, the Sub-Fund will not invest directly in real estate, other than real estate acquired in connection with investments otherwise permitted by this Sub-Fund Supplement.</p> <p>The Sub-Fund may not undertake any Hostile Acquisition Transactions. For the purposes of the foregoing restriction, "Hostile Acquisition Transactions" means the commencement of a tender offer with respect to any equity securities of any issuer or the solicitation of proxies from the shareholders of any issuer which, in each case, is at the time opposed by action of the board of directors of such issuer, unless the Sub-Investment Manager reasonably believes that the Sub-Fund's actions are not "hostile" as that term is then commonly understood in the investment community. Notwithstanding the foregoing, the Investors recognize that the Sub-Fund may invest in financially distressed persons and in persons undergoing financial restructuring and, in such situations, the Investors acknowledge that while the Sub-Fund's investments in such persons may be opposed by such persons' creditors, shareholders or claimants, or any committees representing the foregoing, or by the board of directors of such persons, such opposition shall not cause such investments to be considered in violation of the foregoing restriction.</p> <p>Investors will be informed of the actions that the Investment Manager and/or Sub-Investment Manager take in the event of a breach of the investment restrictions in writing and without undue delay as required by applicable laws and regulations and/or by the CSSF's directives.</p> <p>There can be no guarantee that the Sub-Fund will achieve its investment objectives.</p> <p>In addition to the primary objective of generating favorable economic returns described above, the Sub-Fund promotes certain environmental characteristics in accordance with the strategy described in Annex III Annex II (the "<b>Environmental Promotion</b>"). The full details of the Environmental Promotion are set out in Annex III Annex II to this Sub-Fund Supplement, but its key elements are summarized below. In addition, the "<b>SFDR</b>" section below sets out certain other pre-contractual disclosures required by SFDR.</p> <p>The environmental characteristics promoted by the Sub-Fund are activities categorized as SEAs under the Climate and Transition Investment Framework which are (non-exhaustively): energy transition; industrial decarbonization; sustainable mobility; and sustainable resource use. The environmental characteristics promoted by the Sub-Fund are aligned with certain of the climate-focused SDGs.</p> <p>SEAs are specific categories under the Climate and Transition Investment Framework set by Apollo and are different concepts to investments that qualify as environmentally sustainable economic activities under Article 3 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the Establishment of a Framework to Facilitate Sustainable Investment, as amended from time to time, (the "<b>EU Taxonomy</b>") (each a "<b>Taxonomy-Aligned Investment</b>") or as sustainable investments, as defined in Article 2(17) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("<b>SFDR</b>"), (each a "<b>Sustainable Investment</b>"). The</p>
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	<p>Sub-Fund does not commit to make a minimum proportion of investments which are Taxonomy-Aligned Investment or Sustainable Investments.</p> <p>The Sub-Fund will invest a certain proportion of assets in investments used to attain the Environmental Promotion. In order to select these investments, the Investment Manager and/or the Sub-Investment Manager will apply binding investment criteria to the selection of underlying assets as part of the investment decision-making process. The binding investment criteria include negative screens as well as portfolio-level requirements set in respect of activities categorized as SEAs and related SDGs promoted by the Sub-Fund. The attainment of the environmental characteristics promoted by the Sub-Fund through the Environmental Promotion will be measured using sustainability indicators relevant to the environmental characteristics promoted by the Sub-Fund.</p> <p>The Investment Manager shall also, on behalf of the Sub-Fund, consider the principal adverse impacts of its investment decisions on sustainability factors by evaluating such decisions against an adverse sustainability indicator.</p>
<p><b>Investment Manager</b></p>	<p>The AIFM has delegated its portfolio management function in respect of the Sub-Fund to Apollo Management International LLP (the "<b>Investment Manager</b>"), pursuant to an investment management agreement entered into by the Investment Manager, the Umbrella Vehicle, acting in respect of the Sub-Fund, and the AIFM. The Investment Manager is an English limited liability partnership and an Affiliate of Apollo Global Management, Inc ("<b>Apollo</b>"), established on 15 November 2005 with registration number OC316197 and registered office at 1 Soho Place, London, England, W1D 3BG, United Kingdom. The Investment Manager is authorized and regulated by the United Kingdom Financial Conduct Authority. The Investment Manager will generally be responsible for the wider aspects of the portfolio management of a private markets portfolio, including, but not limited to, the management of currency hedging.</p> <p>The Investment Manager has appointed Apollo Clean Transition Equity Partners Management, L.P. (the "<b>Sub-Investment Manager</b>") as sub-investment manager in relation to the Sub-Fund, pursuant to a sub-investment management agreement entered into between the Investment Manager and the Sub-Investment Manager. The Sub-Investment Manager is a Delaware limited partnership established on 6 October 2022 with registration number 7071403 and address at 9 West 57th Street, New York, New York 10019, United States of America. The Sub-Investment Manager is registered under the U.S. Investment Advisers Act of 1940. The Sub-Investment Manager will be principally responsible for the execution of the investment strategy and compliance with the SFDR disclosure and will assume responsibility for the day-to-day investment management activities, operating under the supervision of the Investment Manager.</p> <p>The Investment Manager may, at any time, without the consent of Investors, terminate or assign the appointment of the Sub-Investment Manager and appoint a replacement sub-investment manager, sub-investment advisor and/or Global Distributor provided that (1) such replacement shall not result in increased costs for the Investors; (2) prior notice of such termination and replacement is given to the AIFM in accordance with the AIFM Agreement; and (3) such replacement is appropriately authorized under applicable law (including, but not limited to, the AIFMD) to perform the relevant obligations. In such case, this Sub-Fund Supplement shall be amended and the Investors duly notified of such change. It is expressly noted that, the appointment of a different Apollo entity as sub-investment manager of the Sub-Fund is not deemed to be a material change requiring Investor's consent. The delegation of portfolio</p>

	<p>management functions for the Sub-Fund or any change remains subject to the prior consent of the CSSF.</p> <p>The Investment Manager may from time to time engage other Affiliates to undertake investment advisory or other functions and such relevant Affiliate will operate under the general oversight and supervision of the Investment Manager, which itself operates under the oversight by the AIFM.</p>
<p><b>Apollo Global Climate Council</b></p>	<p>The Board of Directors, the Investment Manager and the Sub-Investment Manager will be advised by an advisory council (the "<b>Apollo Global Climate Council</b>") organized to provide non-binding advice and recommendations with respect to Portfolio Companies, the CTE Funds and other climate-related issues and thereby assist the CTE Funds in achieving its climate mandate. The Apollo Global Climate Council will comprise third-party individuals (other than the GCC Chair (as defined below)) who through their historic work and experience, have demonstrated a commitment to supporting one or numerous enterprises that intentionally generate societal benefit. A chairperson of the Apollo Global Climate Council will be appointed by Apollo (the "<b>GCC Chair</b>"), who, for the avoidance of doubt, will be deemed a member of the Apollo Global Climate Council. The composition of the Apollo Global Climate Council may change from time to time as determined by the GCC Chair (each such member, including the GCC Chair, an "<b>Global Climate Council Member</b>"). The allocable portion of any fees, costs and expenses related to the Apollo Global Climate Council, including reimbursements to an Global Climate Council Member for his or her out of pocket expenses incurred in connection with the proceedings of an Apollo Global Climate Council meeting and the allocable portion of fees, costs, salaries and expenses of the Global Climate Council Members (including, for the avoidance of doubt, the allocable compensation of the GCC Chair and any Apollo employee who serves on the Global Climate Council), shall be Operating Expenses and shall be borne by the Sub-Fund. Furthermore, an Global Climate Council Member may also receive transaction fees, directors' fees, financial consulting fees, advisory fees, carried interest or other fees, securities, or other compensation from an investment or prospective investment and such fees and/or compensation that will not offset or reduce the Management Fee or other amounts otherwise payable to the Investment Manager and/or the Sub-Investment Manager or their Affiliates, and any such fees and/or compensation shall not be covered by, or otherwise included in, the definition of Special Fees. None of the Apollo Global Climate Council or any Global Climate Council Member shall have the power to bind or act for or on behalf of the Sub-Fund in any manner or be deemed to participate in the control of the business of the Sub-Fund as a result of the performance of such member's duties to the Apollo Global Climate Council. For the avoidance of doubt, no decisions regarding the operations and investments of the Sub-Fund shall be made by the Global Climate Council. The Investors acknowledge that (i) the Global Climate Council Members will not be acting in a fiduciary capacity with respect to the Board of Directors, the Investment Manager, the Sub-Investment Manager, the Sub-Fund or any Investor, (ii) the Global Climate Council Members may have substantial responsibilities outside of their Apollo Global Climate Council activities and are not obligated to devote any particular portion of their time to the activities of the CTE Funds and (iii) none of the Global Climate Council Members or their Affiliates shall be prohibited from engaging in any other activities by virtue of being an Global Climate Council Members, including those that compete or conflict with the objectives or purpose of the Sub-Fund.</p>
<p><b>Platform Advisor</b></p>	<p>S64 Ventures Limited, trading as S64 Capital Innovation, a limited company incorporated and registered in England and Wales with company number 11888553 whose registered office is at 91 Wimpole Street, London W1G 0EF, United Kingdom, will be appointed as the platform advisor (the "<b>Platform Advisor</b>") in relation to the Sub-Fund pursuant to a platform advisory agreement entered into between (amongst others) the Investment Manager and</p>

	<p>the Platform Advisor in respect of the Sub-Fund (the "<b>Platform Advisory Agreement</b>").</p> <p>In this capacity, the Platform Advisor may where necessary, support the Board of Directors in structuring the Sub-Fund, liaising with and facilitating the services to be provided by the Service Providers, providing assistance to the Board of Directors and the AIFM in governance, oversight and distribution related matters and more generally facilitate and support the day-to-day operations of the Sub-Fund. Further, the Platform Advisor may where necessary, assist in the lifecycle management and operational interface to Sub-Distributors and Investors, including through the provision of technological solutions and/or platforms to facilitate all of the foregoing.</p>
<p><b>Term and End of Life</b></p>	<p>Subject to the remainder of this section "<i>Term and End of Life</i>", it is expected that the Sub-Fund shall continue its regular activities until the eighth anniversary of the date of the Initial Closing (the "<b>Term</b>") provided that the Term shall end prior to such date upon the occurrence of a No-Fault Dissolution (as defined below), and provided further that the Term may be extended for up to three consecutive one year periods by the Board of Directors in its discretion.</p> <p>The end of the life of the Sub-Fund shall be defined as the "<b>End of Life</b>" within the meaning of the ELTIF Regulation. The timing of the End of Life of the Sub-Fund is consistent with the long-term nature of the Sub-Fund's investments. The End of Life of the Sub-Fund shall be the earlier of: (i) the date upon which the Board of Directors determines, following the end of the Investment Period, that the Sub-Fund shall start its wind down phase and the orderly disposing of all its investments and discharging all its outstanding liabilities and obligations (the "<b>Wind-down Period</b>") which shall in no case occur prior to the sixth anniversary of the Initial Closing; (ii) the date determined following and as a consequence of a No-Fault Dissolution (as defined below); and (iii) the eighth anniversary of the date of the Initial Closing.</p> <p>The Wind-down Period that will follow the End of Life of the Sub-Fund may take several years (and, for the avoidance of doubt, may extend beyond the Term) due to the potentially illiquid nature of the investments or other considerations. The Wind-down Period is expected to end upon the date of the Term, but may also extend beyond that date so as to allow the Investment Manager and/or the Sub-Investment Manager to continue their functions for the Sub-Fund and dispose of the remaining assets in an orderly manner prior to the final liquidation phase. During the Wind-down Period, the Investment Manager and Sub-Investment Manager will continue to manage the investments and the Sub-Fund will continue to pay the Management Fee until the 11<sup>th</sup> anniversary of the date of the Initial Closing. For the avoidance of doubt, the Sub-Fund may make Additional Investments in or with respect of existing Portfolio Companies during the Wind-down Period, prior to the end of the Term, subject to the terms of this Sub-Fund Supplement and the ELTIF Regulation, provided that they are expected to help preserve, protect or enhance the value of an existing investment in a Portfolio Company.</p> <p>The Sub-Fund shall be put into liquidation at the end of the Wind-down Period, which shall be the date upon which the Board of Directors determines that the Sub-Fund has completed the orderly disposal of all its investments.</p> <p>Investors representing at least a majority of the capital of the Sub-Fund may vote at any time and for any reason, subject to and in accordance with the paragraph below, to start the Wind-down Period of the Sub-Fund and bring the Term of the Sub-Fund to an end (a "<b>No-Fault Dissolution</b>").</p> <p>The Sub-Fund shall, no later than one year prior to the date of the End of Life of the Sub-Fund, inform the CSSF of its proposed orderly disposal of its assets in order to redeem the Shares during the Wind-down Period of the Sub-Fund. Upon the request of the CSSF, the Sub-Fund shall submit to the CSSF an</p>

	itemised schedule of its assets that will be subject to orderly disposal during the Wind-down Period.
<b>Investment Period</b>	<p>The investment period of the Sub-Fund (the "<b>Investment Period</b>") will continue until the third anniversary of the Final Closing Date (as defined below); provided, that the Investment Period may be extended for up to two consecutive one year periods by the Board of Directors in its discretion.</p> <p>After the end of the Investment Period, the Sub-Fund shall cease making new Private Investments in or with respect to a portfolio company (a "<b>Portfolio Company</b>") (and excluding, for the avoidance of doubt, Liquid Investments), provided that none of the following shall constitute new investments in or with respect to a Portfolio Company: investments by the Sub-Fund in transactions that were committed to (including, transactions as to which a definitive agreement, letter of intent, memorandum of understanding or similar document has been entered into) or in process as of the end of the Investment Period, making new investments in Portfolio Companies for which the Sub-Fund has reserved prior to the end of the Investment Period and funding additional investments in or with respect to a Portfolio Company or its subsidiaries or other persons with which it is associated or affiliated (including additional investments to finance acquisitions, investments, financings or other transactions by such Portfolio Company or its subsidiaries or other companies with which such Portfolio Company is associated or affiliated), subsequent to the Sub-Fund's (a) initial investment in, or (b) in the case of a joint venture or arrangement or asset acquisition/build-up strategy, formation of, such Portfolio Company ("<b>Additional Investments</b>"); provided, that Additional Investments (other than Additional Investments pursuant to a joint venture or arrangement or asset acquisition/build up strategy) made after the end of the Investment Period (excluding, for the avoidance of doubt, any transactions that were committed to or in process as of the end of the Investment Period) will be limited to an aggregate maximum of 20% of the capital of the Sub-Fund (measured at the time of acquisition of an Additional Investment) (or such greater amount as may be approved by the Board of Directors); provided, however, that such 20% limitation (A) will not apply with respect to (1) any joint venture or arrangement or asset acquisition/build-up strategy that existed or was in process as of the end of the Investment Period or (2) amounts reserved for prior to the end of the Investment Period by the Sub-Investment Manager for one or more Additional Investments and (B) will apply with respect to a reallocation, re-designation, reinvestment, combination or similar transaction with respect to an investment in or with respect to a Portfolio Company only if, and to the extent that, such transaction requires additional capital.</p>
<b>Reinvestment</b>	Subject to the sections "Investment Period" and "Term" above, the Sub-Investment Manager may, in its discretion, elect to re-invest any investment proceeds.
<b>Bridge Financing</b>	The Sub-Fund alone or together with the Other CTE Funds may (i) acquire investments in excess of the amounts that it or they wish to hold with a view to selling the excess to another person or entity within 12 months or less of such acquisition, (ii) acquire investments intended to be financed by the Sub-Fund or CTE Funds or a special purpose vehicle with a third party within 12 months or less of such acquisition and (iii) engage in financing transactions (including loan guarantees) intended to be repaid in 12 months or less entered into between the Sub-Fund or the CTE Funds and a Portfolio Company on an interim basis pending the refinancing or sale to another person or entity in connection with, or in order to facilitate, the consummation of the Sub-Funds and/or CTE Funds' portfolio investment in the portfolio company (a " <b>Bridge Financing</b> ").
<b>Warehousing</b>	The Sub-Fund may (i) acquire from an Apollo Client (including, but not limited to, the Other CTE Funds), Apollo or one or more of their Affiliates (in each case, an " <b>Affiliate Seller</b> "), one or more Portfolio Investments or commitments to make Portfolio Investments that have been made or committed to by an Affiliate

	<p>Seller or (ii) hold Portfolio Investments acquired with capital from or by such an Affiliate Seller prior to the Final Closing Date (such Portfolio Investments, "<b>Warehoused Investments</b>"). In connection with acquiring or purchasing a Warehoused Investment, the Sub-Fund may, directly or indirectly, assume any outstanding indebtedness relating to such Warehoused Investment and may, directly or indirectly, assume any guarantee of such indebtedness, including any guarantee of such indebtedness previously provided by the Affiliate Seller. The direct or indirect acquisition of the Warehoused Investment and the assumption of related indebtedness, guarantee obligations or other obligations shall not require the consent of Investors. Warehoused Investments will be purchased from an Affiliate Seller for (a) if funded, the sum of (x) the Affiliate Seller's total acquisition and carrying cost thereof, including any and all fees, expenses, taxes and costs incurred by the Affiliate Seller in connection with the purchase, holding and transfer of such portion of the Warehoused Investment plus (y) an additional amount equal to 8.0% per annum calculated on the weighted average amount (taking into account the timing of the investment and expenses), described in clause (x) and (b) if unfunded, such commitment fee or similar amount as the Sub-Investment Manager may agree with the Affiliate Seller in good faith. Each Investor shall be deemed to have consented to the transfer or purchase of any Warehoused Investments disclosed in writing in the Subscription Agreement to such Investor prior to the acceptance of such Investor's subscription to the Sub-Fund. Transfers of Warehoused Investments to the Sub-Fund may, in the Sub-Investment Manager's sole discretion, occur at any time on or after the date of the Initial Closing. Investors will acknowledge in the Subscription Agreement for Shares that an Affiliate Seller may have received (and may receive in the future) Special Fees or Other Fees with respect to such Warehoused Investments. No such Special Fees or Other Fees received by an Affiliate Seller prior to the Initial Closing will be shared with the Sub-Fund or otherwise reduce the Management Fee (as defined below).</p>
<p><b>Allocation of Investment Opportunities</b></p>	<p>Apollo has established policies and procedures for the allocation of investment opportunities. These policies and procedures are described in Section 19 "<i>Risk Factors</i>" of the general part of the Prospectus.</p>
<p><b>Co-Investments with the Other CTE Funds, other Apollo Clients and Other Persons</b></p>	<p>Apollo may, from time to time, depending on the type of investment opportunity, in its sole and absolute discretion, and, where applicable, in compliance with the principle of fair and equal treatment under the ELTIF Regulation, offer co-investment opportunities to, or otherwise cause the Sub-Fund to participate in co-investment opportunities with, (i) the Other CTE Funds or any other Apollo Client, (ii) any Investor (or any of its beneficial owners or any other client or account of its Financial Intermediary, advisor or consultant), (iii) management or employees of the relevant Portfolio Company, consultants or advisors with respect to such Portfolio Company or pre-existing investors or other persons associated with such Portfolio Company, (iv) any joint venture partner, (v) any private equity fund, private equity business or similar person or business sponsored, managed or advised by persons other than Apollo, (vi) any member of the Apollo Global Climate Council who is not an Apollo employee, or (vii) any persons or entities whom the Sub-Investment Manager believes will be of benefit to the CTE Fund or one or more Portfolio Companies or who may provide a strategic, sourcing or similar benefit to Apollo, any Apollo Client, the CTE Fund, a Portfolio Company or one or more of their respective Affiliates due to industry expertise, regulatory expertise, end-user expertise or otherwise (collectively, "<b>Co-Investors</b>").</p> <p>The Board of Directors, the Investment Manager, the Sub-Investment Manager or any of their Affiliates will be under no obligation to provide such opportunities and could offer a Co-Investment to one or more of the foregoing categories of Co-Investor without offering such Co-Investment to any other categories, may organize one or more entities to co-invest alongside the CTE Fund to facilitate investments by such persons or entities, will allocate Co-Investments among the Sub-Fund, the Other CTE Funds and other Co-Investors in accordance with Apollo's allocation policies and procedures in effect from time to time and, in</p>



allocating Co-Investments, may also take into account such factors that Apollo deems relevant under the circumstances, including Apollo's own interests. See "Apollo Side-by-Side Investment Rights" below.

Co-Investments will generally be made at substantially the same time as (or within a reasonable time before or after) the Sub-Fund's investment and on economic terms at the investment level substantially no more favorable to the applicable Co-Investors than those on which the Sub-Fund invests at the time of such Co-Investment (to the extent reasonably practicable, taking into account such facts and circumstances as are applicable with respect to such Co-Investment at the time of such Co-Investment and it being understood that legal, tax, regulatory (including, but not limited to, the ELTIF Investment Restrictions) or similar considerations or limitations may affect the form of such Co-Investments).

Any such Co-Investment (other than a Co-Investment by another Apollo Client that was not formed for the purpose of co-investing in the applicable Co-Investment) generally will be sold or otherwise disposed of at substantially the same time (and, in the case of a partial disposition, in substantially the same proportion) as the Sub-Fund's disposition of its interest in such investment and on economic terms at the investment level substantially no more favorable to such Co-Investors than those on which the Sub-Fund disposes of its interest in such investment at the time of such disposition (to the extent reasonably practicable, taking into account such facts and circumstances as are applicable with respect to such Co-Investment at the time of the disposition of such Co-Investment), unless, in either case, the Sub-Investment Manager determines in good faith that (i) other terms, proportions or timing are (a) advisable due to legal, tax, regulatory (including, but not limited to, the ELTIF Investment Restrictions) or similar considerations or limitations, or (b) advisable in order to facilitate a transaction or (ii) such Co-Investment is or was intended, on or prior to the date of the consummation of the relevant Portfolio Investment, to be syndicated. This paragraph will also not apply to any investments by (1) management or employees of the relevant Portfolio Company, (2) consultants or advisors with respect to such Portfolio Company, (3) pre-existing investors or other persons that are not Affiliates of Apollo and are associated with such Portfolio Company, (4) any joint-venture partner, (5) any private fund, private equity business or similar person or business sponsored, managed or advised by persons other than Apollo and (6) any person or entity whom Apollo believes will be of benefit to the CTE Fund or one or more Portfolio Companies or who may provide a strategic, sourcing or similar benefit to Apollo, any Apollo Client, the CTE Fund, a Portfolio Company or any of their respective Affiliates due to industry expertise, regulatory expertise, end-user expertise or otherwise. See Section 19 "*Risk Factors*" of the general part of the Prospectus.

The Sub-Investment Manager may, but will not be obligated to, endeavor to cause Co-Investors (including Co-Investors that committed to participate in a particular unconsummated Co-Investment) to bear their proportionate share of any fees, costs or expenses related to such unconsummated Co-Investment, such as Reverse Break-Up Fees or broken deal expenses; provided, however, that any fees, costs, or expenses related to Co-Investments (irrespective of whether such Co-Investments are ultimately consummated), such as Reverse Break-Up Fees and broken deal expenses, that are not borne by Co-Investors (other than Co-Investors described in the immediately following sentence) but that constitute Operating Expenses that will be borne by the Sub-Fund. For the avoidance of doubt, the Sub-Fund will not bear the portion of any such fees, costs or expenses allocable to any prospective Co-Investor that is, at the time of such Co-Investment, an Apollo Client that is a blind pool commingled fund that would have invested alongside the Sub-Fund at the time of its investment.

Co-Investments that are made within a reasonable time after the Sub-Fund's investment may be facilitated by way of a sale or other disposition of a portion of the Sub-Fund's interest in such investment. The purchase price for the interest in such investment to be acquired by the Co-Investors participating in

	<p>such sale or disposition by the Sub-Fund will be equal to original cost plus a cost of carry thereon equal to either (x) 8% per annum, compounded annually, or (y) the Sub-Fund's cost of funds under any credit facility available to the Sub-Fund, as determined by the Sub-Investment Manager based on the applicable source of funds, unless in either case, the Sub-Investment Manager has otherwise determined to revalue the applicable investment using a method other than original cost, plus such cost of carry; provided, that the Sub-Investment Manager may, in its sole discretion, waive all or any portion of such carry amounts with respect to any Co-Investor that acquires its interest in such Portfolio Investment pursuant to a sale or disposition by the Sub-Fund within a reasonable time (and in any event within 30 days of the Sub-Fund's acquisition of such Portfolio Investment).</p> <p>Apollo may (or may not) in its sole discretion (i) charge or otherwise receive carried interest, incentive allocation, management fees or other fees from any such Co-Investors with respect to any Co-Investment, and may make an investment, or otherwise participate, in any vehicle formed to structure a Co-Investment to facilitate, among other things, receipt of such carried interest, incentive allocation, management fees or other fees or (ii) collect customary fees (including breakup fees) in connection with actual or contemplated Portfolio Investments that are the subject of such Co-Investment arrangements. Any carried interest, incentive allocation, management fees or other fees charged to Co-Investors with respect to any Co-Investment may (or may not) differ from those charged to the Sub-Fund. In addition, in connection with any such Co-Investment, Apollo will retain the portion of the Special Fees (as defined below) allocable or otherwise attributable to investments in Portfolio Investments by any such Co-Investors, whether or not such Portfolio Investments are consummated; provided, that if the Sub-Fund is responsible for the payment of the portion of any breakup fees intended to be provided by a prospective Co-Investor with respect to a prospective Portfolio Investment that is not consummated, then the portion of any breakup fees received by Apollo or any of its employees with respect to such unconsummated Portfolio Investment that is allocable to the share of such capital intended to be provided by such prospective Co-Investor (had such unconsummated Portfolio Investment been made) will instead be deemed to be allocable to the share of capital intended to be provided by the Sub-Fund with respect to such unconsummated Portfolio Investment, and the portion of any such amounts that is allocable to the Management Fee-bearing Investors will offset the Management Fee payable by the Sub-Fund.</p> <p>Please also see the summary of risk factors and potential conflicts of interest relevant to the Sub-Fund included in Annex I Annex IV and Annex II to this Sub-Fund Supplement, Section 20 "<i>Conflicts of Interest</i>" and Section 19 "<i>Risk Factors</i>" of the general part of the Prospectus.</p> <p>If the participation of the Sub-Fund (or any Other CTE Fund or the investors in such Other CTE Fund) in an investment opportunity that is otherwise suitable for the Sub-Fund would cause the investment to become subject to requirements and restrictions of the ELTIF Regulation (including the ELTIF Investment Restrictions) or other law, rule or regulation that could have an adverse impact on any participating investor in such investment opportunity, Apollo may determine to exclude the Sub-Fund (or such Other CTE Fund or the investors in such Other CTE Fund) from participating in such investment opportunity.</p>
<p><b>Apollo Side-by-Side Investment Rights</b></p>	<p>Apollo and its Affiliates (which may include Apollo professionals and employees and other Apollo Clients) will be permitted to invest in Portfolio Companies outside of the CTE Fund in an amount equal to a certain specified percentage in each investment, not to exceed 5% in the aggregate, of the amount otherwise available to the CTE Fund for investment therein, on an annual basis and on terms no more favorable than the terms on which the CTE Fund participates in such investment, to the extent reasonably practicable and subject to legal, tax,</p>

	<p>regulatory (including, but not limited to, the ELTIF Investment Restrictions) or similar considerations applicable to such persons.</p> <p>For the avoidance of doubt, any person, including Apollo, its Affiliates, Apollo professionals and employees and Apollo Clients, is permitted to participate in a Co-Investment in an amount that exceeds 5% of the amount allocated to the CTE Fund in circumstances where the Sub-Investment Manager has determined that a Co-Investment is intended to be syndicated.</p>
<b>Cross Investments</b>	<p>The Sub-Fund and its existing and potential Portfolio Investments, operating entities or other subsidiaries can engage in cross investments with, provide financing to or receive financing from Apollo, Apollo Clients (including, but not limited to, the Other CTE Funds) or any of their respective Affiliates or existing or potential portfolio companies and can engage in financing transactions with (or cause any existing or potential Portfolio Company to engage in financing transactions with) any such person (including, in each case, in connection with a disposition of a Portfolio Company). Such cross investments or financing transactions shall comply at any time with the requirements of the ELTIF Regulation and will be made in accordance with the Sub-Investment Manager's policies and procedures then in effect and the Prospectus. See Section 19 "<i>Risk Factors</i>" of the general part of the Prospectus for further detail.</p>
<b>Conflict of interest</b>	<p>Investors are specifically referred to the discussion of potential conflicts of interest in Section 20 "<i>Conflicts of Interest</i>" of the general part of the Prospectus.</p>
<b>Currency of the Sub-Fund</b>	<p>The Sub-Fund is denominated in U.S. dollars (USD).</p> <p>The Sub-Fund may offer Classes (as defined below) denominated in other currencies. Subscription payments and distributions will be made in the currency of the applicable Class.</p> <p>The NAV per Share for the applicable Class will be reported to the Investors, and Class returns will be calculated and reported, in the applicable Class currency.</p>
<b>Shares</b>	<p>All Shares will be fully paid-up at the time of subscription.</p> <p>More details regarding the subscription process can be found in the general part of the Prospectus as well as under the section "<i>Closings</i>" below.</p> <p>All Shares of the Sub-Fund will be registered in the Share register of the Umbrella Vehicle as described in the general part of the Prospectus.</p> <p>Fractions of Shares up to 2 decimal spaces will be issued.</p>
<b>Share Classes</b>	<p>The Sub-Fund currently offers the classes of Shares set out in Annex V and in addition, subject to the sole discretion of the Board of Directors, the Carried Interest Recipient (as defined below) may be issued Class Z Shares for the purposes of distributions in respect of its entitlement to Carried Interest, (each a "<b>Class</b>").</p> <p>Subject to the sole discretion of the Board of Directors, each holder of Shares in the Sub-Fund (each an "<b>Investor</b>") will be required to meet the eligibility criteria for the relevant Class as set out in Annex V.</p> <p>The Board of Directors may authorize the creation of further Classes or sub-Classes of Shares, consistent with the above characteristics, to facilitate the administration of distributions to Investors in accordance with the provisions of this Sub-Fund Supplement.</p> <p><b>Please note that, prior to the End of Life, the Sub-Fund does not anticipate declaring or paying cash dividends on its Shares. Accordingly, the Sub-Fund retains all realized net capital gains, if any, and investment income</b></p>

	<p><b>to increase the Sub-Fund's net assets.</b> In the event that the Sub-Fund's cash-level exceeds the Sub-Fund's requirements, then the Board of Directors may determine (at the Sub-Investment Manager's recommendation) to declare a cash dividend on the Sub-Fund's Shares to return capital to Investors. In such circumstances, Investors will receive in cash any such distributions that the Sub-Fund pays in respect of such Shares. Notwithstanding the foregoing, distributions may be made in the form of pro rata redemption of Shares and/or dividends at the discretion of the Board of Directors, subject to the requirements of Article 22 of the ELTIF Regulation.</p> <p>Except as otherwise described herein, the terms of each Class of Shares are identical. The Board of Directors has the authority to issue different Classes, sub-Classes, categories or sub-categories of Shares within the Sub-Fund. Details of the characteristics of each Class of Shares offered by the Sub-Fund will be determined by the Board of Directors and may have different rights, benefits, powers or duties, and may be subject to different terms, including with respect to fees, distributions and liquidity, which will be described in this Sub-Fund Supplement (as amended from time to time).</p>
<b>Type of Shares</b>	Registered Shares only.
<b>Hedging</b>	The Investment Manager and/or Sub-Investment Manager may in its discretion, but is not obliged to, hedge exclusively interest rate and/or currency risks in connection with investments solely for portfolio management, but not for speculative purposes.
<b>Minimum Subscription</b>	The minimum initial and minimum subsequent subscription amount by each Investor in the Sub-Fund is as set out in Annex V. Each Investor shall maintain a minimum holding of the amount of the minimum initial subscription amount for such Class. Certain Sub-Distributors, countries and/or Share Classes may have higher minimums.
<b>Defaulting Investor</b>	<p>If an Investor fails to fund its subscription, the respective application for subscription will not be accepted. A subscription will be held until cash is received. Cash must be received by the next available Closing Date. If cash is not received by such date, the relevant subscription will be deemed to be revoked.</p> <p>The Sub-Fund, the Board of Directors, the AIFM, the Investment Manager, the Sub-Investment Manager, the Administrator and the Depositary or any of their Affiliates have no liability for any delay or failure to issue Shares as a result of a Defaulting Investor failing to fund its subscription.</p>
<b>Borrowing</b>	<p>The Sub-Fund may, directly and/or indirectly, utilize leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an investment or for working capital purposes, including currency hedging and running expenses, including on a joint and several, cross-collateralized or other basis with the Other CTE Funds, provided that the Sub-Fund shall in accordance with the ELTIF Regulation, only borrow cash provided that any such direct borrowing on a recourse basis by the Sub-Fund that is outstanding at any time:</p> <ul style="list-style-type: none"> <li>• such borrowing shall not represent more than 50% of the NAV of the Sub-Fund;</li> <li>• serves the general purpose of investing in Eligible Investment Assets, or providing liquidity, including to pay costs and expenses provided that the holdings in cash or cash equivalents of the Sub-Fund are not sufficient to make the investment concerned;</li> <li>• is contracted in the same currency as the assets to be acquired with the borrowed cash, and in the same currency as the assets to be</li> </ul>

	<p>acquired or in another currency where currency exposure has been appropriately hedged; and</p> <ul style="list-style-type: none"> <li>• has a maturity no longer than the End of Life of the Sub-Fund.</li> </ul> <p>provided that, without prejudice to the requirements of the ELTIF Regulation, no remedial action will be required if the foregoing restrictions are exceeded for any reason other than the incurrence of an increase in indebtedness (including the exercise of rights attached to an investment).</p> <p>As the Sub-Investment Manager determines, in its discretion, lenders or other providers of financing to the Sub-Fund or its existing or potential Portfolio Investments, operating entities or other subsidiaries can include Apollo, Apollo Clients or any of their respective Affiliates or existing or potential portfolio companies. Such borrowings (including stapled or seller financing to Portfolio Companies that are the subject of a disposition) will be made in a manner consistent with the section "<i>Cross Investments</i>" above, the Sub-Investment Manager's policies and procedures then in effect and the Prospectus.</p> <p>The maximum total aggregate leverage calculated pursuant to the gross method and commitment method set out in the AIFMD is respectively 500% and 400%.</p>
<p><b>Initial Price</b>      <b>Subscription</b></p>	<p>Until the Sub-Fund has determined its first NAV per Share for any Class, the subscription price for Shares in the Sub-Fund shall be as set out in Annex V unless otherwise determined by the Board of Directors (excluding, in each case, applicable Subscription Fees) (as set out more particularly in the section titled "<i>Fees</i>" below).</p>
<p><b>Underlying Investors</b></p>	<p>Investments in the Sub-Fund may be made (i) directly or (ii) by appointing a Financial Intermediary to hold Shares as Financial Intermediary on behalf of, or as trustee upon trust for, such underlying Investor (each, an "<b>Underlying Investor</b>"), in accordance with and subject to the terms of the general part of the Prospectus.</p> <p>Any reference in the Prospectus and this Sub-Fund Supplement to "Investors" shall be read as a reference to the relevant Financial Intermediary and/or where appropriate, the Underlying Investor and any penalties, sanctions and requirements that can be imposed on an Investor will be, in respect of the relevant Financial Intermediary, applied to the relevant pro-rata portion of the relevant Financial Intermediary's Shares corresponding to the relevant Underlying Investor, in accordance with and subject to the terms of the general part of the Prospectus.</p> <p>Likewise, voting rights will be exercised by Financial Intermediaries through either (i) a split vote following voting instructions from each Underlying Investor or (ii) exercising voting rights further to a general power of attorney to vote on behalf of each Underlying Investor.</p> <p>By way of summary of Section 14 of the general part of the Prospectus, the Sub-Fund has a right to request (directly or indirectly through the relevant Financial Intermediary) Investor Information (including, but not limited to, KYC/AML information) from each of the Underlying Investors of such relevant Financial Intermediary as required by applicable law. The foregoing right of the Sub-Fund shall apply each time throughout multiple Financial Intermediaries, should there be more than one, to each Underlying Investor. Any failure to provide such information may result in the Sub-Fund taking remedial measures on an ongoing basis, including "freezing the account" of the Investor or the Underlying Investor, and/or segregating the assets of the Investor or Underlying Investor, and/or reporting such action or Investor Information to government agencies and authorities.</p>

<b>Eligibility</b>	<p>Outside the European Economic Area ("<b>EEA</b>"), Shares in the Sub-Fund will be offered or sold only to, and Shares can only be acquired by, investors who are eligible to purchase such Shares in the relevant jurisdiction.</p> <p>Subject to the paragraph above, Eligible Investors shall fulfil the eligibility criteria of the ELTIF Regulation. In accordance with the ELTIF Regulation, Eligible Investors are: (i) Professional Investors and (ii) Retail Investors.</p> <p>All Investors in each Class of Shares will benefit from equal treatment and no preferential treatment, accordingly specific economic benefits will not be granted to individual Investors or other groups of Investors (including by way of side letters) within the same Share Class.</p>
<b>Genuine Diversity of Ownership</b>	<p>The application of certain aspects of the UK tax code may partially depend on whether the Umbrella Vehicle and/or the Sub-Fund meet the "genuine diversity of ownership" condition in Regulation 75 of the UK Offshore Funds (Tax) Regulations (SI 2009/3001) (the "<b>GDO Condition</b>").</p> <p>In this regard, the Board of Directors confirms that the Sub-Fund is intended for and marketed to a wide range of investors (including retail clients, where permitted).</p> <p>For the purposes of the GDO Condition, the Board of Directors undertakes that interests in the Sub-Fund:</p> <ul style="list-style-type: none"> <li>• are and will continue to be widely available; and</li> <li>• are, and will continue to be, marketed to, and made available sufficiently widely, to reach the intended categories of investors mentioned above and in a manner appropriate to attract these kinds of investors.</li> </ul>
<b>Communication and announcements to the Investors</b>	<p>To the extent permitted by the 1915 Law, the 2010 Law or any other Luxembourg laws or regulations, an electronic secure platform may be used for the transmission of all notifications and announcements of the Board of Directors and the Sub-Fund, such as, for instance information notices, financial reports and corporate information.</p>
<b>Closings</b>	<p>The initial closing of the Sub-Fund occurred on 28 March 2024 (the date of the initial closing being the "<b>Initial Closing</b>"). The Board of Directors may organize closings on a Business Day of any month (each a "<b>Closing Date</b>"). The Board of Directors may accept additional subscriptions (and increases in shareholdings by existing Investors) for up to 12 months after the date of the Initial Closing, subject to extension as the Board of Directors may determine in its discretion (the final Closing Date being the "<b>Final Closing Date</b>"), prospective Investors and/or Investors may submit subscription requests to purchase Shares on an ongoing basis, but prospective Investors and/or Investors may only purchase Shares pursuant to accepted subscription orders as of a Closing Date.</p> <p>To be accepted, a subscription request must be accompanied by an executed Subscription Agreement completed to the satisfaction of the Administrator, including (a) satisfying any additional requirements imposed by the prospective Investor and/or Investor's broker-dealer and/or other Financial Intermediary, (b) satisfying the know your client (KYC), terrorist financing and anti-money laundering checks carried out by the Administrator or such other person appointed by the Board of Directors and (c) payment of the full purchase price of the Shares being subscribed for.</p> <p>The Board of Directors has the discretion to accept or reject subscription requests in full or in part, and in particular the Board of Directors may determine</p>

	<p>in the best interests of Investors that all or part of a subscription request should be deferred to a later Closing Date.</p> <p>The purchase price per Share of each Class will be equal to the most recent NAV per Share for such Class.</p> <p>During a period of two weeks after the signature by a Retail Investor of the initial Subscription Agreement for Shares in the Sub-Fund, any Retail Investor may, by written notice to the Sub-Fund, cancel his or her subscription and have his or her subscription amount returned without penalty.</p> <p>Investors may also be required to pay Subscription Fees to their Financial Intermediary (as set out more particularly in the section "Fees" below).</p> <p>The Board of Directors may in its discretion agree to issue Shares to one or more Investors as consideration for a contribution in kind in compliance with the conditions set forth by Luxembourg law.</p>
<p><b>Redemption of Shares</b></p>	<p>The Sub-Fund is closed-ended and so Investors are not generally entitled to request the redemption of their Shares. No Investor may voluntarily withdraw any amount from the Sub-Fund. Following the date of the End of Life onwards, the Board of Directors expects to initiate a redemption and/or distribution program consistent with the divestment schedule of the Sub-Fund. In accordance with the ELTIF Regulation, redemption requests initiated by Investors may be possible as from the day following the date of the End of Life, at the applicable NAV per Share. The terms of any redemption program, including any prior notice and settlement periods, will be advised to Investors on or around the End of Life.</p>
<p><b>Transfers</b></p>	<p>Except as otherwise provided by this paragraph, Investors may Transfer part or all their Shares in the Sub-Fund upon prior consent from the Board of Directors, in its sole discretion, which shall be provided within 30 Business Days from its notification. The absence of a favorable response within 30 Business Days shall be considered a refusal to such Transfer. Notwithstanding the foregoing, a German Regulated Investor (as defined below) may transfer all or part of its Shares in the Sub-Fund without the prior consent from the Board of Directors to any person that is: (a) an insurance company, social insurance provider, pension fund, investment company, regulated credit institution or (b) another institutional investor with an investment grade rating (a BBB rating from Standard &amp; Poor's or Fitch, a Baa rating from Moody's, or an equivalent investment grade rating from another reputable rating agency) (each, a "<b>Permitted Transferee</b>"); provided that: (1) such Permitted Transferee will not subject the Sub-Fund, the Umbrella Vehicle, the Investment Manager, the Sub-Investment Manager, the Carried Interest Recipient, any other relevant Apollo Client or any of its alternative investment vehicles, conduit vehicles and related entities or any Private Investment, or any Affiliate of any of the foregoing to any additional legal, regulatory, accounting, tax, anti-money laundering or other burden, filing or requirements or otherwise cause any legal, regulatory, accounting, tax, anti-money laundering or other risk to the investment structure of a Private Investment, (2) the Permitted Transferee has provided the Administrator with a duly completed Subscription Agreement (or equivalent), any required AML/KYC documents and any additional information or documentation as requested by the Administrator in connection with the Transfer and by the Transferee's broker or Financial Intermediary, as applicable, including, without limitation, a written transfer agreement signed by the Transferor and Transferee in relation to the Shares being transferred, (3) the Permitted Transferee meets the investor eligibility criteria and conditions applicable to the relevant Class of Shares as set out in this Sub-Fund Supplement and the Prospectus, and (4) the Permitted Transferee is not determined by the Board of Directors, in good faith, as a competitor of the Sub-Fund, any Private Investment, the Investment Manager and any of its Affiliates</p>

	<p>or any Apollo Client (including for this purpose any portfolio company or investment of any Apollo Client or of the Apollo Group).</p> <p>A German Regulated Investor that intends to transfer its Shares in the Sub-Fund will need to notify the Board of Directors in writing not less than ten (10) Business Days prior to any proposed transfer of all or part of its Shares and shall furnish the Board of Directors with such information in relation to the proposed transfer and the proposed transferee as may be required by the Board of Directors.</p> <p>For the purposes of this section: "<b>German Regulated Investor</b>" means an Investor who has notified the Board of Directors it is a: German insurance company, German pension fund (in form of a <i>Pensionskasse</i> or <i>Pensionsfonds</i>), German professional pension scheme (<i>Versorgungswerk</i>) or any entity being subject to, including any entity having itself subjected to, the investment restrictions of the German Insurance Supervisory Act, as may be amended from time to time, ("<b>VAG</b>"), an investment ordinance issued thereunder, especially the German Ordinance on the Investment of Restricted Assets of Insurance Undertakings or comparable investment restrictions in each case holding its participation in the Sub-Fund directly or indirectly as guarantee assets ("<i>Sicherungsvermögen</i>") as defined in section 125 VAG, or as part of the assets subject to the prudent person principle as stipulated in section 124 VAG.</p> <p>Any Transferee (including a Permitted Transferee) must provide the Administrator with a duly completed Subscription Agreement, any required AML/KYC documents and any additional information or documentation as requested by the Administrator in connection with the Transfer and by the Transferee's broker or Financial Intermediary, as applicable, including, without limitation, a written transfer agreement signed by the Transferor and Transferee in relation to the Shares being transferred.</p> <p>Any Transferee (including a Permitted Transferee) must meet investor eligibility criteria and conditions applicable to the relevant Class of Shares as set out in this Sub-Fund Supplement and the Prospectus.</p> <p>Any transfer of Shares in the Sub-Fund belonging to the guarantee assets (<i>Sicherungsvermögen</i>) as defined in section 125 VAG or equivalent regulated assets of a German Regulated Investor shall, subject to the following sentence, only be valid upon the prior written consent of the trustee (<i>Treuhänder</i>) or its authorized deputy, appointed pursuant to section 128 VAG or equivalent state legislation. In case of an emergency which requires that a German Regulated Investor transfers all or any part of its Shares at short notice (i.e. within five (5) Business Days), a consent from such trustee (or such authorized deputy) in the form of an email or fax, rather than a written consent of such trustee (or such authorized representative), shall be sufficient subject to the requirements set out in the applicable circulars issued by the German Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> "<b>BaFin</b>"), but such German Regulated Investor shall remain obliged to deliver the written consent of such trustee (or such authorised deputy) without undue delay.</p>
<b>Net Asset Value</b>	<p>The AIFM will be responsible for the proper and independent valuation of the Sub-Fund's assets (within the meaning of the 2013 Law) with the support of the Investment Manager. The Investment Manager will provide valuation advice and assist the AIFM in the valuation of the assets of the Sub-Fund, while the AIFM ensures that the valuation function is independent from the Investment Manager, and performed in accordance with the 2013 Law. The calculation of the Sub-Fund's NAV will be carried out by the Administrator (under the supervision of the AIFM), respectively, in accordance with the rules set out in Section 10 "<i>Calculation of the Net Asset Value</i>" of the general part of the Prospectus.</p>



	<p>Under the supervision of the AIFM, the Administrator will determine the NAV per Share for each Class of the Sub-Fund as of the last Business Day in March, June, September and December each year (each a "<b>Valuation Day</b>"). The quarterly NAV per Share for each Class will generally be available around the 45th Business Day after the Valuation Day of the applicable quarter. The NAV of the Sub-Fund will be expressed in USD.</p>
<p><b>Costs and Fees</b></p>	<p>It is expected that based on the current business forecast, the following costs (where applicable, in percentage of the NAV of the Sub-Fund) would be borne, directly or indirectly, by Investors in the Sub-Fund.</p> <p>The cost ratios represent the currently expected average costs incurred over the life of the Sub-Fund. The actual costs may, in any particular given year and in aggregate during the life of the Sub-Fund, exceed the average ratio amounts indicated below. The average yearly overall costs ratio is expected to be higher for the first part of the Sub-Fund's life and reduced accordingly in later years.</p> <p>The ratio figures set out below are based on ex-ante estimated costs and therefore the actual costs paid by an Investor may differ from those stated below. Actual costs incurred will be disclosed in the Sub-Fund's annual report.</p> <p><b>Costs of setting up the Sub-Fund:</b></p> <p>Up to EUR 2,000,000.</p> <p>The costs described below in the section "Organizational Expenses".</p> <p><b>Costs related to the acquisition of assets</b></p> <p>Up to 0.33%.</p> <p>The costs described below in the section "Operating Expenses".</p> <p><b>Distribution costs</b></p> <p>Up to 0.75%.</p> <p>The distribution costs comprise all the expected administrative, regulatory, professional service and audit costs related to distribution.</p> <p>The distribution costs do not include eventual Subscription Fees (as defined below) that may be charged by any Financial Intermediary and paid by the Investor to such Financial Intermediary.</p> <p><b>Management Fee</b></p> <p>In consideration for its services to the Sub-Fund, the Investment Manager shall be entitled to payment of a management fee (the "<b>Management Fee</b>") payable by the Sub-Fund in respect of:</p> <p>Class I Shares equal to 1.50%;</p> <p>Class A Shares equal to 2.50%;</p> <p>Class C Shares equal to 2.25%;</p> <p>Class D Shares equal to 1.90%;</p> <p>Class T Shares equal to 2.25%;</p> <p>Class V Shares equal to 2.00%; and</p> <p>Class Y Shares equal to 1.75%.</p>

of the Sub-Fund's NAV per annum attributable to Class I Shares, Class A Shares, Class C Shares, Class D Shares, Class T Shares, Class V Shares, and Class Y Shares as applicable, payable quarterly in arrears, before giving effect to any accruals for the Management Fee and any distributions and any impact to NAV solely caused by currency fluctuations for non-USD Share Classes. No Management Fee will be payable following the 11<sup>th</sup> anniversary of the date of the Initial Closing.

No Management Fee will be borne by holders of Class K Shares or Class Z Shares.

The Investment Manager may, in compliance with the principle of fair and equal treatment under the ELTIF Regulation, waive or reduce the Management Fee charged to certain Investors at its sole discretion. Any such waiver may be effected either by way of rebate to the relevant Investor's account or by purchase of additional Shares by the Investment Manager for the Investor.

The Investment Manager will use some of its Management Fee to remunerate certain Financial Intermediaries. In such cases, a portion of the fee will be allocated to an Investor's representative at the Financial Intermediary through which such Investor was placed in the Sub-Fund, in order to compensate such representative for reporting, administrative and/or other services provided by such representative. Investors should be aware that the receipt of this fee by an Investor's representative will result in a conflict of interest between the interests of the Investor and the interests of the relevant representative.

#### **Carried Interest**

The carried interest ("**Carried Interest**") shall be calculated and distributed to the Carried Interest Recipient, in respect of private Portfolio Investments (and excluding, for the avoidance of doubt, Liquid Investments) ("**Private Investments**") in respect of each of the Class I Shares, Class A Shares, Class C Shares, Class D Shares, Class T Shares, Class V Shares and Class Y Shares as follows:

(i) first, 100% of all net proceeds attributable to the disposition of Private Investments received or to be received by the Sub-Fund and attributable to such Class, together with dividends, interest income or other items of current income earned on such investments and attributable to such Class ("**Relevant Proceeds**") shall be retained by the Sub-Fund until such Class has received Relevant Proceeds in respect of all then-disposed of or written down Private Investments equal to the aggregate of the following:

- a. such Class' capital attributable to all then-disposed of or written down Private Investments;
- b. such Class' portion of all Organizational Expenses paid by the Sub-Fund (without giving effect to the reinvestment of the capital of the Sub-Fund); and
- c. such Class' portion of the Operating Expenses paid by the Sub-Fund and allocated pro rata to such then-disposed of or written down Private Investments (without giving effect to the reinvestment of the capital of the Sub-Fund);

(ii) second, 100% of the further Relevant Proceeds shall be retained by the Sub-Fund until such Class has received a return of its portion of all net Base Management Fees paid by the Sub-Fund in respect of all then-disposed of or written down Private Investments, allocated pro rata to such then-disposed of or written down Private

Investments (without giving effect to the reinvestment of the capital of the Sub-Fund);

(iii) third, 100% of the further Relevant Proceeds shall be retained by the Sub-Fund until such Class has received a preferred return equal to an 8% p.a. internal rate of return, compounded annually, on amounts included in sub-paragraphs (i) and (ii) above, calculated, for the avoidance of doubt, from the time or (times) the Class contributes capital for such purpose;

(iv) fourth, 80% of the further Relevant Proceeds received by the Sub-Fund in respect of each such Class shall be distributed to the Carried Interest Recipient and 20% of the further Relevant Proceeds in respect of each such Class shall be retained by the Sub-Fund until such time as the Carried Interest Recipient has received in respect of its Carried Interest entitlement, 20% of the sum of the aggregate preferred returns made under sub-paragraph (iii) and payments made under this sub-paragraph (iv); and

(v) thereafter, 80% of the further Relevant Proceeds received by the Sub-Fund in respect of each such Class shall be retained by the Sub-Fund and 20% of the further Relevant Proceeds in respect of each such Class received by the Sub-Fund shall be distributed to the Carried Interest Recipient.

The Carried Interest will be paid to the Carried Interest Recipient at times when distributions or redemptions are not being made to other Investors. Amounts "attributable" to a Class shall be based on the respective Shares of each Class at the time of realization of a Private Investment, and not the applicable Shares at the time of the acquisition of the relevant Private Investment. All amounts "retained" by the Sub-Fund shall be available for the immediate use by the Sub-Fund for payment of expenses, reinvestment or any other valid purpose, and need not be held by the Sub-Fund as cash or in any other form for any length of time, but rather the Sub-Fund is free to use such amounts in any manner. The contributions to and distributions from an applicable Private Investment will be based on the actual currency in which such amounts are made and will not reflect any hedging with respect to the Sub-Fund's base currency or to the reference currency of the applicable Class. The Carried Interest Recipient may, in its discretion, agree to reduce or calculate differently the Carried Interest, or otherwise modify the Carried Interest provisions, with respect to any Investor, including Investors who are Affiliates of Apollo, Apollo Clients, or portfolio companies of Apollo or Apollo Clients, provided that all Investors in each Class of Shares will benefit from equal treatment and no preferential treatment, accordingly specific economic benefits will not be granted to individual Investors or other groups of Investors within the same Share Class.

Notwithstanding anything to the contrary in this Sub-Fund Supplement, for the purposes of determining the amount of Carried Interest due and payable to the Carried Interest Recipient: (a) any reduction in Relevant Proceeds received by or apportioned to the Sub-Fund that is attributable to (i) any withholding taxes incurred directly or indirectly on payments received by or apportioned to the Sub-Fund or (ii) any other taxes allocable or attributable to the Sub-Fund due to its legal form, tax status or any other particular characteristics (including its status as a corporation for U.S. federal income tax purposes or that arise as the result of investing through a "blocker" as further described in the section "*Certain Tax Considerations*" below) (the "**Sub-Fund Allocated Taxes**") shall be borne solely by the Investors and shall not be treated as Organizational Expenses or Operating Expenses or result in a reduction of amounts due and payable to the Carried Interest Recipient; and (b) payments that would otherwise be made pursuant to sub-paragraphs (iv) and (v) shall be adjusted so as to cause the Carried Interest Recipient to have received the same amount in

aggregate on a cumulative basis as the Carried Interest Recipient would have received in the aggregate on a cumulative basis had the Sub-Fund Allocated Taxes not been incurred. The Carried Interest Recipient may choose to calculate and to receive, or have any of its Affiliates receive, any payment of Carried Interest under sub-paragraphs (iv) and (v) above from any intermediary vehicle and/or direct or indirect subsidiary (a "**Lower Tier Carry-paying Entity**"), in which case such amounts will reduce the payment owed by the Sub-Fund on a dollar-for-dollar basis. If the Carried Interest Recipient does not elect to do so, the Carried Interest shall be distributed to the Carried Interest Recipient as the owner of the Class Z Shares (if issued).

Notwithstanding the foregoing priority of distributions, the Carried Interest Recipient may, at any time, elect not to receive all or any portion of any payment of Carried Interest and instead for such amounts to be retained by the Sub-Fund as an accelerated retention of amounts described above in sub-paragraphs (i), (ii), (iii), (iv) or (v) (including with respect to unrealized Private Investments), including amounts that would otherwise be held in the Escrow Account (as defined below). Thereafter, the Carried Interest Recipient may elect to have any amounts (or, at the Carried Interest Recipient's sole discretion, a specified portion of such amounts) otherwise retainable by the Sub-Fund in the future paid to the Carried Interest Recipient instead as Carried Interest until the Carried Interest Recipient has received the same amount of Carried Interest as it would have received had it not made such election.

The Board of Directors may, in its sole discretion, in each fiscal year, cause the Sub-Fund to make a cash distribution to the Carried Interest Recipient in an amount sufficient to pay the taxes of the Carried Interest Recipient and its direct or indirect owners in respect of Carried Interest relating to the Sub-Fund (a "**Tax Distribution**") provided, that the Carried Interest Recipient shall be entitled to receive such amounts from the Sub-Fund or any Lower Tier Carry-paying Entity. The amount of any such distribution will be calculated based on the applicable highest marginal tax rates for individuals residing in New York City and taking into account the nature of such income and any losses of the Sub-Fund allocated to the Carried Interest Recipient (including losses in prior years) to the extent such losses are available under such income tax laws applicable to individuals to offset such income (or would be available if losses utilised against income other than Sub-Fund income in prior years were instead carried forward to offset Sub-Fund income in subsequent years) (the "**Assumed Tax Rate**"). To the extent the Carried Interest Recipient receives a Tax Distribution, amounts distributable to the Carried Interest Recipient from the Sub-Fund (or the Lower Tier Carry-paying Entity) will be reduced by any such Tax Distribution.

Proceeds relating to the partial disposition of Private Investments will be subject to the above formula, with the preferred return calculation and the Carried Interest being based *pro rata* on the original cost of, and the cumulative proceeds with respect to, the disposed portion of such Private Investment.

All references herein to an investment that is "written down" (or the subject of a "writedown") means an investment, the value of which has (in the determination of the Sub-Investment Manager) suffered a significant and permanent decline in value below its original cost basis and which decline equals the excess, if any, of such original cost basis over its value (which could be equal to \$0 and may not be its value as determined in accordance with the applicable accounting principles of the Sub-Fund), taking such significant and permanent decline in value into account. The Sub-Investment Manager in its sole discretion may determine if a writedown has occurred and if such writedown should be applied at the level of the Portfolio Company or on a Portfolio Investment-by-Portfolio Investment basis.

Notwithstanding the foregoing, (i) proceeds received by the Sub-Fund in respect of dividends, interest income or other items of current income will not return

amounts described in sub-paragraphs (i), (ii) or (iii) above prior to the Carried Interest Recipient becoming entitled to distributions of Carried Interest; and (ii) all amounts received from any Co-Investment "sell down" described under the section "*Co-Investments with Apollo Clients and Other Persons*" above shall not be considered in determining a Class' preferred return or the Carried Interest.

Upon the Sub-Fund being put into liquidation, the Carried Interest Recipient will be required to restore funds to the Sub-Fund to the extent that it may have received cumulative distributions (including (i) any Tax Distributions and (ii) any made at liquidation of the Sub-Fund) in excess of amounts otherwise distributable to the Carried Interest Recipient pursuant to the distribution formula set forth above, applied on an aggregate basis covering all transactions of the Sub-Fund, but in no event will the Carried Interest Recipient be required to restore an amount greater than the cumulative distributions received by the Carried Interest Recipient and its partners in respect of Carried Interest relating to the Sub-Fund, net of tax liabilities attributable such amounts calculated at the Assumed Tax Rate (the "**Clawback Obligation**"). The Clawback Obligation will be secured by a guarantee provided by one or more Affiliates of the Carried Interest Recipient.

The Sub-Fund (or a Lower Tier Carry-paying Entity) will maintain with a bank an account (the "**Escrow Account**") into which the amounts described below will be deposited. If, at any time prior to the liquidation of the Sub-Fund, Carried Interest distributions are to be made, the Carried Interest Recipient will calculate the Pro Forma Return Ratio (as defined below). If the Pro Forma Return Ratio is less than 1.15, then there will be held in the Escrow Account a portion of the then-proposed Carried Interest distribution to the Carried Interest Recipient as may be required so that the Pro Forma Return Ratio, calculated with effect to the holding in the Escrow Account of such portion, is 1.15 (subject to a maximum of the full amount of the then-proposed distribution, if placing the full amount of such Carried Interest distribution in the Escrow Account would not bring the Pro Forma Return Ratio to 1.15). If at any time, including on any date of a distribution or as of any fiscal quarter end, the Pro Forma Return Ratio is 1.15 or greater, all amounts held in the Escrow Account in excess of the amount required to maintain the Pro Forma Return Ratio at 1.15 will be paid to the Carried Interest Recipient and, in the case of a distribution, the portion of the then-proposed Carried Interest distribution in excess of the amount required to maintain the Pro Forma Return Ratio at 1.15 will be made to the Carried Interest Recipient without any deposit into the Escrow Account. Upon the liquidation of the Sub-Fund, any amounts then actually held in the Escrow Account will first be used to satisfy the Clawback Obligation of the Carried Interest Recipient, if any, and then will be distributed to the Carried Interest Recipient.

For the purposes of this section:

**"Base Management Fee"** means, in respect of each such Class, the portion of the Management Fee, as applicable, paid by the Sub-Fund that would have been payable had the percentage figure of Management Fee rate for such Class referred to above in this section "*Costs and Fees*" been 1.50%, regardless of the actual amount of Management Fee paid by the Sub-Fund in respect of such Class.

**"Carried Interest Recipient"** means, any entity designated by the Sub-Investment Manager to receive the Carried Interest from time to time.

**"Pro Forma Return Ratio"** means, as of any date of calculation and with respect to any proposed distribution, the ratio obtained by adding (a) all amounts held in the Escrow Account, plus (b) the fair value (as determined in accordance with the accounting policies of the Sub-Fund), as of the date of calculation, of all Private Investments or portions thereof that will be held by the Sub-Fund after making the proposed distribution, and dividing such sum by the

sum of (i) the capital applicable to all Private Investments or portions thereof that will be held by the Sub-Fund after making the proposed distribution, plus (ii) all Base Management Fees, Operating Expenses and Organizational Expenses which will not have been restored after making the proposed distribution. Solely for purposes of calculating the Pro Forma Return Ratio, as of any date of calculation and with respect to any proposed distribution, the principal amount of any borrowing made under a credit facility for the purpose of financing any Private Investment on an interim basis will be deemed to have been funded by an amount of capital that the Sub-Investment Manager determines in good faith would have been invested by the Sub-Fund in order to facilitate the making of such Private Investment at such time.

#### **Subscription Fees**

Certain Financial Intermediaries through which an Investor subscribes to the Sub-Fund may charge such Investor upfront selling commissions, placement fees, subscription fees or similar fees ("**Subscription Fees**") on Shares sold in the offering that are paid by the Investor outside of its investment in the Sub-Fund and not reflected in the Sub-Fund's NAV. In certain circumstances, the Subscription Fees may be paid to Apollo and paid over, in whole or in part, to the Financial Intermediary that placed the Investor into the Sub-Fund. No Subscription Fees will be paid with respect to reinvestments of distributions for accumulating Share Classes. No Subscription Fees will be borne by holders of Class K Shares or Class Z Shares.

#### **Special Fees**

Special Fees (as defined more particularly below) in connection to the Sub-Fund's investments will be set off against the Management Fee as contemplated by Section 20 "*Conflicts of Interest*" of the general part of the Prospectus.

#### **Other Fees**

Other Fees (as defined more particularly below) associated with the Sub-Fund will be borne by the Sub-Fund, including as further described in the section "Other Fees" below.

#### **Overall cost ratio of the Sub-Fund**

Up to 5.49% of the capital of the Sub-Fund.

The overall ratio is the ratio of the expected total ex-ante estimated costs of the Sub-Fund to the capital of the Sub-Fund, based on the current business forecast.

The total ex-ante estimated costs are equal to the sum of the following costs aggregate during the life of the Sub-Fund:

- the costs of setting up the Sub-Fund (divided by the life of the Sub-Fund i.e. eight years from the Initial Closing);
- the costs related to the acquisition of assets;
- the management and performance related fees (including, for this purpose, the Management Fee and Carried Interest);
- the distribution costs;
- the other costs, including administrative, regulatory, depositary, custodial, professional service and audit costs.

**All fees referenced above are exclusive of any applicable tax unless otherwise stated.**

	<p><b>Fees arising at multiple levels</b></p> <p>To the extent the Management Fee and/or the Carried Interest may apply at the level of the Sub-Fund, any operating entity, other subsidiary, any aggregator and/or any other intermediary vehicle or parallel entity, Investors will only be charged such Management Fee and/or Carried Interest once.</p>
<p><b>Operating Expenses</b></p>	<p><b>Fees of the AIFM</b></p> <p>The AIFM is entitled to receive from the Sub-Fund, such fees as set out in the AIFM fee letter. The fees for the AIFM are subject to a minimum amount of EUR 30,000 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to Investors upon request free of charge at the registered office of the Umbrella Vehicle. The AIFM may be entitled to be reimbursed by the Sub-Fund for any expenses related to the advice of legal counsel and any other out-of-pocket expenses to the extent agreed by the Umbrella Vehicle and/or the Sub-Fund in the AIFM Agreement and the AIFM fee letter and such costs shall fall within scope of the Operating Expenses of the Sub-Fund.</p> <p><b>Fees of the Depositary</b></p> <p>The Depositary is entitled to receive from the Sub-Fund, depositary fees as set out in the Depositary Agreement.</p> <p>The fees for the Depositary and the Administrator are subject to a minimum amount of EUR 100,000 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to Investors upon request free of charge at the registered office of the Umbrella Vehicle.</p> <p><b>Fees of the Administrator</b></p> <p>The Administrator is entitled to receive from the Sub-Fund administration fees as set out in the Administration Agreement.</p> <p>The fees for the Depositary and the Administrator are subject to a minimum amount of EUR 100,000 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to Investors upon request free of charge at the registered office of the Umbrella Vehicle.</p> <p><b>Platform Advisory Fee</b></p> <p>The Platform Advisor is entitled to receive an advisory fee as set out in the Platform Advisory Agreement (the "<b>Platform Advisory Fee</b>"). The Platform Advisory Fee will be borne by the Investment Manager out of the Management Fee, however, Investors should note that the Sub-Fund shall bear certain fees, costs and expenses in relation to the role of the Platform Advisor as Operating Expenses, as more particularly described below.</p> <p><b>Fees of the Auditor</b></p> <p>The Auditor is entitled to receive from the Sub-Fund, such fees as set out in an audit fee letter. The fees for the Auditor are subject to a minimum amount of EUR 38,250 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant audit fee letter, which will be made available to Investors upon request free of charge at the registered office of the Umbrella Vehicle.</p>

	<p><b>Other costs</b></p> <p>As more particularly described in Section 13 "<i>Costs and Expenses</i>" of the general part of the Prospectus, the Board of Directors will charge to the Sub-Fund (and the same will be met out of the assets of the Sub-Fund) all Operating Expenses, including expenses, liabilities and costs incurred by the Board of Directors or charged by third party service providers in connection with the Sub-Fund, if and to the extent such expenses, liabilities and costs are directly incurred in connection with the investments or the management of the Sub-Fund, its subsidiaries or, as determined by the Investment Manager in good faith, any Additional Vehicle. All fees, costs and expenses incurred in respect of any particular Investor, may be borne by such Investor, as determined by the Board of Directors acting in good faith, including by deducting such amounts from distributions that would otherwise have been made to such Investor.</p> <p><b>All fees referenced above are exclusive of any applicable tax unless otherwise stated.</b></p>
<p><b>Organizational Expenses</b></p>	<p>All Organizational Expenses associated with the Sub-Fund and as determined by the Investment Manager in good faith, any Additional Vehicle will be borne by the Sub-Fund, as further described in the general part of the Prospectus (including its share of the payments, fees, costs, expenses and other liabilities incurred in connection with the formation and organization of the Umbrella Vehicle allocated to it by the Board of Directors in its discretion acting reasonably).</p> <p>The Investment Manager has agreed to advance, or procure that one of its Affiliates will advance, all of the Sub-Fund's Organizational Expenses on the Sub-Fund's behalf up to and including the first anniversary of the Initial Closing. The Sub-Fund will reimburse the Investment Manager for such advanced expenses ratably over the 60 months following the Initial Closing. For the purposes of calculating the Sub-Fund's NAV, the Organizational Expenses paid by the Investment Manager and/or one of its Affiliates up to and including the Initial Closing are not recognized as expenses or as a component of equity and will not be reflected in the Sub-Fund's NAV until the Sub-Fund reimburses the Investment Manager and/or one of its Affiliates (as applicable) for these expenses.</p>
<p><b>Operating Expenses</b></p>	<p>In relation to the Sub-Fund, "Operating Expenses" shall include the following payments, fees, costs, expenses and other liabilities and obligations resulting from, related to, associated with, arising from or incurred in connection with: (i) (a) the discovery, evaluation, investigation, impact assessment, development, acquisition, consummation, structuring, ownership, maintenance, monitoring, hedging, portfolio and risk management or disposition of investments (including brokerage, sales and underwriting commissions, private placement, syndication, solicitation, pricing and valuation (including appraisal), clean transition consulting, arranger, transaction, advisory, investment banking, custodial, depository, trustee, transfer agent, record-keeping and administrative fees, clearing, settlement and bank charges, deposits (including earnest money deposits), consent or other third-party fees or payments, closing, execution and transaction costs, other fees, costs and expenses in respect of derivative contracts (including any payments under, and any margin expenses relating to, such derivative contracts or any posting of margin or collateral with respect to such derivative contracts), investment costs, and other closing, execution and transaction costs, travel and related expenses (including with respect to potential investments) and other administrative fees, costs and expenses), irrespective of whether any such investment is ultimately consummated (including any broken deal expenses and reverse break-up fees), (b) any indebtedness, credit facility, guarantee, line of credit, loan commitment, letter of credit, equity commitment letter, hedging guarantee, similar credit support or other indebtedness or performance-related guarantee or other obligation</p>



(including key principal, "bad acts" or other performance related matters) in each case involving the Umbrella Vehicle and/or Sub-Fund or any investment (including any payment of principal or fees, costs and expenses incurred in obtaining, negotiating, entering into, effecting, maintaining, varying, refinancing or terminating such borrowings, indebtedness, guarantees or obligations and interest arising therefrom) and (c) attending conferences in connection with the evaluation of future investments or particular sector opportunities, organizational memberships with clean transition-focus groups and compliance with any clean transition initiatives or principles (including, the United Nations Principles for Responsible Investment); (ii) risk management assessments and analysis of the Umbrella Vehicle and/or the Sub-Fund's direct or indirect assets; (iii) taxes and other governmental charges incurred or payable by the Umbrella Vehicle and/or the Sub-Fund (including any entity-level taxes imposed on, with respect to, or otherwise borne by the Umbrella Vehicle and/or the Sub-Fund, to the extent not allocated to one or more Investors; (iv) any actuaries, accountants, advisors, auditors, administrators (whether or not third party), brokers (including prime-brokers), consultants, counsel, custodians, appraisers, depositaries, valuation experts, distributors (including, for the avoidance of doubt: (a) the Global Distributor and any distribution platforms or networks; and (b) fees, costs and expenses related to, associated with, arising from or incurred in connection with their partnership programs, distribution support services, client relations support services, expert networks/research resources, technology platforms, client events, hosted webinars, public relations services, operational and onboarding support services, transactional information services and the attending and/or sponsoring of their events and conferences (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expense in connection with any such events and conferences)) and other Service Providers that provide services to or with respect to the Umbrella Vehicle and/or the Sub-Fund, and legal expenses incurred in connection with claims or disputes related to the Sub-Fund or one or more investments or one or more actual, unconsummated or proposed investments; (v) the engagement of professionals (including Apollo Consulting) (including all fees, costs, incentive compensation and expenses on account of compensation and benefits of its employees), the Apollo Global Climate Council (including the allocable compensation of the GCC Chair) and any industry executives, advisors, consultants (including operating consultants and sourcing consultants), any platform advisor (including, in respect of the Platform Advisor, any fees, costs and/or expenses incurred by or payable to the Platform Advisor in respect of the provision to the Sub-Fund of access to the Platform Advisor's digital infrastructure and technology platforms (including where the same is implemented in connection with the Sub-Fund's marketing and distribution activities), the Platform Advisor's assistance with distributor onboarding processes, investor subscription processes, liquidity management (including share class hedging), financial management and ongoing reporting, and any other services or materials provided by the Platform Advisor falling into the other sub-categories described in this section), any clean transition consultants and any other third-party clean transition consultants, operating executives, subject matter experts or other persons acting in a similar capacity) who provide services to or in respect of the Umbrella Vehicle and/or the Sub-Fund or its operating entities, or other subsidiaries or related investments (including with respect to potential investments, and including allocable overhead of Apollo Consulting, including all costs, incentive compensation and expenses on account of compensation and benefits of its employees and also including, among other things, (A) conducting due diligence on or analysis of industry, geopolitical or other operational issues, and (B) operational improvement initiatives relating to such investments, and developing and implementing such initiatives (including, but not limited to, the operating executives engaged by the Umbrella Vehicle and/or the Sub-Fund, the Investment Manager, the Sub-Investment Manager or any other Affiliated Service Provider); (vi) all fees, costs and expenses in connection with entities comprising Apollo Consulting, including those incurred in the organization,

operation, maintenance, restructuring and dissolution of such vehicles; (vii) (a) obtaining research and other information, including information service subscriptions, as well as the operation and maintenance of information systems used to obtain such research and other related information, and (b) attending industry events (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expense in connection with any such industry events), in each case, for the benefit of the Umbrella Vehicle and/or the Sub-Fund; (viii) developing, implementing or maintaining computer software and technological systems for the benefit of the Umbrella Vehicle and/or the Sub-Fund, the Investors or its investments (including potential investments); (ix) fees, costs and expenses incurred in connection with systems, including, but not limited to, licenses, development and hosting; (x) premiums and fees for insurance (including costs, liabilities and expenses of any litigation, investigation, judgments or settlements paid in connection therewith) allocated in good faith to the Sub-Fund by the Investment Manager (including Apollo's group insurance policy, general partner's, directors' and officers' liability or other similar insurance policies, errors and omissions insurance, financial institution bond insurance and any other insurance for coverage of liabilities to any person or entity that are incurred in connection with the activities of the Umbrella Vehicle and/or the Sub-Fund); (xi) any governmental inquiry, investigation or proceeding or any litigation involving or otherwise applicable to the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager or any of their respective Affiliates in connection with the activities of the Umbrella Vehicle and/or the Sub-Fund or any investment, any subsidiaries or any potential investment (including fees, costs and expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of any such inquiry, investigation, proceeding or litigation and the amount of any judgments, settlements or fines paid in connection therewith) and other extraordinary expenses related to the Umbrella Vehicle and/or the Sub-Fund, any investment, subsidiary or any potential investment (including fees, costs and expenses that are classified as extraordinary expenses under the applicable accounting principles); (xii) the preparation of any reports that contain climate or climate-related metrics and all costs and expenses on account of compensation and benefits of Apollo employees engaged with respect thereto, the fees, costs and expenses incurred in connection with assessing and reporting the sustainability, social and environmental impact and environmental, social and governance performance of investments and potential investments (including fees, costs and expenses payable to each clean transition consultant and/or any similar third-party service provider or otherwise incurred in connection with designing, implementing and monitoring participation by Portfolio Companies in compliance and operational "best practices" programs and initiatives and compensation and benefits of Apollo employees engaged with respect thereto), all reports or information requests for one or more Investors, clean transition consultants or any similar third-party consultant, the Apollo Global Climate Council or any subcommittee thereof (including all fees, costs and expenses incurred to audit such reports, provide access to a database or other internet forum and for any other operational, legal, secretarial or postage expenses relating thereto or arising in connection with the distribution of the same), and any other financial, tax, accounting, legal or fund administration reporting functions for the benefit of the Umbrella Vehicle and/or the Sub-Fund or any Umbrella Vehicle and/or any Sub-Fund vehicle or Umbrella Vehicle and/or Sub-Fund subsidiary, the preparation of financial statements, tax returns; (xiii) meetings of clean transition consultants, the Apollo Global Climate Council and any subcommittees thereof, the Board of Directors and/or the Investment Manager with any Investor(s) (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expense in connection with any such meetings), legal counsel, accountants, auditors, financial advisors or any other advisors or experts retained to assist the Board of Directors, the Investment Manager and/or the Sub-Investment Manager, each clean transition consultant, the Apollo Global Climate Council or any subcommittee thereof, as

applicable, and other expenses incurred in connection with the activities of each clean transition consultant, the Apollo Global Climate Council and its subcommittees; (xiv) the Umbrella Vehicle and/or the Sub-Fund's respective indemnification obligations (including those incurred in connection with indemnifying Indemnified Parties (as defined in the Prospectus), and advancing fees, costs and expenses incurred by any such Indemnified Party in defense or settlement of any claim that may be subject to a right of indemnification under the constituent documents of the Umbrella Vehicle and/or the Sub-Fund); (xv) complying with (or facilitating compliance with) any applicable law, rule or regulation (including legal fees, costs and expenses), regulatory filing or other expenses of the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager, including any compliance, filings or other obligations, in each case, involving or otherwise related to the Umbrella Vehicle and/or the Sub-Fund (including the amount of any judgements, settlements or fines paid in connection therewith) but, for the avoidance of doubt, excluding any ordinary course compliance, filings or other obligations imposed on the Investment Manager or any of its Affiliates under the Advisers Act (such as the preparation and filing of the Sub-Investment Manager's Form ADV) or by the Luxembourg Commission de Surveillance du Secteur Financier and/or the United Kingdom Financial Conduct Authority, that do not relate directly to the affairs of the Umbrella Vehicle and/or the Sub-Fund; (xvi) a Default by Defaulting Investor; (xvii) a Transfer of an Investor's Shares or an Investor's withdrawal or admission permitted or required under this Prospectus, the Articles and/or the Sub-Fund Supplement (but only to the extent not paid by the Investor or assignee or withdrawing Investor, as applicable); (xviii) redemptions of Investors' Shares; (xix) any amendments, modifications, revisions or restatements to the constituent documents of the Umbrella Vehicle and/or the Sub-Fund or the Investment Manager (other than any such amendments, modifications, revisions or restatements related solely to the affairs of the Investment Manager not related to the affairs of the Umbrella Vehicle and/or the Sub-Fund); (xx) distributions to the Investors, (xxi) administering and operating the Sub-Fund, preparing and maintaining the books and records of the Sub-Fund, including internal costs that the Investment Manager may incur to produce the Sub-Fund's books and records, external costs in cases where the Investment Manager hires a third-party administrator to maintain the Umbrella Vehicle and/or the Sub-Fund's books and records and any costs of the Investment Manager to oversee and manage such third-party administrator and fees, costs and expenses incurred in the organization of special purpose vehicles, subsidiaries of the Umbrella Vehicle and/or the Sub-Fund or alternative investment vehicles including costs associated with establishing and maintaining a permanent residence in certain jurisdictions (such as rent for office space, related overhead and employee salaries and benefits) which fees, costs and expenses may, in the sole discretion of the Board of Directors or the Investment Manager, be allocated solely to or paid solely by investors participating therein); (xxii) negotiating and entering into, and compliance with, actual and prospective Other Agreements, whether executed or not (which fees, costs and expenses may, in the sole discretion of the Board of Directors, be allocated solely to or paid solely by the Investor(s) to which they relate), and "most favored nations" elections processes in connection therewith; (xxiii); the winding-up, dissolution and termination of the Umbrella Vehicle and/or the Sub-Fund; (xxiv) all similar fees, costs and expenses in connection with Additional Vehicles, special purpose vehicles and subsidiaries of the Umbrella Vehicle and/or the Sub-Fund or such Additional Vehicles, including those incurred in the organization, operation, maintenance, restructuring, winding-up and dissolution of such vehicles; (xxv) all fees, costs and expenses in connection with forming, organizing, maintaining, administering, operating and negotiating joint ventures or arrangements and Platform Investments; (xxvi) the Sub-Fund's allocable portion of any carried interest, incentive allocation, management fees or other similar fees, costs and expenses or compensation (including expense reimbursement), in each case, payable or allocable to joint venture partners or Platform Investment partners of the Sub-Fund, any intermediate vehicle, any

	<p>special purpose vehicle, any subsidiary or any investment; (xxvii) to the extent agreed by the Investment Manager in its sole discretion, all similar operating expenses of an Investor that is a vehicle sponsored or managed by a placement agent, the Global Distributor, a Sub-Distributor or any of their respective Affiliates and which placement agent, Global Distributor, Sub-Distributor or Affiliate thereof is entitled to receive distribution fees or placement fees in connection with or as a result of placing investors indirectly into the Sub-Fund through such Investor; (xxviii) an allocable portion of the fees, costs and expenses incurred in connection with organizing, maintaining, administering and operating any Umbrella Vehicle and/or any Sub-Fund entity that serves as the alternative investment fund manager or general partner thereof or in a similar capacity (including rent, salaries and ancillary costs of such entities, and costs and expenses of Service Providers of such entities); and (xxix) costs of currency hedging.</p> <p>To the extent that the Sub-Fund or an Apollo Client is participating in an investment or potential investment, any and all expenses not paid by a portfolio company or other person will be borne by the Sub-Fund or the Apollo Client to the extent applicable, pro rata in proportion to the amount of funds to be invested or proposed to be invested by each of the foregoing, or in such manner as the Board of Directors and/or the Investment Manager, in their sole discretion, deem to be fair and equitable under the circumstances.</p>
<p><b>Other Fees</b></p>	<p>In relation to the Sub-Fund, the term "Other Fees" means: (i) fees, costs or expenses that comprise or constitute Organizational Expenses or Operating Expenses; (ii) salary, fees, expenses or other compensation of any nature paid by a Portfolio Company to any individual (or to the Investment Manager or any of its Affiliates (including Apollo Consulting) with respect to such individual) who acts as an officer of, or in an active management role at, such Portfolio Investment (including industry executives, advisors, consultants (including operating consultants and sourcing consultants), operating executives, subject matter experts or other persons acting in a similar capacity engaged or employed by Apollo Consulting); (iii) without limiting the foregoing clauses (i) and (ii), fees, costs or expenses paid to or in respect of Apollo Consulting or any industry executives, advisors, consultants (including operating consultants and sourcing consultants), operating executives, subject matter experts or other persons acting in a similar capacity who provide services to the Umbrella Vehicle or its Portfolio Investments (including allocable overhead or other amounts or compensation of Apollo Consulting, including all costs and expenses on account of compensation and benefits of its employees); (iv) payments, fees, costs, expenses and other liabilities, allocable overhead or other amounts or compensation (such as arranger, brokerage, placement, syndication, solicitation, underwriting, agency, origination, sourcing, group purchasing, structuring, collateral management, SPV (including any SPV of a Portfolio Company), capital markets, syndication and advisory fees (including underwriting and debt advisory fees or subsidiary management or administration, operation, asset service, advisory, commitment, facility, float, insurance or other fees, discounts, spreads, commissions and concessions or other fees associated with the effectuation of any securities or financing transactions, but not merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of an investment) earned by or paid (whether in cash or in kind) to an Affiliated Service Provider, or another person with respect to services rendered by such Affiliated Service Provider or other person; provided, that if such Affiliated Service Provider is engaged in the relevant activity or service on a for-profit basis with respect to the Sub-Fund or a Portfolio Investment, as determined by the Board of Directors in good faith, then, the applicable fees paid to it for such services will be on an arm's-length basis or not materially less favorable to the Sub-Fund or the applicable Portfolio Investment than the fees that could be paid to a third party with commensurate skill, expertise or experience (to the extent applicable) except where the Board of Directors obtains advice from or the recommendation of an independent third-</p>

	<p>party consultant or expert that is not an Affiliate of the Investment Manager with requisite skill, expertise or experience in the applicable subject matter that the terms of such transaction are on an arm's length basis or not materially less favorable to the Sub-Fund or the applicable Portfolio Investment; (v) amounts earned by or for the account of any Apollo Client (directly or indirectly through an expense offset mechanism); (vi) fees, costs and expenses for any and all services whatsoever (including merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of an investment) paid or otherwise borne by any Portfolio Investment or issuer of any securities or other financial instruments that constitute debt investments or investments with respect to which Apollo does not exercise direct control with respect to the decision to engage the services giving rise to such fees, costs and expenses; (vii) and any fees, costs or expenses determined by the Board of Directors in good faith to be similar in nature to any of the foregoing.</p>
<p><b>Special Fees</b></p>	<p>The Investment Manager and any of its respective Affiliates (including Affiliated Service Providers) or any employees of any of the foregoing will receive 100% of any net consulting (including management consulting) or monitoring fees (including any early termination fee or acceleration of any such consulting fee on a one-time basis), break-up fees, directors' fees, closing fees and merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of a Portfolio Investment (other than debt Portfolio Investments or Portfolio Investments with respect to which Apollo does not exercise direct control with respect to the decision to engage the services giving rise to the relevant fees, costs and expenses), and similar fees (including any interest, commitment and other financing fees or other items of gain or income (other than capital gains on a Bridge Financing in the form of equity) received in connection with a Bridge Financing that do not constitute Other Fees), whether in cash or in kind, including options, warrants and other non-cash consideration paid to the Investment Manager or any of its respective Affiliates or any employees of any of the foregoing in connection with actual or contemplated Portfolio Investments (and allocable to the Sub-Fund) that are allocable to those Investors who bear Management Fee (collectively, "<b>Special Fees</b>"). Such Special Fees will be applied to reduce the Management Fee paid by such Management Fee-bearing Investors.</p> <p>All Investors in each Class of Shares will benefit from equal treatment and no preferential treatment, accordingly specific economic benefits will not be granted to individual Investors or other groups of Investors (including by way of side letters) within the same Share Class.</p>
<p><b>Distributions</b></p>	<p>For the avoidance of doubt, as referred to in the section "Share Classes" above, please note that, prior to the End of Life, the Sub-Fund does not anticipate declaring or paying cash dividends on its Shares. Accordingly, the Sub-Fund retains all realized net capital gains, if any, and investment income to increase the Sub-Fund's net assets. The amount and timing of distributions from the Sub-Fund to Investors (the "Distribution(s)") will be at the discretion of the Board of Directors or any person to whom such powers have been delegated by the Board of Directors and in accordance with Article 22 of the ELTIF Regulation. Distributions may be made in the form of pro rata redemption of Shares and/or dividends, as determined by the Board of Directors or any person to whom such powers have been delegated by the Board of Directors. The Sub-Fund cannot guarantee that it will make Distributions, and any Distributions will be made by the Board of Directors or any person to whom such powers have been delegated by the Board of Directors taking into account the best interests of Investors and the Sub-Fund as a whole.</p> <p>The Board of Directors, based on the recommendation of the Investment Manager or Sub-Investment Manager, may make distributions in a manner other than as described above, including disproportionate distributions of portfolio securities or net proceeds from the disposition of portfolio securities to</p>

	<p>the extent required, or otherwise deemed advisable or necessary by the Board of Directors and the Investment Manager or Sub-Investment Manager in their discretion and in compliance with Article 22 of the ELTIF Regulation.</p> <p>All Investors in each Class of Shares will benefit from equal treatment and no preferential treatment, accordingly specific economic benefits will not be granted to individual Investors or other groups of Investors (including by way of side letters) within the same Share Class.</p>
<b>Distributions in kind</b>	<p>Distributions shall be made in cash. While the Sub-Fund does not anticipate making any in kind distributions:</p> <ul style="list-style-type: none"> <li>(i) any in kind distribution is only permitted in accordance with the prescriptions of the ELTIF Regulation;</li> <li>(ii) the relevant assets would be deemed to have been sold at their value as confirmed by the Auditor, and the proceeds of such sale shall be deemed to have been distributed in the form of distributable cash to the Investors; and</li> <li>(iii) they would be made in proportion to the aggregate amounts that would be distributed to each Investor as determined by the Board of Directors.</li> </ul> <p>Notwithstanding the foregoing, the Sub-Fund shall, in lieu of making any in kind distributions to any German Regulated Investors, at such German Regulated Investors' cost, hold such assets and sell such assets on behalf of such German Regulated Investors, provided that, the Sub-Fund shall not be required to provide any such assistance that would be in contravention of, or require a licence under, any applicable law and that such sale shall not be on a best execution basis and the value of the securities may be impaired.</p>
<b>Reporting</b>	<p>The Sub-Fund will provide the relevant reporting as set out in the general part of the Prospectus and as may be required by the ELTIF Regulation.</p> <p>At least annually, in, or alongside the Sub-Fund's annual report or more frequently, Investors will be informed of the jurisdictions in which the assets of the Sub-Fund have been invested.</p> <p>In addition, and in accordance with the requirements of the 2010 Law, the Sub-Fund will prepare and distribute an unaudited semi-annual report to Investors within three months following the period to which it refers.</p> <p>No financial statements have been made up as at the date of this Sub-Fund Supplement.</p>
<b>Complaints</b>	<p>Complaints by an Investor in connection with its investment in the Sub-Fund should be addressed in accordance with Section "<i>Complaints</i>" of the general part of the Prospectus.</p> <p>Investors wishing to complain shall refer to the first paragraph of this section.</p>
<b>SFDR</b>	<p>This section of the Sub-Fund Supplement and Annex III set out certain pre-contractual disclosures for the purposes of SFDR.</p> <p>In respect of the Sub-Fund, the AIFM has delegated its portfolio management function to the Investment Manager. In addition, the Investment Manager has appointed the Sub-Investment Manager as sub-investment manager in relation to the Sub-Fund. For the purposes of SFDR, the AIFM, and not the Investment Manager or the Sub-Investment Manager, is the "financial market participant" required to make pre-contractual disclosures in relation to the Sub-Fund. All references in this section to the Investment Manager are references to the Investment Manager providing portfolio management services to the Sub-Fund</p>

as delegate of (and subject to the overall supervision and oversight of) the AIFM and may include the Sub-Investment Manager carrying out such activities.

As of the date of this Sub-Fund Supplement, the AIFM has categorized the Sub-Fund as disclosing under Article 8 SFDR, for financial products which promote environmental and social characteristics and Article 6 of the EU Taxonomy. The Sub-Fund is not subject to the disclosure requirements for financial products referred to in Article 9 SFDR with sustainable investments as their objective and does not commit to make any minimum proportion of investments which are EU Taxonomy-Aligned Investments or Sustainable Investments. **Further information required by SFDR about the environmental characteristics promoted by the Sub-Fund and the EU Taxonomy is available in Annex III.**

#### **Integration of sustainability risks**

This section of the Sub-Fund Supplement sets out information required under Article 6 SFDR on “sustainability risks”, as defined in SFDR. This section of the Sub-Fund Supplement should be read in conjunction with the “Sustainability Risks” risk factor disclosure in Annex I.

#### **Impact of Sustainability Risks on Returns**

The Investment Manager is an Affiliate of Apollo, which has adopted a Sustainable Investing and Environmental, Social, and Governance Policy, as may be amended from time to time without notice, in respect of the integration of sustainability risks in the investment decision-making process (the “**Sustainable Investing Policy**”) and that is available on Apollo's website at: <https://www.apollo.com/~media/Files/A/Apollo-V3/documents/apollo-sustainable-investing-and-esg-policy-final-6-12-23.pdf>. Further information on the manner in which sustainability risks are integrated into investment decisions is set out under the “*Integration of Sustainability Risks into Investment Decisions*” section below.

The Investment Manager considers that sustainability risks are relevant to the returns of the Sub-Fund. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

Assessment of sustainability risks is complex and may be based on data that are difficult to obtain, incomplete, estimated, out of date and/or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager will correctly assess the impact of sustainability risks on the Sub-Fund's investments.

To the extent that an event contemplated by a sustainability risk occurs, or such event occurs in a manner that is not anticipated by the Investment Manager, there may be a sudden, material negative impact on the value of an investment. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the net asset value of the Sub-Fund.

The impacts following the occurrence of an event contemplated by a sustainability risk may be numerous and vary depending on the specific risk and asset class. In general, where an event contemplated by a sustainability risk occurs in respect of an asset, there may be a material negative impact on, and may be an entire loss of, its value. For example, this may be because of damage to a business's reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital, and/or fines and other regulatory sanctions. The time and resources of a business's management team may be diverted from furthering its business and be absorbed in seeking to manage the events contemplated by such sustainability

risk, including changes to business practices and managing investigations and litigation. Sustainability risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by businesses to which the Sub-Fund is exposed may also be adversely impacted by a sustainability risk.

Sustainability risks are relevant as both standalone risks, and also as cross-cutting risks which manifest through many other risk types which are relevant to the assets of the Sub-Fund. For example, the occurrence of an event contemplated by a sustainability risk can give rise to financial and business risk, including through a negative impact on the credit worthiness of other businesses. The increasing importance given to sustainability considerations by both businesses and consumers means that the occurrence of an event contemplated by a sustainability risk may result in significant reputational damage to affected businesses. The occurrence of an event contemplated by a sustainability risk may also give rise to enforcement risk by governments and regulators, and also litigation risk.

Events contemplated by a sustainability risk may arise and impact a specific investment or may have a broader impact on economic sectors, geographical regions and/or jurisdictions and political regions.

Many economic sectors, regions and/or jurisdictions, including those in which the Sub-Fund may invest, are currently and/or in the future may be, subject to a general transition to a greener, lower carbon and less polluting economic model. Drivers of this transition include governmental and/or regulatory intervention, evolving consumer preferences and/or the influence of non-governmental organizations and special interest groups.

Laws, regulations and industry norms play a significant role in controlling the impact on sustainability factors of many industries, particularly in respect of environmental and social factors. Any changes in such measures, such as increasingly stringent environmental or health and safety laws, can have a material impact on the operations, costs and profitability of businesses. Further, businesses which are in compliance with current measures could suffer claims, penalties and other liabilities in respect of alleged prior failings. Any of the foregoing may result in a material loss in value of an investment linked to such businesses.

Further, certain industries face considerable scrutiny from regulatory authorities, non-governmental organizations and special interest groups with respect to their impact on sustainability factors, such as compliance with minimum wage or living wage requirements and working conditions for personnel in supply chain. The influence of such authorities, organizations and groups along with the public attention they may bring can cause affected industries to make material changes to their business practices which can increase costs and result in a material negative impact on the profitability of such businesses. Such external influence can also materially impact the consumer demand for a business's products and services which may result in a material loss in value of an investment linked to such businesses.

Sectors, regions, businesses and technologies which are carbon-intensive, higher polluting or otherwise cause a material adverse impact on sustainability factors may suffer from a significant fall in demand and/or obsolescence, resulting in stranded assets the value of which is significantly reduced or entirely lost ahead of their anticipated useful life. Attempts by sectors, regions, businesses and technologies to adapt so as to reduce their impact on sustainability factors may not be successful, may result in significant costs being incurred, and future ongoing profitability may be materially reduced.

In addition to the above, a description of certain other sustainability risks identified by the Investment Manager as being potentially relevant to the



investments made by the Sub-Fund and (as a consequence, the Sub-Fund's NAV) is set out below. This description is for illustrative purposes only and is not intended to be exhaustive.

***Environmental***

Environmental risks are associated with environmental events or conditions and their effect on the value of assets to which the Sub-Fund may have exposure. Such risks may arise in respect of a company itself, its Affiliates, or its supply chain, and/or apply to a particular economic sector, geography, or political region. Environmental risks that may affect the utility and value of investments may include, for example: (i) risks related to climate change, such as the occurrence of extreme weather events (for example major droughts, floods, or storms), extreme heat waves, increased, localized or widespread flooding and rising sea levels and associated operational risks and costs of insurance; (ii) access to and scarcity of natural resources, such as water; and/or (iii) measures introduced by governments or regulators to transition to a low-carbon economy and more broadly reduce pollution and control and reduce waste.

***Social***

Social risks may be internal or external to a company and may be associated with and arise in respect to a company itself, its Affiliates, company employees, supply chain, local communities, and/or customers of companies in which the Sub-Fund may have exposure. Social risks that may affect the utility and value of investments may include, for example: (i) human capital considerations, such as human rights violations, modern slavery, workforce health and safety, and fines or other regulatory sanctions and/or investigations and litigation; and (ii) external social factors, such as cybersecurity threats and consumer data privacy violations, local community engagement and fines and other regulatory sanctions and/or investigations and litigation.

***Governance***

Governance risks are associated with the quality, effectiveness and process for the oversight of day-to-day management of companies in which the Sub-Fund may have exposure. Such risks may arise in respect of the company itself, its board and/or management team, its Affiliates or in its supply chain. Governance risks that may affect the utility and value of investments may include, for example: (i) the adequacy of a company's internal and external audit functions; (ii) the effectiveness of a company's controls to detect and prevent bribery and corruption; (iii) the effectiveness of the measures taken by a company to protect personal data of employees and customers; and (iv) the presence of appropriate and effective safeguards for employment-related risks, such as workplace harassment and discrimination, and workforce health and safety risks.

**Integration of Sustainability Risks into Investment Decisions**

Apollo has adopted the Sustainable Investing Policy, which describes the manner in which sustainability risks are integrated in its investment decision-making processes. This section provides a summary of the relevant information set forth in the Sustainable Investing Policy.

The Sustainable Investing Policy sets forth Apollo's longstanding commitment to the following principles of sustainable investing that are built into the firm and its investment processes: integrating, engaging, and being transparent with respect to environmental, social and/or governance factors. The Sustainable Investing Policy articulates Apollo's belief that managing relevant ESG risks and realizing ESG opportunities can make it a better investor, and better steward of investor's capital, by positioning Apollo-managed funds, portfolio companies and other investments for sustainable financial success.

	<p>Importantly, the Sustainable Investing Policy notes that the issuers, entities and assets in which Apollo-managed funds invest varies significantly across and within certain asset classes and strategies and so, accordingly, the approaches described in the Sustainable Investing Policy are applied to the extent feasible and appropriate given the nature of the investment, strategy, asset class, fund, data availability, ownership structure, influence, and other factors. Broadly speaking, though, the Sustainable Investing Policy explains that Apollo seeks to integrate, engage, and be transparent as follows, where appropriate: integrate ESG matters through conducting due diligence prior to making an investment and ongoing monitoring of the investment; engage with ESG matters through for example written correspondence, meetings, or the provision of operational support; and, being transparent on ESG matters by, for certain Apollo-managed funds and strategies, encouraging companies to take part in Apollo's annual ESG reporting process and/or providing reports to investors on ESG-related data and additional engagement details.</p> <p><b><u>Consideration of principal adverse impacts on sustainability factors</u></b></p> <p>Annex III sets out information required under Article 7 SFDR on how the Sub-Fund considers principal adverse impacts on "sustainability factors", as defined in SFDR.</p> <p>For the avoidance of doubt, for the purposes of Article 4 SFDR, neither the AIFM nor the Investment Manager consider the principal adverse impacts of their investment decisions on sustainability factors at an organizational-level across their investment management activities more broadly.</p> <p><b><u>Amendments</u></b></p> <p>The Board of Directors, in consultation with the AIFM and the Investment Manager, shall have the power to amend this section and Annex III from time to time, including (without limitation) to take account of or reflect any additional or alternative minimum criteria and/or to include a commitment to make a minimum proportion of Sustainable Investments and/or Taxonomy-Aligned Investments and/or vary the minimum proportion thereof and/or to reflect any additional or alternative binding investment criteria used to select the investments to attain the environmental characteristics promoted by the Sub-Fund. This may include (without limitation) amending any such minimum criteria or commitments or binding investment criteria to reflect investments which were made during the previous financial year and/or to reflect the investments which are held by the Sub-Fund as at the date of the relevant updates to this section and/or Annex III Annex II.</p>
<p><b>Certain Considerations</b></p>	<p><b>Tax</b></p> <p>For the purposes of this Sub-Fund, the final paragraph of the risk factor description given under the "<i>Certain Risk Factors—Certain Risks Related to Tax Matters—Changes in Tax Laws and Unanticipated Income Taxes and/or Withholding Taxes</i>" section of the general part of the Prospectus is supplemented as follows.</p> <p>The Sub-Fund intends to make both U.S. focused and non-U.S. focused investments.</p> <p><i>U.S. Investments</i></p> <p>The Sub-Fund will be treated as a corporation for U.S. federal income tax purposes.</p> <p>The Sub-Fund may make investments that result in the incurrence of effectively connected income ("<b>ECI</b>") by the Sub-Fund. The Sub-Fund will be subject to U.S. federal income tax on such income. The Sub-Fund may also, under certain circumstances, be subject to additional "branch profits tax" at a 30% rate with respect to such income. In addition, if the Sub-Fund were to acquire stock in a</p>

	<p>United States Real Property Holding Corporation as defined in Section 897 of the Internal Revenue Code 1986 (the "<b>Code</b>") then any gain on the sale of such stock would generally be treated as ECI and would be subject to regular U.S. federal income tax.</p> <p>The Sub-Fund may make investments expected to generate ECI through a U.S. entity treated as a corporation for U.S. federal income tax purposes. Such U.S. entity would pay U.S. federal income taxes and distributions or interest payments from the U.S. entity could be subject to U.S. federal income tax withholding as described below, but the Sub-Fund would not be subject to U.S. federal income tax or branch profit tax with respect to such investments.</p> <p>The Sub-Fund will be subject to U.S. federal income tax withholding at a rate of 30% on U.S. source dividends, certain types of U.S. source interest and certain other types of U.S. source income.</p> <p>Investors will not be required to make any U.S. federal income tax filings solely as a result of their investment in the Sub-Fund.</p> <p><i>Non-U.S. Investments</i></p> <p>The tax considerations for non-U.S. investments will depend on various factors, including the jurisdiction of investment.</p> <p>When appropriate, the Sub-Fund will seek to structure investments through the SPVs in a tax efficient manner, but no undertaking or assurance is given that the investment structure(s) adopted by the Sub-Fund will be optimal for each investor, that investors will be able to benefit from specific (or efficient) tax treatment in any jurisdiction, or that returns to investors will be unaffected by Tax arising in relation to an investment structure.</p> <p>In addition, please refer to the additional tax risks in the "<i>—Additional Tax Risks related to the Sub-Fund</i>" section of Annex I ("<i>Risk Factors</i>") of this Sub-Fund supplement,</p>
<b>Exclusivity</b>	<p>The functions and duties which the Board of Directors, AIFM, Investment Manager, the Sub-Investment Manager and/or any of their Affiliates undertake on behalf of the Sub-Fund will not be exclusive and they perform similar functions and duties for themselves and for others and, without limitation, act as manager, investment advisor or general partner (or equivalent) in respect of other funds, accounts or other products.</p>
<b>Dissolution</b>	<p>At the end of the Wind-down Period, the Sub-Fund may be put into liquidation by a decision of the Board of Directors. Any decision to put the Sub-Fund into liquidation will take into account the best interests of the Investors and will be subject to the prior non-objection of the CSSF.</p>
<b>Benchmark Regulation</b>	<p>The Sub-Fund is actively managed and will not make use of a benchmark within the meaning of Regulation (EU) No 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2004/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.</p>
<b>Securities Financing Transactions and TRS</b>	<p>As of the date of the Prospectus, the AIFM and the Investment Manager do not contemplate that the Sub-Fund will enter into any securities financing transactions and/or total return swaps. However, in the event that the Sub-Fund expects to employ any of the foregoing transactions, the Sub-Fund Supplement will be updated prior to the use of such transactions as required by the AIFMD rules and European Union Regulation 2015/2365 of the European Parliament and of the Council of November, 25 2015 on transparency of securities financing transactions and of reuse and amending European Union Regulation 648/2012</p>

	<p>(the "SFTR"). With respect to any such Securities Financing Transactions and total return swaps and should the Sub-Fund enter into such transactions, the information provided will include the rationale for their use, the type of assets that can be subject to them, the maximum and expected proportion of assets under management subject to them, criteria to select counterparties, acceptable collateral, valuation methodology and information on safekeeping of assets and collateral.</p>
<p><b>Risk Factors</b></p>	<p><i>In addition to the risks set out in Annex I to this Sub-Fund Supplement, all risk factors and investment considerations detailed in the general part of the Prospectus should be considered applicable, directly or indirectly, to an investment in the Sub-Fund. An investment in the Shares of the Sub-Fund involves a significant degree of risk. There can be no assurance that the Sub-Fund will realize an attractive rate of return or that there will be any return of capital.</i></p> <p><i>Prospective Investors should carefully evaluate these considerations, which represent potential risks of an investment in the Shares of the Sub-Fund, before becoming an Investor in the Sub-Fund although additional risks and uncertainties will not currently be known to the Sub-Fund. For a summary of risk factors and potential conflicts of interest relevant to the Sub-Fund, see Annex I and Annex II to this Sub-Fund Supplement, Section 20 "Conflicts of Interest" and Section 19 "Risk Factors" of the general part of the Prospectus.</i></p>

## ANNEX I RISK FACTORS

Terms not otherwise defined in this Annex shall have the meaning given to them in the Prospectus and the Sub-Fund Supplement, as applicable.

**Sustainability Risks.** SFDR defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment. The AIFM, the Investment Manager, the Sub-Investment Manager, the Sub-Fund, the Portfolio Companies, and other parties, such as service providers or the Sub-Fund or Portfolio Company counterparties, may be negatively affected by sustainability risks. In accordance with the Sustainable Investing Policy, if appropriate for an investment, the Investment Manager or Sub-Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment; however, there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materializes. The AIFM, the Investment Manager, the Sub-Investment Manager, the Sub-Fund, the Portfolio Companies, and other parties may maintain insurance to protect against certain sustainability risks, where available on reasonable commercial terms, although such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all losses. Sustainability risks may therefore adversely affect the performance of the Sub-Fund and its investments. This disclosure should be read in conjunction with the "SFDR" section above.

**Increasing Scrutiny and Changing Expectations.** Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to Apollo's sustainability-related policies may impose additional costs or expose the AIFM, the Investment Manager, the Sub-Investment Manager, the Sub-Fund, or Portfolio Companies to additional risks. Companies across all industries are facing increasing scrutiny relating to their sustainability-related policies. Investor advocacy groups, certain lenders and other market participants are increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. The increased focus and activism related to ESG and similar matters may hinder access to capital, as lenders may decide to reallocate capital or to not commit capital as a result of their assessment of ESG practices. These limitations in both the debt and equity capital markets may affect the Sub-Fund's ability to grow, as its plans for growth may include accessing the equity and debt capital markets. If those markets are unavailable, or if the Sub-Fund is unable to access alternative means of financing on acceptable terms, or at all, the Sub-Fund may be unable to implement its business strategy, which would have a material adverse effect on its financial condition and returns and impair the Sub-Fund's ability to service its indebtedness. Further, the Sub-Fund will incur additional, material costs and require additional resources to monitor, report and comply with wide ranging ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on the Sub-Fund's business and overall returns.

**Disclosure of the Sub-Fund under SFDR.** There is legal uncertainty around the parameters applicable when determining under which article of SFDR a financial product should disclose and there is no guarantee that regulators will agree with the relevant determination. In circumstances where there is a determination that the Sub-Fund has made disclosures under the wrong article of SFDR, there could be a risk of investigation, enforcement proceedings and/or sanctions. Furthermore, certain aspects of the reporting requirements applicable to financial products disclosing under Article 8 and Article 9 of SFDR are currently uncertain and market practice is yet to evolve.

**Investment in assets promoting environmental characteristics.** As described in the "Investment Objective and Strategy" section above, in addition to the primary objective of generating favorable economic returns, the Sub-Fund promotes certain environmental characteristics in accordance with the Environmental Promotion. In pursuing investments aligned with the Environmental Promotion, the Investment Manager and/or the Sub-Investment Manager may make decisions or otherwise pursue courses of action that may not be in the short-term operating or financial interest of the Sub-Fund (for example, in terms of increasing the profitability of an asset), but instead may be in the interest of achieving certain environmental outcomes or achieving the Environmental Promotion. Conversely, the Sub-Fund may invest in certain assets that, while at the time of investment promote certain environmental characteristics, cease to be aligned with such characteristics in the interest of achieving economic outcomes. As a result, there can be no assurance that the Sub-Fund will achieve both successful economic and environmental outcomes, or even achieve either result.

**Nature of investments promoting environmental characteristics.** Investing a proportion of assets in investments aligned with the Environmental Promotion subjects the Sub-Fund to a variety of risks, not all of which can be foreseen or quantified. When evaluating potential investment opportunities, in addition to financial return, the Investment Manager and/or the Sub-Investment Manager will look at an investment's potential to

achieve the environmental characteristics promoted by the Sub-Fund. As a result, the opportunity set for potential investments for the proportion of assets in investments aligned with the Environmental Promotion will necessarily be smaller than it would otherwise be if the Sub-Fund was seeking to make investments solely on the basis of financial returns, and may forgo opportunities that are attractive from a financial perspective if they do not also meet the Environmental Promotion. In addition, although pursuing the promotion of environmental characteristics may not necessarily negatively affect an investment's financial returns, and it can even enhance profitability, it is possible that the promotion of environmental characteristics may from time to time require decisions that favor one goal at the expense of the other.

Any determination about whether or not a potential investment is expected to be an investment aligned with the Environmental Promotion will be made at the sole discretion of the Investment Manager and/or the Sub-Investment Manager. Any such determination made by the Investment Manager and/or the Sub-Investment Manager may not necessarily reflect the views of all investors. In addition, it is possible that the investments aligned with the Environmental Promotion are unable to obtain or realize the environmental characteristics promoted by the Sub-Fund.

**General risks relating to investment strategies promoting environmental characteristics.** Investments aligned with the Environmental Promotion may not provide as favorable returns or protection of capital as other investments. The Investment Manager and/or the Sub-Investment Manager may structure certain investments using non-standard terms that are less favorable than those traditionally found in the marketplace for investment strategies that do not promote environmental characteristics. Moreover, the Investment Manager and/or the Sub-Investment Manager may determine to forgo an investment that could provide favorable returns because such investment would not achieve the environmental characteristics promoted by the Sub-Fund.

**Risks associated with multiple objectives for investments.** In addition to any financial outcome, the Investment Manager and/or the Sub-Investment Manager will take into account the Environmental Promotion when making decisions regarding the selection, management and disposal of investments. In certain situations, this strategy may outweigh financial considerations. For example, the Investment Manager and/or the Sub-Investment Manager may choose to invest in an investment aligned with the Environmental Promotion that has a lower expected financial return because it has greater potential to achieve the relevant environmental characteristics than other investments. In addition, the Investment Manager and/or the Sub-Investment Manager may reject an opportunity to increase the financial return of an existing investment in order to preserve the characteristics of an investment that achieves the environmental characteristics promoted by the Sub-Fund. Further, the Investment Manager and/or the Sub-Investment Manager may refrain from disposing of an underperforming investment in order to minimize any negative impact on the environmental characteristics promoted by the Sub-Fund. As a result of the foregoing, the Sub-Fund may achieve lower returns than if it did not seek to promote environmental characteristics. On the other hand, the Investment Manager and/or the Sub-Investment Manager may determine in any particular situation to take steps to preserve financial returns, notwithstanding any negative impact on the environmental characteristics promoted by the Sub-Fund.

**Focused investment strategy and limited number of investments.** As a result of the Sub-Fund's investment focus in portfolio companies primarily focused on developing and/or implementing clean transition equity solutions or whose business has the potential to help combat climate change and the expected size of the Sub-Fund, the Investors will not enjoy the reduced risks of a broadly diversified portfolio. A specific investment focus is inherently more risky and could cause the Sub-Fund's investments to be more susceptible to particular economic, political, regulatory, technological, or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or has a broader industry focus. The Sub-Fund's investment portfolio is expected to be highly concentrated and its aggregate return could be affected substantially by the performance of a few holdings. The Investors have no assurance as to the degree of diversification of the Sub-Fund's investments, either by asset type or sector.

**Computer and Algorithmic Research Tools.** Research and creative tools that harness generative artificial intelligence (collectively, "**Computer and Algorithmic Research Tools**"), as well as other machine learning techniques, will continue to become more accessible to Apollo, to the Sub-Fund and to the Sub-Fund's Portfolio Companies. Prospective Investors should anticipate that Apollo will utilize Computer and Algorithmic Research Tools in connection with its business activities, including investment activities. The use of Computer and Algorithmic Research Tools brings with it known, anticipated, and as-yet-unknown risks and conflicts, including the risk that Apollo's compliance and operational policies and procedures will not anticipate every potential issue and conflict, and that Apollo's surveillance and control systems might not be sufficient to identify every instance of non-compliance. Among other things, this means that Apollo's policies and procedures relating to

Computer and Algorithmic Research Tools will continue to evolve rapidly, and without notice to investors. As is the case with all third-party services and products, Apollo will exercise appropriate levels of review and testing before deployment, but the relative novelty of Computer and Algorithmic Research Tools likely will result in more incorrect or unclear inputs into Apollo's investment and operations process. This could lead to an increase in interpretative issues, errors of judgement, and systems errors, notwithstanding the benefits that deploying new services and products is expected to create. Where appropriate, Apollo will work with providers and vendors to improve or fix licensed services and products, but that will not always be the case. To the extent that Apollo develops proprietary Computer and Algorithmic Research Tools, similar risks will exist.

Apollo's use of Computer and Algorithmic Research Tools will be subject to its policies and procedures on cybersecurity, privacy, confidentiality. However, the effectiveness of those policies when using Computer and Algorithmic Research Tools is dependent on the licensor adhering to its contractual commitments and to applicable law, as well as the effectiveness of the licensor's (and Apollo's) cybersecurity, systems, and other structural safeguards being effective in design and operation. To the extent that there is breach or failure in any of these safeguards, investors could be harmed by the theft, misappropriation, or release of their confidential information, or by an impairment in the value of the Sub-Fund's investments directly or indirectly caused by such breach or failure.

Independent of its context of use, certain varieties of Computer and Algorithmic Research Tools are generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Computer and Algorithmic Research Tools utilize to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error—potentially materially so—and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Computer and Algorithmic Research Tools. Such models also are subject to inherent bias (owing to the structure of its initial programming) as well as acquired biases (reflecting the data upon which it was trained). To the extent that Apollo, the Sub-Fund or the Sub-Fund's Portfolio Companies are exposed to the risks of using Computer and Algorithmic Research Tools, any such inaccuracies or errors could have adverse impacts on Apollo, the Sub-Fund or the Sub-Fund's Portfolio Companies.

**Lack of diversification.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle, the Sub-Funds and the Shares—Lack of Diversification*" section of the general part of the Prospectus.

The Sub-Fund is expected to make investments in the most junior levels of a Portfolio Company's capital structure and, therefore, relative to other investors in the Portfolio Company (which other investors could include Apollo, Athene or other Apollo Clients,) may be subject to the greatest risk of loss, including, in certain circumstances, as a result of events not related directly to the Portfolio Company itself.

**Other Apollo activities.** As further described in the "*Conflicts of Interest*" section of the general part of the Prospectus and under Annex I10 ("*Potential Conflicts of Interest*") of this Sub-Fund supplement, conflicts of interest will at times arise in allocating time, services or resources among the investment activities of the Sub-Fund, other Apollo Clients, Apollo and any family offices of Apollo employees. See the "*—Potential Conflicts of Interest—Management Team*" section of the general part of the Prospectus. The Investment Manager and/or Sub-Investment Manager and Apollo will devote such time as will be reasonably necessary to conduct the business affairs of the Sub-Fund. However, Apollo and its affiliates will continue to devote the resources necessary to manage other Apollo Clients, and Apollo and its affiliates are not precluded from conducting activities unrelated to other Apollo Clients. The Investment Manager and/or Sub-Investment Manager and Apollo believe that these other activities will not materially interfere with their responsibilities to the Sub-Fund.

**Dilution from subsequent closings.** The Sub-Fund could hold subsequent closings to admit additional Investors to the Sub-Fund following the Initial Closing date, or to accept additional subscriptions from existing Investors, at any time on or prior to the Final Closing Date. The value of the Sub-Fund's portfolio investments during the period between the Initial Closing date and the Final Closing Date may fluctuate, including by significantly increasing or decreasing in value. New or increasing Investors subscribing for interests at subsequent closings will generally participate in existing investments of the Sub-Fund, diluting the interests of existing Investors of the Sub-Fund therein. The purchase price per Share of each Class will be equal to the most recent NAV per Share for such Class. The NAV per Share will be solely determined based on the information available to the AIFM and the Administrator, if applicable, as of the applicable Valuation Day and, as such, may not reflect information subsequently received in connection with the preparation of any financial statements delivered to the Investors. The Sub-Fund complies with CSSF Circular 02-77, as amended, supplemented or replaced, regarding the protection of investors in case of NAV calculation error and correction of the consequences resulting from non-compliance with the investment rules is applicable. Subject to the

forementioned circular, the Sub-Fund will not retroactively adjust any subscription price to reflect amounts subsequently reported in any financial statements.

**Recourse to the sub-fund assets.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle, the Sub-Funds and the Shares—Recourse to Fund Assets*" section of the general part of the Prospectus.

In addition to secured financing arrangements, the Sub-Fund could employ preferred financing arrangements with respect to some or all of its investments. In such arrangements, a financing provider (which could be a third party or an Apollo affiliate or Apollo Client, or a portfolio company thereof) typically provides cash liquidity in exchange for the right to receive a return of such amount plus a preferred return thereon prior to the return of any additional proceeds to the Sub-Fund. Subject to the Fund Documents, such arrangements could be employed to accelerate distributions to Investors or to provide for additional capital for new or follow-on investments by the Sub-Fund. These arrangements could result in the Sub-Fund receiving a lower overall return of distributions than it would otherwise have received if, for example, an investment is held for a long period of time, resulting in a compounding preferred return in favor of the financing provider, or where the proceeds of the financing are reinvested in investments that do not perform as well as the original investments that were subject to the financing arrangement. Subject to the Fund Documents secured financing arrangements will not be treated as borrowings incurred by the Sub-Fund for purposes of determining the Sub-Fund's compliance with the limitations on borrowings set forth in the Fund Documents.

In general, the use of short-term margin borrowings results in certain additional risks to the Sub-Fund. For example, should the securities pledged to brokers to secure the Sub-Fund's margin accounts decline in value, the Sub-Fund could be subject to a "margin call," pursuant to which the Sub-Fund must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Sub-Fund's assets, the Sub-Fund might not be able to liquidate assets quickly enough to satisfy its margin requirements.

The Sub-Fund may be subject to margin calls in connection with its derivative transactions that are subject to variation margin requirements. The dynamic nature of the margin models utilized by the clearinghouses and the fact that the margin models might be changed at any time could subject the Sub-Fund to an unexpected increase in collateral obligations to clearinghouses during a volatile market environment, which could have a detrimental effect on the Sub-Fund. Clearinghouses may also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which in certain circumstances would require the Sub-Fund to borrow eligible securities from a dealer to meet margin calls and would raise the costs of cleared trades to the Sub-Fund.

**Expertise; experts.** References herein to "expertise" or any party being an "expert" are based solely on the belief of Apollo, are intended only to indicate proficiency as compared to an average person and in no way limit or alter the exculpation provisions and related standard of care applicable to Apollo as more fully described herein and in the Fund Documents. Any awards, honors or other references or rankings referred to herein with respect to Apollo and/or any Apollo personnel are provided solely for informational purposes and are not intended to be, nor should they be construed or relied upon as, any indication of future performance or other future activity. Any such awards, honors or other references or rankings may have been based on subjective criteria and may have been based on a limited universe of participants, and there are other awards, honors or other references or rankings given to others and not received by Apollo and/or any Apollo personnel.

**Bridge financings.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle, the Sub-Funds and the Shares—Equity Bridge to Financing*" section of the general part of the Prospectus.

From time to time, the Sub-Fund may provide interim financing to Portfolio Companies or may "underwrite" Co-Investment capital in order to facilitate an investment, typically on an unsecured basis (which may initially be intended on a short-term basis but may become a long-term basis as more fully described below) in anticipation of a future issuance of equity or long-term debt securities, repayment, refinancing or "sell-down" to Co-Investors. It can be expected that the Sub-Fund will make loans to Portfolio Companies where such Portfolio Company requires an infusion of cash for various reasons, including, but not limited to, capital expenditures. In some situations, the Sub-Fund expects to make a short-term loan or otherwise invest on an interim basis in a Portfolio Company. In particular, the Sub-Fund may (i) acquire investments in excess of the amounts that the Sub-Fund wishes to hold therein with a view to selling the excess to another person or entity within 12 months or less of such acquisition, (ii) acquire investments intended to be financed by the Sub-Fund or a special purpose vehicle with a third party within 12 months or less of its acquisition or (iii) engage in



financing transactions (including loan guarantees) intended to be repaid in 12 months or less entered into between the Sub-Fund and a Portfolio Company on an interim basis pending the refinancing or sale to another person or entity in connection with, or in order to facilitate, the consummation of the Sub-Fund's investment in the Portfolio Company. While any such short-term loan (or bridge financing) could be converted into a more permanent, long-term security, it is entirely possible, for reasons not always in the Sub-Fund's control, issuance of long-term securities or other refinancing or syndication may not occur and such short-term loans (or bridge financings) may remain outstanding for long periods of time. Similarly, expected sources of cash to repay loans may not become available. In such events, the interest rate charged may not adequately reflect the risk associated with the position taken by the Sub-Fund.

Where both the Sub-Fund and one or more Syndication Entities (as defined below) commit to all or any portion of an investment that is expected to be syndicated, Apollo may choose to split the post-closing syndication between the Sub-Fund and such Syndication Entities based on a methodology determined by Apollo, in its discretion, which could include syndication on a non-pro rata basis. If there is insufficient demand and the full amount bridged by the Sub-Fund and Syndication Entities in the aggregate is not repaid, refinanced or syndicated (including for reasons outside of the control of the Sub-Fund or such Syndication Entities), the Sub-Fund will be left with a more concentrated exposure to the relevant investment than was originally desired and a more concentrated exposure than it would have had if the Sub-Fund's Bridge Financing were syndicated on a priority basis relative to Syndication Entities. In addition, where Syndication Entities and/or the Sub-Fund commit to any portion of a follow-on investment that is expected to be syndicated and any portion of such follow-on investment is not successfully syndicated, Syndication Entities and/or the Sub-Fund could as a result participate in the follow-on investment on a non-pro rata basis relative to their share of the original investment. In connection with any syndication undertaken together by the Sub-Fund and any Syndication Entities, it is anticipated that the Sub-Fund would obtain "back-to-back" commitments or support from such Syndication Entities and bear the credit risk of such Syndication Entities vis-à-vis the potential Portfolio Company. The Sub-Fund may not be compensated for bearing such risk; however, it is not anticipated that such risk would be material. Furthermore, the interest rate (if any) on a Bridge Financing may not adequately reflect the risk associated with the unsecured position taken by the Sub-Fund. See the "*Potential Conflicts of Interest—Syndication Entities*" section of the general part of the Prospectus.

**Failure to vote.** From time to time during the term of the Sub-Fund, the Board of Directors may require or otherwise solicit the vote, consent or waiver of Investors in connection with a proposed action or event relating to the Sub-Fund, the Investment Manager and/or Sub-Investment Manager or their affiliates. The outcome of any such vote, consent or waiver could adversely impact an Investor. Subject to the terms of the Fund Documents, any such vote, waiver or consent will be tabulated or made as if (subject to certain exceptions specified in the Fund Documents) any Investor that abstains from, or fails to respond in the affirmative or negative with respect to such vote, consent or decision prior to any deadline established by the Board of Directors for such response were not an Investor. In the event that such failure is not intentional on the part of the relevant Investor (for example, if the related solicitation by the Board of Directors has been unintentionally overlooked, or the response time is not sufficient for the relevant Investor), the wishes of the relevant Investor will not be taken into account in determining the outcome of any such solicitation by the Board of Directors.

**Strategic partnerships.** Apollo has entered, and expects in the future to enter, into co-investment relationships with Strategic Partnerships or the investors therein, which provide for them to be offered (or Apollo could be incentivized to offer) certain co-investment opportunities on a priority basis and/or on preferential terms when such opportunities arise.

Where management fees and carried interest are applicable at the level of any dedicated vehicles or accounts through which such investors participate in Apollo products, such terms may include a waiver of management fees and carried interest on their investment in the Sub-Fund and/or other Apollo Clients, as applicable.

**Government and agency risk.** In some instances, the making or acquisition of an investment may involve substantive continuing involvement by, or an ongoing commitment to, a government, quasi-government, industry, self-regulatory or other relevant regulatory authority, body or agency (collectively, "Regulatory Agencies"). The nature of these obligations exposes the owners of the relevant investments to a higher level of regulatory control than typically imposed on other businesses.

Regulatory Agencies might impose conditions on the construction, operations and activities of a business or asset as a condition to granting their approval or to satisfy regulatory requirements, including requirements that such assets remain managed by the Investment Manager and/or Sub-Investment Manager, the Sub-Fund or their affiliates which could limit the ability of the Sub-Fund to dispose of portfolio investments at opportune times.

Regulatory Agencies often have considerable discretion to change or increase regulation of the operations of a Portfolio Company or to otherwise implement laws, regulations or policies affecting its operations (including, in each case, with retroactive effect), separate from any contractual rights that the Regulatory Agencies' counterparties have. Accordingly, additional or unanticipated regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, could be required to acquire an investment, and additional approvals could become applicable in the future due to, among other reasons, a change in applicable laws and regulations or a change in the relevant Portfolio Company's activities. There can be no assurance that a Portfolio Company will be able to (i) obtain all required regulatory approvals that it does not yet have or that it could require in the future, (ii) obtain any necessary modifications to existing regulatory approvals or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility owned by a Portfolio Company, the completion of a previously announced acquisition or sale to a third party, or could prevent operation of a facility owned by a portfolio company, the completion of a previously announced acquisition or sale to a third party, or could otherwise result in additional costs and material and adverse consequences to a portfolio company and the Sub-Fund.

Regulatory Agencies could be influenced by political considerations and could make decisions that adversely affect a Portfolio Company's business. There can be no assurance that the relevant government will not legislate, impose regulations, or change applicable laws, or act contrary to the law in a way that would materially and adversely affect the business of a Portfolio Company, including causing the reduction or elimination of a subsidy (on which certain types of investments might be materially dependent), all of which could have a material adverse impact on relevant investments by the Sub-Fund.

**Outsourcing.** Consistent with other Apollo-managed funds' existing activities and what Apollo believes to be typical industry practice, the Board of Directors, the Investment Manager and/or Sub-Investment Manager is expected to outsource to third parties many of the services performed for the Sub-Fund and/or its Portfolio Companies, including services (such as administrative, legal, accounting, certain elements or portions of investment diligence and certain ongoing monitoring, tax or other related services) that could be expected to be performed in-house by the Investment Manager and/or Sub-Investment Manager and its personnel. The fees, costs and expenses of such third-party service providers will be borne by the Sub-Fund as Operating Expenses, even if the costs of such services had not historically been charged to Apollo-managed funds when performed in-house, to the extent applicable.

The decision to engage a third-party service provider and the terms (including economic terms) of such engagement will be made by the Board of Directors and/or the Investment Manager and/or Sub-Investment Manager in their discretion, taking into account such factors as they deems relevant under the circumstances. Certain third-party service providers and/or their employees (and/or teams thereof) could dedicate substantially all of their business time to the Sub-Fund, other Apollo Clients and/or their respective Portfolio Companies, while others could have other clients. In certain cases, third-party service providers and/or their employees (including part- or full-time secondees to Apollo) may spend some or all of their time at Apollo offices, have dedicated office space at Apollo, have Apollo-related e-mail addresses, receive administrative support from Apollo personnel or participate in meetings and events for Apollo personnel, even though they are not Apollo employees or affiliates. The Investment Manager and/or Sub-Investment Manager will have an incentive to outsource services to third parties due to a number of factors, including because the fees, costs and expenses of such service providers will be borne by the Sub-Fund as Operating Expenses (with no reduction or offset to management fees) and retaining third parties could reduce the Investment Manager and/or Sub-Investment Manager's internal overhead, compensation and benefits costs for employees who would otherwise perform such services in-house. Such incentives likely exist even with respect to services where internal overhead, compensation and benefits are chargeable to the Sub-Fund. The involvement of third-party service providers may present a number of risks due to the Investment Manager and/or Sub-Investment Manager's reduced control over the functions that are outsourced. There can be no assurances that the Investment Manager and/or Sub-Investment Manager will be able to identify, prevent or mitigate the risks of engaging third-party service providers. The Sub-Fund could suffer adverse consequences from actions, errors or failures to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them. Outsourcing and in-house services may not occur uniformly for all other Apollo Clients and, accordingly, certain costs could be incurred by (or allocated to) the Sub-Fund through the use of third-party (or internal) service providers that are not incurred by (or allocated to) other Apollo Clients.

**Overhead allocation.** Apollo has in-house accounting, legal, compliance, tax, administrative, operational, finance, risk, reporting, technology, investor servicing and other types of personnel or employees that provide

support to Apollo Clients (including the Sub-Fund) and their respective subsidiaries and potential and existing portfolio investments on an ongoing basis. These employees assist with, among other things, the legal, compliance, tax, administrative, operational, finance, risk, reporting, technology, investor servicing and other functions of the Investment Manager and/or Sub-Investment Manager, the Investment Manager and/or Sub-Investment Manager, their affiliates and Apollo Clients (including the formation of, and capital raising for, Apollo Clients) and their respective acquisition, due diligence, holding, maintenance, financing, restructuring and disposition of investments, including, without limitation, mergers and acquisitions, financing and accounting, legal, tax and operational support and risk, litigation and regulatory management and compliance. The performance of such functions by Apollo employees could be in addition to or as an alternative to the outsourcing of any such services to third party service providers at market rates, including entities and persons regularly used by Apollo and its affiliates, Apollo Clients and their respective potential and existing portfolio investments.

All fees, costs and expenses incurred by Apollo (including allocable compensation (such as salary, bonus, and payroll taxes) and benefits (such as health insurance and compensation for vacation time and sick time) of such personnel or employees and other related overhead otherwise payable by Apollo in connection with their employment, such as rent, property taxes and utilities allocable to workspaces) in connection with services performed by personnel or employees of the Investment Manager and/or Sub-Investment Manager, the Investment Manager and/or Sub-Investment Manager or their affiliates that constitute services for or in respect of the Sub-Fund, its subsidiaries and its existing and potential portfolio investments, will be allocable to and borne by the Sub-Fund. Without prejudice to the above, in relation to the Investment Manager and/or Sub-Investment Manager, the overhead allocation could also specifically include fees, costs and/or expenses relating to services connected to the valuation function, the risk management function and the finance function (i.e., including the supervision and oversight of the central administration function). Such allocations to the Sub-Fund will be based on any of the following methodologies (or any combination thereof), among others: (i) requiring personnel to periodically allocate their historical time spent with respect to the Sub-Fund, other Apollo Clients, the Investment Manager and/or Sub-Investment Manager, approximating the proportion of certain personnel's time spent with respect to the Sub-Fund (which is anticipated to be tracked on a regular, but not necessarily weekly or biweekly or similar basis), and, in each case, either allocating their compensation and allocable overhead based on such approximations of time spent, or charging such approximations of time spent at market rates, (ii) the assessment of an overall dollar amount (based on a fixed fee or percentage of assets under management) that the Investment Manager and/or Sub-Investment Manager determines in good faith represents a fair recoupment of expenses and a market rate for such services or (iii) any other methodology determined by the Investment Manager and/or Sub-Investment Manager in good faith to be appropriate and practicable under the circumstances. Such methodologies take into account an employee's aggregate compensation without any deduction for compensation allocable to vacation time, sick time, weekend time, break time, overnight hours, time spent in training or other administrative tasks, or any other hours during a year when an employee is not working on Apollo or Apollo Client matters. This means, for example, that allocable compensation and benefits attributable to an employee that is on vacation for one week out of a month will still be based on the full amount of compensation paid to the employee for such month, without any deduction for the vacation week.

The methodology described above utilized for one personnel group could be different from the methodology utilized by another personnel group, and different methodologies may be utilized, including within a single personnel group, at different times or in determining different types of allocations (such as allocations among Apollo Clients, on the one hand, and allocations as between Apollo Clients and Apollo affiliates, on the other hand). Determining such charges based on approximate allocations, rather than time recorded on an hourly or similar basis (which will not be undertaken), could result in the Sub-Fund being charged a different amount (including relative to another Apollo Client), which could be higher or lower, than would be the case under a different methodology. Any methodology (including the choice thereof), as well as the application of any approximations it entails, involves inherent conflicts between the interests of the Sub-Fund, on the one hand, and any other Apollo Client or Apollo affiliate to which all or a portion of the relevant personnel's time would otherwise be charged, on the other hand, and could result in incurrence of greater expenses by the Sub-Fund and its subsidiaries and potential and existing portfolio investments than would be the case if such services were provided by third parties at market rates. Further, there could be Apollo Clients whose governing documents restrict or preclude the allocation of any of the foregoing amounts to such Apollo Clients, in which case such Apollo Clients could bear a lesser amount of such expenses relative to the Sub-Fund or any other Apollo Client or not bear any such expenses at all. See the "Operating Expenses" section of this Sub-Fund Supplement.

**General investment risks.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—General Investment Risks*" section of the general part of the Prospectus.

All investments involve risks, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the Sub-Fund's investment objectives will be achieved. The Sub-Fund may utilize various investment techniques, such as leverage, which can in certain circumstances increase the adverse impact to which the Sub-Fund's investments may be subject. See the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Use and Availability of Leverage; Recent Changes in the Credit Markets*" section of the general part of the Prospectus and the "*—Use and Availability of Leverage; Changes in Credit Markets*" section below. In the event of the insolvency of the issuer of securities in which an investment has been made, or a related event such as a bail in under which creditors of the issuer (including bondholders) are required to accept a write off of amounts owed, some or all of the amount invested is likely to be lost.

**General economic conditions and events.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—General Economic Conditions and Recent Events*" section of the general part of the Prospectus.

Various sectors of the global financial markets previously have experienced and could in the future experience adverse conditions. Further, volatility in the global financial markets and political systems of certain countries may have adverse spill-over effects into the global financial markets generally and U.S. markets in particular. The private equity industry generally, and the Sub-Fund's investment activities in particular, are affected by general economic and market conditions and activity, such as interest rates and consumer spending patterns, availability and spreads of credit, a lack of price transparency (see the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Use and Availability of Leverage; Recent Changes in the Credit Markets*" section of the general part of the Prospectus and the "*—Use and Availability of Leverage; Changes in Credit Markets*" section below), credit defaults, inflation rates, economic uncertainty, changes in tax, currency control and other applicable laws and regulations, trade barriers, technological developments, and national and international political, environmental and socioeconomic circumstances. Market disruptions in a single country could cause a worsening of conditions on a regional and even global level. A worsening of general economic and market conditions would likely affect the level and volatility of securities prices and the liquidity of the Sub-Fund's investments, which could impair the Sub-Fund's profitability, result in losses and impact the Investors' investment returns. A depression, recession or slowdown in the global economy or one or more regional markets (or any particular segment thereof) or a weakening of credit markets (including a perceived increase in counterparty default risk) would have a pronounced impact on Apollo, the Sub-Fund and the Portfolio Companies (which would likely be exacerbated by the presence of leverage in a particular Portfolio Company's capital structure) and could adversely affect their profitability and ability to execute on their business plans, satisfy existing obligations, make and realize investments successfully, originate or refinance credit or draw on existing financings and commitments. The market price of any publicly traded securities held by the Sub-Fund will separately be impacted by these conditions including in a manner that does not reflect the direct impact on the relevant Portfolio Companies. The Investment Manager and/or Sub-Investment Manager's financial condition also could be adversely affected by a significant general economic downturn, and the Investment Manager and/or Sub-Investment Manager could be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Investment Manager and/or Sub-Investment Manager's business and operations.

Other factors that could negatively affect the Sub-Fund's business, potentially materially, include any new or variant outbreaks of coronavirus disease 2019 ("**COVID-19**"), SARS, H1N1/09 flu, avian flu, other coronaviruses, monkeypox, Ebola or other existing or new epidemic diseases, or the threat thereof, which could have a significant adverse impact on the Sub-Fund and its investments and could meaningfully adversely affect the Sub-Fund's ability to fulfill its investment objectives. Actual pandemics, or fear of pandemics, can trigger market disruptions or economic turndowns with the consequences described above. Neither the Board of Directors, the Investment Manager nor the Sub-Investment Manager can predict the likelihood of disease outbreaks occurring in the future nor how such outbreaks may affect the Sub-Fund's investments.

The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern" and a pandemic. The outbreak of COVID-19 (and the emergence of several variants thereof) has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility and liquidity concerns in certain equity, debt, derivatives and commodities markets. The global impact of the outbreak has been rapidly evolving; and, as cases of the virus have continued to be

identified, many countries have reacted by instituting quarantines, restrictions on travel, bans and/or limitations on public events and public gatherings, closures of a variety of venues (e.g., restaurants, concert halls, museums, theaters, schools and stadiums, non-essential stores, malls and other entertainment facilities and commercial buildings) or shelter-in-place orders. Businesses have also implemented protective measures, such as work-from-home arrangements, partial or full shutdowns of operations, furlough or termination of employees and cancellation of customer, employee or industry events. Such measures, including the unknown duration thereof in many instances, as well as the general uncertainty surrounding the dangers and impact of COVID-19, have created, and are continuing to create, disruption in global supply chains, and adversely impacting a number of industries, such as transportation, retail, hospitality and entertainment. Additionally, as certain U.S. states and other countries begin to reduce protective measures and "re-open," there is no guarantee that such measures will not further adversely affect businesses or that they will remain "re-opened." The U.S. federal government and U.S. state and local governments have implemented, and are continuing to implement, a variety of actions to mobilize efforts to mitigate the ongoing and expected impact, and the Centers for Disease Control and Prevention has implemented its pandemic preparedness and response plans, working on multiple fronts, including providing specific guidance on measures to prepare communities to manage and mitigate the local spread of COVID-19 throughout the United States. The outbreak is viewed as adversely impacting economic and market conditions and could trigger a prolonged period of global economic slowdown. The rapid and evolving development of this situation precludes any prediction as to the ultimate adverse impact of COVID-19.

The effect of the COVID-19 outbreak on the economy and on the public has been severe and could exacerbate other pre-existing political, social, economic, market and financial risks. Further, while there have been proposed, and in some cases enacted, economic stimulus measures aimed at curbing the negative economic impacts to the United States and other countries as a result of COVID-19, it cannot be determined at this time whether such stimulus measures will continue to have a stabilizing economic effect, or whether such measures could have ancillary, destabilizing economic effects, including, but not limited to, labor shortages. Health advisors warn that continued "waves" of outbreaks, including of new variants, are possible if the reopening of the economy is pursued too soon or in the wrong manner, which could further prolong the adverse economic impacts of COVID-19. A prolonged continuation of the current COVID-19 pandemic, together with any containment or other remedial measures (including governmental measures) undertaken or imposed, has resulted in the closure of businesses, including office buildings, retail stores and other commercial venues and could also result in (a) the lack of availability or price volatility (including price inflation) of raw materials or component parts, (b) disruption of regional or global trade markets and/or the availability of capital, (c) trade or travel restrictions, (d) fluctuations in the exchange rate between the U.S. dollar and other currencies of assets in which the Sub-Fund invests are denominated (which may affect the value of the Sub-Fund's portfolio in such local currency), (e) a general downward pressure on asset values, particularly assets in hard hit industries and/or (f) a general economic decline, each of which could have a materially adverse impact on the Sub-Fund's value, the Sub-Fund's direct or indirect investments or the Sub-Fund's ability to make new investments. For example, the COVID-19 pandemic has already led to significant losses and extreme volatility in the financial markets (including several brief automatic suspensions of trading on U.S. stock exchanges).

In addition, the operations of the Sub-Fund and the companies in which it invests may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel and movement, remote working requirements (which requirements subject the Sub-Fund to additional data protection risks and other social, political, financial, legal and regulatory or other factors related to an actual or threatened public health emergency (such as COVID-19), including its potential short-term and/or long-term adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers. These circumstances also may hinder the Sub-Fund's ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Because the COVID-19 pandemic is an unprecedented event in modern history, the duration and magnitude of its impacts are unknown. While the Sub-Investment Manager believes that it can pursue its investment strategy during this pandemic, there is no assurance that the Sub-Fund's investment objectives will be achieved. Further, if a future pandemic occurs (including a recurrence of COVID-19) during the term of the Sub-Fund, it may not achieve its investment objectives or may not be able to realize its investments within its term. Prospective Investors should be aware that developments regarding COVID-19 and the economic impact thereof (both long-term and short-term) are changing rapidly and neither the Board of Directors, the Investment Manager nor the Sub-Investment Manager can predict the potential long-term effects of the pandemic on the Sub-Fund and its investments.

**Interest rate fluctuations.** General fluctuations in the market prices of securities and interest rates may affect the value of the investments held by the Sub-Fund. Volatility and instability in the securities markets may also increase the risks inherent in the Sub-Fund's investments. The ability of companies, businesses or Portfolio Companies in which the Sub-Fund may invest to refinance debt securities and/or other financial instruments may depend on their ability to sell new securities and/or debt instruments in the high-yield debt or bank financing markets, which may be difficult to access at favorable rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed-rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. The Sub-Fund may experience increased interest rate risk to the extent it invests, if at all, in lower-rated instruments, debt instruments with longer maturities, debt instruments paying no interest (such as zero coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments.

The Sub-Fund and its Portfolio Companies are expected to regularly seek to acquire new debt and refinance existing debt, including in the liquid debt markets, and significant declines in pricing of debt securities or other financial instruments or increases in interest rates, or other disruptions in the credit markets, would make it difficult to carry on normal financing activities, such as obtaining committed debt financing for acquisitions, bridge financings or permanent financings. Tightening of loan underwriting standards, which often occurs during market disruptions, can have a negative impact including through reduction of permitted leverage levels and increased requirements for borrower quality. The Sub-Fund's ability to generate attractive investment returns will be adversely affected by any worsening of financing terms and availability.

**General risks related to the sub-fund's clean transition equity investment strategy.** Clean transition equity impact investments sought by the Sub-Fund may not provide as favorable returns or protection of capital as other investments. The Sub-Fund may structure certain investments using non-standard terms that are less favorable for the Sub-Fund than those traditionally found in the marketplace for investment strategies that do not link social and/or environmental impact to financial returns. Moreover, the Sub-Fund may determine to forgo an investment that could provide favorable returns because such investment would not have sufficient clean transition equity impact.

**Business and market risks.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Business and Market Risks*" section of the general part of the Prospectus.

As discussed below under "*Investments in Less Established Companies*," the Sub-Fund may invest in start-up enterprises or may engage in forming new businesses which may involve greater risks than those generally associated with investments in more established companies.

**Competition for investment opportunities.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Competition for Investment Opportunities*" section of the general part of the Prospectus.

There is currently, and will continue to be, competition for investment opportunities by investment vehicles with investment objectives and strategies identical or similar to the Sub-Fund's investment objectives and strategies, as well as by other private equity funds, business development companies, strategic investors, hedge funds and others, including, in particular, Apollo's Climate Finance business, Apollo's Infrastructure business and Apollo's Social Impact business and their respective parallel funds and alternative investment vehicles. See the: "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Allocation of Investment Opportunities*" and "*Conflicts of Interest—Allocation of Investment Opportunities*" sections of the general part of the Prospectus; the "*Allocation of Investment Opportunities*" section below; and the "*Allocation of Investment Opportunities*" section of Annex I10 of this Sub-Fund Supplement. Some of these competitors may have more relevant experience, greater financial, technical, marketing and other resources, more personnel, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital, access to funding sources unavailable to the Sub-Fund and a greater ability to achieve synergistic cost savings in respect of an investment than the Sub-Fund, the Investment Manager, the Sub-Investment Manager, Apollo and each of their respective affiliates. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Sub-Fund and adversely affecting the terms, including pricing, upon which portfolio investments can be made. Such

competition is particularly acute with respect to participation by the Sub-Fund in auction proceedings. To the extent that the Sub-Fund encounters competition for investments, returns to Investors may decrease, including as a result of significant fees and expenses identifying, investigating and attempting to acquire potential investments that the Sub-Fund does not ultimately acquire, including fees and expenses relating to due diligence, travel and related expenses.

**Allocation of investment opportunities.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Allocation of Investment Opportunities*" section of the general part of the Prospectus.

Apollo provides investment management services to other Apollo Clients, and Apollo and/or such Apollo Clients could have one or more investment strategies that overlap or conflict with those of the Sub-Fund, including, in particular, Apollo's Climate Finance business, Apollo's Infrastructure business and Apollo's Social Impact business and their respective parallel funds and alternative investment vehicles. See the: "*Conflicts of Interest—Allocation of Investment Opportunities*" section of the general part of the Prospectus and the "*—Allocation of Investment Opportunities*" section of Annex II of this Sub-Fund Supplement. The employment by Apollo of conflicting strategies for other Apollo Clients could adversely affect the pricing and availability of the securities and other assets in which the Sub-Fund invests.

As a general matter, the Sub-Fund will be permitted to participate in investment opportunities alongside other Apollo Clients and in certain instances alongside Apollo affiliates (such as Syndication Entities), subject to and in accordance with Apollo's allocation policies and procedures, in effect from time to time.

**Exclusive arrangements.** It is possible that, from time to time, the Sub-Fund, Apollo, other Apollo Clients or any of their respective affiliates or Portfolio Companies, could enter into exclusivity, non-competition or other arrangements with one or more joint venture partners, operating partners or other third parties with respect to potential investments in a particular geographic region or with respect to a specific industry or asset type pursuant to which the Sub-Fund or Apollo or any of their respective affiliates, could agree, among other things, not to make investments in such region or with respect to such industry or asset type outside of its arrangement with such person. Similar issues could arise in connection with the disposition of an investment. Accordingly, there could be circumstances in which Apollo or an Apollo Client could source a potential investment opportunity or be presented with an opportunity by a third party, and, as a result of such arrangements with such person, the Sub-Fund or its Portfolio Companies could be precluded from pursuing such investment opportunity.

Such investments will involve risks in connection with such third-party involvement, including the possibility that a third party could have financial difficulties resulting in a negative impact on such investments. Furthermore, a third-party co-investor or manager or operator might have economic or business interests or goals that are inconsistent with those of the Sub-Fund or could be in a position to take (or block) action in a manner contrary to the investment objectives of the Sub-Fund. The Sub-Fund might also in certain circumstances be liable for the actions of such third parties. While the Sub-Fund can seek to obtain indemnities to mitigate such risk, such efforts might not be successful. Investments made with such third parties in joint ventures or other entities could involve arrangements whereby the Sub-Fund would bear a disproportionate share of the expenses of the joint venture and/or portfolio entity, as the case may be, including any overhead expenses, management fees or other fees payable to the joint venture partner (or the management team of the joint venture portfolio entity), employee compensation, diligence expenses or other related expenses in connection with backing the joint venture or the build out of the joint venture portfolio entity. Such expenses can be borne directly by the Sub-Fund as Operating Expenses or indirectly as the Sub-Fund bears the start-up and ongoing expenses of the newly formed joint venture portfolio entity.

The compensation paid to joint venture and operating partners, if any, could be comprised of various types of arrangements, including one or more of the following: (i) management or other fees, including, for example, origination fees and development fees payable to the joint venture partner (or the management team of the joint venture portfolio entity); (ii) carried interest distributions and/or other profit sharing arrangements payable to the joint venture partner (or the management team of the joint venture portfolio entity), including profits realized in connection with the disposition of a single asset, the whole joint venture portfolio entity or some combination thereof; and (iii) other types of fees, bonuses and compensation not otherwise specified above. None of the compensation or expenses described above, if any, will be offset against any Management Fee payable to the Investment Manager and/or Sub-Investment Manager or Carried Interest payable to the Carried Interest Recipient in respect of the Sub-Fund. In addition, joint venture and operating partners (and/or their officers, directors, employees or other associated persons), if any, could be permitted to invest in the Sub-Fund, other Apollo Clients or specific transactions (including Portfolio Companies) on a no-fee/no-carry basis.

Members of the management team for a joint venture portfolio entity could include consultants and/or former Apollo employees.

In the event that the Sub-Fund has a non-controlling interest in any such investment, there can be no assurance that minority rights will be available to it or that such rights will provide sufficient protection of the Sub-Fund's interests. The Sub-Fund's investment strategies in certain investments could, but are not expected to, depend on its ability to enter into satisfactory relationships with joint venture or operating partners. There can be no assurance that Apollo's future relationship with any such partner or operator would continue (whether on currently applicable terms or otherwise) with respect to the Sub-Fund or that any relationship with other such persons would be able to be established in the future as desired with respect to any sector or geographic market and on terms favorable to the Sub-Fund.

**Hedging policies/risks.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Hedging Policies/Risks*" section of the general part of the Prospectus.

For certain investment-related hedging transactions, it can be expected to be advantageous for counterparties to trade solely with one or more of the CTE Funds. For these transactions, it is anticipated that the Sub-Fund (or the relevant Other CTE Fund) would then enter into back-to-back trade confirmations or other similar arrangements with the relevant Other CTE Fund or other Apollo Clients. The party owing under such an arrangement may not have resources to pay its liability, however, in which case the other party will bear more than its pro rata share of the relevant loss. In certain circumstances where the Sub-Fund participates in a Portfolio Investment alongside any other Apollo Client, the Sub-Fund may bear more than its pro rata share of relevant expenses related to such Portfolio Investment, including, but not limited to, as the result of such other Apollo Client's insufficient reserves or inability to call capital contributions to cover expenses. It is not expected that the Sub-Fund or other Apollo Clients will be compensated for agreeing to be primarily liable vis-a-vis a third-party counterparty.

**Investments in structured products.** Subject to the Fund Documents, the Sub-Fund may invest in securities backed by, or representing interests in, certain underlying instruments ("structured products"). The cash flow on the underlying instruments may be apportioned among the structured products to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to the structured products is dependent on the extent of the cash flow on the underlying instruments. The Sub-Fund may invest in structured products that represent derived investment positions based on relationships among different markets or asset classes.

The performance of structured products will be affected by a variety of factors, including priority in the capital structure of the issuer, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

The risks associated with structured products involve the risks of loss of principal due to market movement. In addition, investments in structured products may be illiquid in nature, with no readily available secondary market. Because they are linked to their underlying markets or securities, investments in structured products generally are subject to greater volatility than an investment directly in the underlying market or security. Total return on a structured product is derived by linking the return to one or more characteristics of the underlying instrument. Because certain structured products of the type in which the Sub-Fund may invest may involve no credit enhancement, the credit risk of those structured products generally would be equivalent to that of the underlying instruments. The Sub-Fund may invest in a class of structured products that is either subordinated or unsubordinated to the right of payment of another class. Subordinated structured products typically have higher yields and present greater risks than unsubordinated structured products.

Certain issuers of structured products may be deemed to be "investment companies" as defined in the Investment Company Act or may be subject to law or regulation in the jurisdiction in which they have their registered offices and/or head offices ("Home Jurisdictions"). As a result, the Sub-Fund's investments in these structured products may be limited by the restrictions contained in the Investment Company Act or in such Home Jurisdiction law or regulation. Structured products are typically sold in private placement transactions, and there currently is no active trading market for structured products. As a result, certain structured products in which the Sub-Fund invests may be illiquid.



**Use and availability of leverage; changes in credit markets.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Use and Availability of Leverage; Recent Changes in the Credit Markets*" section of the general part of the Prospectus.

The availability of capital is generally a function of capital market conditions that are beyond the control of the Sub-Fund or any Portfolio Company. Subject to the Fund Documents, the Sub-Fund will leverage its investments with debt financing at the Sub-Fund, special purpose vehicle, portfolio investment and/or Portfolio Company level. Utilization of such leverage (including through credit facilities (including subscription line and net asset value facilities), guarantees, letters of credit, equity commitment letters, reverse repurchase agreements, dollar rolls, margin financing, options, repurchase agreements, contracts and swaps (including TRS), or similar credit support (including on a joint and several or cross-collateralized basis or other forms of indebtedness or credit support)) will result in fees, expenses and interest costs borne by the Sub-Fund. Although Portfolio Company-level debt is generally expected to be recourse only to the financed Portfolio Company, the Sub-Fund itself may be required to provide equity commitment letters, completion guarantees, payment guarantees, environmental indemnities and so-called "non-recourse carve out guarantees" (e.g., guarantees of losses suffered by the lender, and in some cases of the full principal amount of the loan, in the event that the borrowing entity or its equity owners engage in certain conduct such as fraud, misappropriation of funds, unauthorized transfers of the financed property or equity interests in the borrowing entity, the commencement of a voluntary bankruptcy case by the borrowing entity or under other circumstances provided for in such guaranty or indemnity). Subject to the Fund Documents and depending on the circumstances, such arrangements may not constitute borrowings or guarantees under the Fund Documents and, in such case, will not be subject to the related caps, even though these arrangements may pose many of the same risks and conflicts associated with the use of leverage that the caps intend to address. Although the use of leverage could enhance returns and increase the number of investments that can be made by the Sub-Fund, because leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates, they may also be at substantially increased risk of loss. As an example, a special purpose vehicle could enter into a "margin loan" whereby it borrows money from a bank (distributing the proceeds to the Sub-Fund, which may then make Carried Interest distributions to the Carried Interest Recipient) and pledges the shares of the underlying portfolio company (or other asset) as collateral for the loan. Under these arrangements, the special purpose vehicle would typically be subject to a margin call if the value of the underlying assets decreases significantly. In order to meet the margin call, the special purpose vehicle will need additional assets to avoid foreclosure. Even if the margin loan is not recourse to the Sub-Fund (which is the expectation), the Sub-Fund may contribute additional capital to the special purpose vehicle to avoid adverse consequences to the investment, including foreclosure on the collateral at a lower valuation. The interests of Investors and Co-Investors—or of Apollo with respect thereto, where Co-Investors do not bear carried interest—could diverge in connection with the utilization of a margin loan for an investment that includes a co-investment. Apollo will seek to cause Co-Investors to participate in any such margin loan. Furthermore, it is possible that an Affiliated Service Provider could earn Other Fees in connection with the structuring, placement or syndication of any margin loan that is directly or indirectly for the benefit of the Sub-Fund or Co-Investment vehicles.

The instruments and borrowings utilized by the Sub-Fund to leverage investments may be collateralized by any assets of the Sub-Fund (and may be cross-collateralized with the assets of any Other CTE Fund, alternative investment vehicle of the Sub-Fund, Portfolio Company or other Apollo Client formed for the purpose of co-investing in a particular investment alongside the Sub-Fund, and such entities may be held jointly and severally liable for the full amount of the obligations arising out of such instruments and borrowings). Accordingly, the Sub-Fund may pledge its assets in order to borrow additional funds or otherwise obtain leverage for investment or other purposes (including to enhance returns and provide financing for Co-Investors prior to permanent financing being established). The amount of borrowings which the Sub-Fund may have outstanding at any time may be substantial in relation to its capital.

The extent to which the Sub-Fund uses leverage may have consequences to the Investors, including the following: (i) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for Additional Investments or other purposes; (ii) increased interest expense if interest rate levels were to increase significantly; (iii) in certain circumstances, prematurely harvesting investments to service the Sub-Fund's debt obligations; and (iv) limitation on the flexibility of the Sub-Fund to sell assets that are pledged to secure the indebtedness.

**Credit facilities.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Credit Facilities*" section of the general part of the Prospectus.

The principal amount of indebtedness for borrowed money incurred directly by the Sub-Fund on a recourse basis that is outstanding at any time will be limited to (50% of the NAV of the Sub-Fund. The limitations in this paragraph will generally not apply to borrowings incurred by Portfolio Companies or entities through which investments are held, provided that such borrowings are non-recourse to the Sub-Fund. For the avoidance of doubt, subject to applicable law, neither the foregoing restrictions pertaining to borrowings and guarantees nor the limitations set forth under the "Investment Objective and Strategy" section of this Sub-Fund Supplement will apply to, or prevent the Sub-Fund from entering into (a) any non-recourse asset-based financing or (b) agreements to indemnify or provide funds in the event of breaches of contractual provisions by the Sub-Fund, its subsidiaries or its investments (whether such agreement to provide funds is described as a guarantee, performance undertaking or otherwise).

Further, the Investment Manager and/or Sub-Investment Manager is authorized to cause the Sub-Fund or one or more Portfolio Companies to borrow money (including in the form of a margin loan) or otherwise provide credit support for the purposes of causing the Sub-Fund or any such Portfolio Company to realize proceeds other than in connection with a disposition of the Sub-Fund's interest in any such Portfolio Company to a third party or in an initial public offering, subject to the terms of the Fund Documents. The Investment Manager and/or Sub-Investment Manager is incentivized to provide liquidity to the Sub-Fund and its Investors for purposes of improving the IRR of the Sub-Fund and accelerating the return of distributions to the Investors (which could result in the distribution of carried interest to the Carried Interest Recipient), even if, as stated above, the Sub-Fund has not actually disposed of or otherwise realized its interest in such Portfolio Company. If any such form of financing is entered into by the Sub-Fund or any such Portfolio Company, there will be associated, contingent liabilities that could cause the Sub-Fund or the Portfolio Company to suffer losses.

As the Investment Manager and/or Sub-Investment Manager determines, in its discretion, lenders or other providers of financing to the Sub-Fund or its existing or potential portfolio investments, operating entities or other subsidiaries can include Apollo, Apollo Clients or any of their respective affiliates or existing or potential portfolio companies, and could take the form of stapled or seller financing to Portfolio Companies that are the subject of a disposition. Any such transactions will give rise to conflicts of interest between Apollo or the relevant financing provider, on the one hand, and the Sub-Fund, on the other hand; however, subject to the Investment Manager and/or Sub-Investment Manager's policies and procedures then in effect and the terms of the Fund Documents, such transactions generally will not require the consent of the Investors.

It is possible that a counterparty, lender or other unaffiliated participant in credit facilities (or otherwise in connection with portfolio investments) requires or desires to face only one fund entity or group of entities, which may result in (i) the Sub-Fund and/or a Portfolio Company being solely liable with respect to such third party for such other entities' share of the applicable obligation or (ii) the Sub-Fund or such Portfolio Company being jointly and severally liable for the full amount of such applicable obligation. Such arrangements may result in the Sub-Fund and such third party(ies) (which could include Apollo, its affiliates or other Apollo Clients) entering into, participating in or applying a back-to-back or other similar reimbursement arrangement (and in most circumstances, especially where there are back-to-back or other similar reimbursement obligations, the Sub-Fund and/or such third parties, as applicable, would not be compensated (or provide compensation to the other) for being primarily liable to, contributing amounts in excess of its pro rata share to, or otherwise directly contracting with such counterparty, lender or other unaffiliated participant) which also could include provisions intended to mitigate certain impacts that may arise with respect to the primary obligor, which could be the Sub-Fund or Apollo, its affiliates or another Apollo Client (e.g., any reduction in the borrowing base of the Sub-Fund, as the primary obligor attributable to credit support attributable to Apollo, its affiliates or one or more other Apollo Clients that are indirect obligors) relating to a reduction in its borrowing base under a credit facility. If the Sub-Fund enters into any such arrangements with Apollo, its affiliates or one or more other Apollo Clients, it will be subject to the counterparty risk of Apollo, its affiliates or the other Apollo Clients involved, including, without limitation, the risk of a default or delay in the performance of Apollo, its affiliates or such other Apollo Client's obligations. The foregoing arrangements will arise in connection with Co-Investments, in particular where a counterparty transacts with a single entity resulting in the Sub-Fund having to enter into back-to-back arrangements with Co-Investors or a Co-Investment vehicle. Although the Investment Manager and/or Sub-Investment Manager will, in good faith, allocate the related repayment obligations and other related liabilities arising out of such credit facilities among the foregoing (to the extent applicable), the Other CTE Funds and alternative investment vehicles of the Sub-Fund will, in such circumstance, be subject to each other's credit risk, as well as the credit risk of such Portfolio Companies. In such situations it is not expected that the Sub-

Fund and/or such Portfolio Company would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third-party counterparty, and even where the Sub-Fund incurs primary liability and Apollo, its affiliates or other Apollo Clients participate in such obligation by virtue of sharing arrangements, a portion of any guarantee or other similar fees paid to the Sub-Fund likely would be shared with Apollo, its affiliates or the applicable other Apollo Client(s), despite the incremental risk taken on by the Sub-Fund.

The Investment Manager and/or Sub-Investment Manager may be subject to conflicts of interest in allocating such repayment obligations and other related liabilities. As stated above, the Sub-Fund is authorized to make permanent borrowings utilizing a credit facility or other forms of leverage, whereby the Sub-Fund borrows money with no intention at the time of the borrowing to repay it using capital contributions for any purpose, including the making of equity, debt or other investments, even if the investment is initially being permanently levered using a credit facility but ultimately replaced in whole or in part with other forms of permanent financing. Such forms of permanent leverage could be used in addition to or in lieu of portfolio investment-level financing in connection with the acquisition, financing or realization (in whole or in part) of a portfolio investment. The Investment Manager and/or Sub-Investment Manager is incentivized to maximize its use of permanent borrowings so as to ensure that capital contributions need not be drawn and therefore the preferred return will not accrue, carried interest will be allocated sooner and any recycling limitations will not be triggered. This could result in the capital structures of Portfolio Companies being structured or managed in a way that utilizes permanent forms of financing (such as permanent borrowings under a credit facility) where such forms of financing are not necessarily required in connection with the acquisition or other activity with respect to the Portfolio Company. The Fund Documents will only impose a percentage cap on the amount of cash borrowings (excluding for the avoidance of doubt, obligations that do not involve borrowings for money, such as certain derivative transactions) that are recourse to the Sub-Fund. The Investment Manager and/or Sub-Investment Manager will, in its discretion, determine whether and to what extent a borrowing is "recourse" to the Sub-Fund (and could, in the case of any borrowing or other indebtedness, determine to count such borrowing or indebtedness for purposes of such cap only to the extent that it is so secured), and will be subject to conflicts of interest in making such determination given that, among other things, if a borrowing is not deemed to be recourse to the Sub-Fund then it will not count towards the aforementioned cap on borrowings at the Sub-Fund level or be subject to certain of the limitations applicable to investments across the capital structure (including in different levels thereof) of Portfolio Companies. Furthermore, it is possible that an Affiliated Service Provider could earn Other Fees in connection with the structuring, placement or syndication of any such credit facility or other fund-level financing.

At any time, including following expiration of the Commitment Period, the Investment Manager and/or Sub-Investment Manager has the ability to cause the Sub-Fund and/or related entities, including subsidiaries and intermediate entities or special purpose vehicles that have been or will be formed for the purpose of holding one or more portfolio investments ("**SPVs**"), including newly-formed entities, to enter into "NAV" facilities or similar financing arrangements the effect of which, among other things, could accelerate the receipt of Carried Interest, to the Carried Interest Recipient. The provider of any such financing can be any person that is permitted to provide financing to the Sub-Fund, as described under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Credit Facilities*" section of the general part of the Prospectus and the "*—Credit Facilities*" section above. In connection with such transactions, the Investment Manager and/or Sub-Investment Manager has the ability to pledge the Sub-Fund's investments, including on a cross-collateralized basis. Subject to the Fund Documents, such financing arrangements will not be considered borrowings by the Sub-Fund for purposes of the limitations on borrowings (or any limits on issuing additional interests) by the Sub-Fund that are set forth in the "Borrowings" section of this Sub-Fund Supplement, and will be excluded from the calculation of applicable percentage investment limitations set forth in the "Investment Objective and Strategy" section of this Sub-Fund Supplement, provided that such borrowings are non-recourse to the Sub-Fund. For the avoidance of doubt, to the extent the subscription secured credit facility borrowings or other similar borrowings of any Other CTE Fund are cross-collateralized by the capital commitments to one or more other parallel investment vehicles, such other parallel investment vehicles (or the Investors of such other parallel investment vehicles) will be required to satisfy the borrowing Other CTE Fund's obligations. If any Other CTE Fund is required to repay all or any portion of any indebtedness and other liability or other obligation of any Other CTE Fund or alternative investment vehicle of any Other CTE Fund (including, in either case, liabilities or other obligations arising under a credit facility), then the applicable entity whose liabilities or other obligations were so repaid will, to the fullest extent permitted by law, indemnify each entity that repaid such liabilities or other obligations and reimburse each such entity in full for any amounts so repaid, such that, following such indemnification and reimbursement, each such entity will have borne its pro rata share of the applicable liability or other obligation (based on the interest of each such entity in the transaction or activity giving rise to such indebtedness, liabilities or obligations or on such other basis as the Investment Manager and/or Sub-Investment Manager determines in good faith to be fair and equitable). The Investment Manager

and/or Sub-Investment Manager will have the authority, without the consent of any other person, to implement the foregoing in such manner as it determines in good faith to be fair and equitable, which may include causing the relevant entities to enter into one or more indemnification or contribution agreements or adjusting the relative interests of such entities in the applicable Portfolio Company.

Additionally, conflicts of interest also have the potential to arise to the extent that a subscription credit facility is used to make an investment where co-investors or other Apollo Clients are not required to act as guarantors under the relevant facility or pay related costs or expenses, and therefore stand to receive the benefit of the use of the subscription credit facility and neither the Sub-Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

The Sub-Fund's internal rate of return will generally be higher than it would have been in the absence of borrowings described herein, as the internal rate of return will be calculated over a shorter period of time. In light of the foregoing, the Investment Manager and/or Sub-Investment Manager could have an incentive to fund the acquisition of investments and ongoing capital needs of the Sub-Fund with the proceeds of borrowings under credit facilities or other borrowings guaranteed by the Sub-Fund.

**"Shadow banking" regulation.** There has been increasing commentary among regulators and intergovernmental institutions, including the Financial Stability Board and International Monetary Fund, on the topic of non-bank financial intermediation (which has also been referred to as "shadow banking"). These terms are generally taken to refer to credit intermediation involving entities and activities outside the regulated banking system. The Financial Stability Board issued numerous reports recommending strengthening oversight and regulation of the non-bank financial intermediation in Europe, including steps to define the scope of the non-bank financial intermediation and proposing general governing principles for a monitoring and regulatory framework. While at this stage, it is difficult to predict the scope of any new regulations, if during the Sub-Fund's term such regulations were to extend the regulatory and supervisory requirements currently applicable to banks, such as capital and liquidity standards, to the Sub-Fund, the regulatory and operating costs associated therewith could adversely impact the implementation of the Sub-Fund's investment strategy and the Sub-Fund's returns and could become prohibitive with respect to the Sub-Fund's investments. In an extreme eventuality, it is possible that such regulations could render investments by the Sub-Fund unviable and lead to premature restructuring and/or disposition of the Sub-Fund's existing investments.

**Benchmark rates.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Benchmark Rates*" section of the general part of the Prospectus.

Many financial instruments use or may use a floating rate based on the London Interbank Offered Rate, or "LIBOR," which is the offered rate for short-term Eurodollar deposits between major international banks. On December 4, 2020, the ICE Benchmark Administration ("IBA") published its consultation on its intention to cease the publication of LIBOR settings: on December 31, 2021 for all settings of GBP, EUR, JPY and CHF LIBOR and lesser used settings of USD LIBOR and on June 30, 2023 for the more commonly used settings of USD LIBOR. Moreover, on November 30, 2020, U.S. banking regulators issued a statement to encourage banks to stop entering into new USD LIBOR contracts "as soon as practicable," and by no later than December 31, 2021. Accordingly, publication of all CHF and EUR LIBOR settings, the 1 Week and 2 Months USD LIBOR settings, and the Overnight/Spot Next, 1 Week, 2 Months and 12 Months GBP and JPY LIBOR settings ceased after December 31, 2021. Transition away from LIBOR as a benchmark reference for interest rates may affect the cost of capital and may require amending or restructuring debt instruments and related hedging arrangements for the Sub-Fund and its Portfolio Companies, and may impact the value of floating rate instruments based on LIBOR that are held or may be held by the Sub-Fund in the future, which may result in additional costs or adversely affect the Sub-Fund's liquidity, results of operations and financial condition. Industry participants continue to consider alternatives to LIBOR, and it is unclear what the prevailing reference rate will be following LIBOR's scheduled discontinuation in 2023. As an alternative to LIBOR, the Federal Reserve has endorsed replacing U.S.-dollar LIBOR with the Secured Overnight Financing Rate ("SOFR"), a new index calculated by short-term repurchase agreements, backed by U.S. Treasury Instruments. It remains unclear to what extent alternative reference rates such as SOFR will attain market acceptance as replacements for LIBOR. As such, it is not possible to predict all potential effects of these changes on U.S. and global credit markets.

Investors should be aware that: (a) any changes to benchmark rates described in the previous paragraph could cause an interest or other reference rate to be lower and/or more volatile than it would otherwise be; (b) if the applicable rate of interest on any loan is calculated with reference to a tenor or currency which is discontinued, such rate of interest could then be determined by the provisions of the affected loan, which could include

determination by the relevant calculation agent based on market convention that may or may not be developed at that time, or the loan could otherwise be subject to a certain degree of contractual uncertainty; (c) the administrators of benchmark rates will not have any involvement in the investments of the Sub-Fund and could take any actions in respect of benchmark rates without regard to the effect of such actions on such investments; (d) any uncertainty in the value of a benchmark rate or, or any uncertainty in the prominence of a benchmark rate as a benchmark interest rate due to the regulatory reform could adversely affect liquidity of the Sub-Fund's debt investments in the secondary market and their market value; and (e) an increase in alternative types of financing in place of benchmark rate-based loans (resulting from a decrease in the confidence of borrowers in such rates) could make it more difficult to source loans or reinvest proceeds in loans.

If any benchmark rate is discontinued, including LIBOR, it is uncertain whether broad and consistent replacement conventions and methodologies will be developed in the lending market and, if conventions develop, what those conventions will be and whether they will create adverse consequences for an issuer of debt obligations, or the holders of any such debt obligations. If no such conventions develop, it is uncertain what effect broadly divergent interest rate calculation methodologies in the markets will have on the price and liquidity of the lending market and the ability of the Investment Manager and/or Sub-Investment Manager to effectively mitigate interest rate risks. Though most newly-originated debt obligations in which the Sub-Fund could seek to make investments are likely to provide mechanisms to amend the reference rate for their applicable interest rates, there can be no assurance that any such amendment (i) will be entered into, (ii) that is entered into will effectively mitigate interest rate risks or result in an equivalent methodology for determining such interest rates, (iii) will be entered into prior to any date on which the relevant debtholders such as the Sub-Fund in its capacity as a debtholder, suffer adverse consequences from the elimination or modification or potential elimination or modification of LIBOR or (iv) will not have a material adverse effect on the Sub-Fund in its capacity as a debtholder and the liquidity of such floating rate investments.

Any of the above or any other significant change to the setting of a benchmark rate could have a material adverse effect on the value of, and the amount payable under any loan or other debt instrument held by the Sub-Fund which pays interest linked to a benchmark rate.

**Broker or dealer or custodian insolvency.** Without prejudice to the custody rules under applicable law, the Sub-Fund's assets may be held in one or more accounts maintained for the Sub-Fund by its prime brokers or at other brokers or with one or more custodians, which may be located in various jurisdictions. Such prime brokers, local brokers and custodians, as brokerage firms, custodians or commercial banks, may be 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 Sub-Fund'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 custodian or any of their respective sub-custodians, agents or affiliates, or a local broker, it is impossible to generalize about the effect of their insolvency on the Sub-Fund 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 Sub-Fund, which could be material.

**Additional capital.** The description below should be read in conjunction with the description given under the "Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Additional Capital" section of the general part of the Prospectus.

Each such round of financing (whether from the Sub-Fund or other investors) could be intended to provide a Portfolio Company with enough capital to reach the next major corporate milestone or for any other initiative, including to preserve, protect, enhance or optimize any existing investments. If funds provided are not sufficient, such Portfolio Company may have to raise additional capital at a price unfavorable to the existing investors, including the Sub-Fund.

The Investment Manager and/or Sub-Investment Manager, in its discretion, will have the authority to determine if a contribution of capital to a Portfolio Company (or to another issuer, including a successor of a Portfolio Company, such as in connection with Additional Investments in connection with portfolio investments in Apollo SPACs) is an Additional Investment, a Bridge Financing or other obligation of the Sub-Fund and what entity or entities comprise the Portfolio Company for this purpose, including for purposes of the Fund Documents and the limitations set forth therein with respect to concentration, limitations on Additional Investments. The Investment Manager and/or Sub-Investment Manager could be subject to conflicts of interest in making these decisions, or it could affect, among other things, the amount of capital available to invest. Further, proceeds generated from a restructuring or similar transaction that are subsequently reinvested are not expected to be subject to such limitations.

**Co-investors.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Co-Investors*" section of the general part of the Prospectus.

Apollo-affiliated managers will offer Co-Investments to, reserve Co-Investments for or otherwise cause Apollo funds, to participate in Co-Investments with Co-Investors, and the same considerations apply. It is anticipated that to the extent co-investment opportunities become available to the Sub-Fund, the Sub-Fund itself (rather than the Investors) would be the Co-Investor alongside other Apollo Clients or Apollo itself. In that regard, the Sub-Fund would bear all of the risks and obligations of being a Co-Investor (including the obligation to bear broken deal expenses) as described herein. Furthermore, it is possible that the Sub-Fund could be restricted in its ability to co-invest alongside other Apollo funds due to the governing documents of such Apollo funds restricting the participation of Apollo and/or Athene as a co-investor.

No Investor (i) should have any expectation of receiving a Co-Investment or (ii) will be owed any duty or obligation in connection therewith.

With respect to a given proposed investment or proposed disposition considered by the Sub-Fund and one or more other Apollo Clients, (i) to the extent not reimbursed by a third party, all third-party and internal expenses, including any liquidated damages, reverse termination fees or other similar payments, incurred by the Sub-Fund in connection with such proposed investment, where such proposed investment is not ultimately made by the Sub-Fund, or in connection with such proposed disposition, where such proposed disposition is not actually consummated by the Sub-Fund and (ii) to the extent not reimbursed by a third party, all third-party and internal expenses incurred by any other Apollo Client in connection with such proposed investment, where such proposed investment is not ultimately made by the other Apollo Client but is made by the Sub-Fund, or in connection with such proposed disposition, where such proposed disposition is not actually consummated by the other Apollo Client but is consummated by the Sub-Fund, may be borne, in whole or in part (at the Investment Manager and/or Sub-Investment Manager's sole discretion) by the Sub-Fund. For purposes of this paragraph, the third-party and internal expenses referred to herein include, without limitation, commitment fees that become payable in connection with a proposed investment that is not ultimately made, refundable deposits, legal, tax, administrative, accounting, advisory and consulting fees and expenses, travel, accommodation, dining (including, e.g., late-night meals for Investment Manager and/or Sub-Investment Manager employees working on a proposed investment or disposition), entertainment and related expenses, consulting and printing expenses, reverse termination fees and any liquidated damages, forfeited deposits, or similar payments.

**Risks associated with multiple objectives for investments.** In addition to any financial outcome, the Investment Manager and/or Sub-Investment Manager will take into account the Environmental Promotion when making decisions regarding the selection, management and disposal of investments. In certain situations, this strategy may outweigh financial considerations. For example, the Investment Manager and/or Sub-Investment Manager may choose to invest in an Environmental Aligned Investment that has a lower expected financial return because it has greater potential to achieve the relevant environmental characteristics than other investments. In addition, the Investment Manager and/or Sub-Investment Manager may reject an opportunity to increase the financial return of an existing investment in order to preserve the characteristics of an investment that achieve the environmental characteristics promoted by the Sub-Fund. Further, the Investment Manager and/or Sub-Investment Manager may refrain from disposing of an underperforming investment in order to minimize any negative impact on the environmental characteristics promoted by the Sub-Fund. As a result of the foregoing, the Sub-Fund may achieve lower returns than if it did not seek to promote environmental characteristics. On the other hand, the Manager and the Investment Manager and/or Sub-Investment Manager may determine in any particular situation to take steps to preserve financial returns, notwithstanding any negative impact on the environmental characteristics promoted by the Sub-Fund.

**Climate change.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Climate Change*" section of the general part of the Prospectus.

Even though the Sub-Fund is focused on investments related to reducing carbon emissions, such changes could affect companies, service providers and customers in ways that have a material adverse effect on the Sub-Fund and its investments.

**Reliance on portfolio company management.** The day-to-day operations of a Portfolio Company will be the responsibility of such company's management team, which could include representatives of other financial investors with whom the Sub-Fund is not affiliated and whose interests conflict with the interests of the Sub-

Fund. In some cases, the Investment Manager and/or Sub-Investment Manager might have limited ability to evaluate the management of such companies based on past performance due to changes in management, lack of operational history or otherwise. Although the Investment Manager and/or Sub-Investment Manager will be responsible for monitoring the performance of Portfolio Companies and generally seeks to invest in companies operated by capable management, there can be no assurance that an existing management team, or any successor, will be able to successfully operate a Portfolio Company in accordance with the Investment Manager and/or Sub-Investment Manager's strategy for such company. Misconduct by management (or other employees) of a Portfolio Company could cause significant losses in respect of the relevant investment.

**Financial fraud.** Instances of fraud and other deceptive practices or devices employed by management or owners of Portfolio Companies in which the Sub-Fund invests may undermine the Investment Manager and/or Sub-Investment Manager's due diligence efforts with respect to such companies and, if such fraud is discovered, negatively affect the valuation of the Sub-Fund's investments. In addition, when discovered, financial fraud may contribute to overall market volatility that could negatively impact the Sub-Fund's investments. In the event of fraud by any Portfolio Company in which the Sub-Fund invests, the Sub-Fund may suffer a partial or total loss of its capital investment in that company.

**Investments in less established companies.** The Sub-Fund may invest a portion of its assets in less established companies, or early stage companies. Investments in such early stage companies may involve greater risks than those generally associated with investments in more established companies. For instance, less established companies tend to have smaller capitalizations and fewer resources and, therefore, are often more vulnerable to financial failure.

Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In the case of start-up enterprises, such companies may not have significant or any operating revenues. Early stage companies often experience unexpected issues in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately resolved. A major risk also exists that a proposed service or product cannot be developed successfully with the resources available to such an early stage company. There is no assurance that the development efforts of any such early stage company will be successful or, if successful, will be completed within budget or the time period originally estimated. Substantial amounts of financing may be necessary to complete such development and there is no assurance that such funds will be available from any particular source, including institutional private placements or the public markets. The percentage of early stage companies that survive and prosper tends to be small. In addition, less mature companies could be more susceptible to irregular accounting or other fraudulent practices. Furthermore, to the extent there is any public market for the securities held by the Sub-Fund, securities of less established companies may be subject to more abrupt and erratic market price movements than those of larger, more established companies.

The Sub-Fund may also invest in private, later-stage companies. These companies typically have modest revenues and may or may not be profitable. They may require additional capital, at high valuations, to develop products and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Further, the products and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Although the Sub-Fund may be represented on the board of directors of a late-stage company in which the Sub-Fund invests, such company will be managed by its own officers (who generally will not be affiliated with the Sub-Fund or Apollo). These Portfolio Companies may have substantial variations in operating results from period to period an experience failures or substantial declines in value at any stage.

In addition to investing in less established, early or later stage companies, the Sub-Fund may form new businesses. Unlike investing in an existing company where start-up risks are generally shared with third parties who also have vested interests in such company (including the company's founders, existing managers or existing equity holders), in the case where the Sub-Fund forms a new business, all such risks are generally borne by the Sub-Fund. In addition, newly formed businesses face risks similar to those affecting less established or early stage companies as described above, and may experience unexpected operational, developmental or financial issues that cannot be adequately resolved. There is no assurance that such new business ventures will become successful.

Some of the portfolio investments expected to be made by the Sub-Fund should be considered highly speculative and may result in the loss of the Sub-Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on the Sub-Fund's other investments.

**Investments that cannot be disposed of prior to liquidation of the Sub-Fund by expiration of the term or otherwise.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Investments That Cannot Be Disposed of Prior to Dissolution of the Umbrella Vehicle or its Sub-Funds prior to Dissolution*" section of the general part of the Prospectus.

More generally, and without limiting the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Investments That Cannot Be Disposed of Prior to Dissolution of the Umbrella Vehicle or its Sub-Funds prior to Dissolution*" section of the general part of the Prospectus, the Sub-Fund could seek to sell one or more Portfolio Companies to an investment vehicle established to purchase such Portfolio Company, in which the Investors of the Sub-Fund are given the opportunity to continue their investment in the relevant assets, in whole or in part (a "**Continuation Vehicle**"). A Continuation Vehicle could also involve participation by Apollo, Apollo Clients and/or third parties, which would indirectly acquire the portion of the relevant assets relating to the interests of the Investors that do not seek to continue their participation in such Portfolio Company, in whole or in part. Depending on the elections made by the Investors and the Investment Manager and/or Sub-Investment Manager, the sale of an investment to a Continuation Vehicle will result in the Investment Manager and/or Sub-Investment Manager, Apollo or its affiliates or portfolio companies disposing of their investments in the underlying assets at a different time than some or all Investors and otherwise taking actions with respect to such investment that are different than the actions taken by Investors that do not make the same elections. As such, the Investment Manager and/or Sub-Investment Manager, Apollo or its affiliates or portfolio companies could ultimately receive a return on their share of the relevant investment that is higher than the return achieved by certain Investors. In addition, certain Co-Investors might participate in such Continuation Vehicle on terms that are different from, or preferential to, the terms offered to an Investor in connection with such Continuation Vehicle. Although the sale of a Portfolio Company to a Continuation Vehicle would in many cases constitute a cross trade, such transactions could be structured in a manner that does not constitute a cross trade (for example, if each Investor of the Sub-Fund receives an in kind distribution of its share of the relevant asset and the opportunity to either contribute such asset to a Continuation Vehicle or sell its share of such asset for cash).

**Lack of liquidity of investments.** Any return of capital or realization of gains will generally require a disposition of some or all of an investment; however, for several reasons, the investments to be made by the Sub-Fund are likely to be illiquid and will be substantially less liquid than the market for publicly traded securities. Illiquidity could result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Sub-Fund. Dispositions of investments could be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Investments in publicly traded companies (including Portfolio Companies that have made initial public offerings) may also be subject to legal or contractual restrictions on resale, including the possibility that the Investment Manager and/or Sub-Investment Manager will be in possession of material non-public information about the company.

The Investment Manager and/or Sub-Investment Manager is unable to predict with confidence what, if any, exit strategies will ultimately be available for any given position. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time such investment is ready to be realized due to economic, legal, political or other factors. The larger the transaction in which the Sub-Fund is participating, the more uncertain the Sub-Fund's exit strategy tends to become. The ability to exit an investment through the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which the Sub-Fund invests and an active mergers and acquisitions (or recapitalizations and reorganizations) market. Public offering, merger and acquisition and recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors.

In view of these limitations on liquidity, which are illustrative only and not exhaustive, depending on the type of investment made by the Sub-Fund in such entity, it is possible that the Sub-Fund will not be able to realize an investment in a privately-held entity until the sale of such entity. If the Sub-Fund does need to sell all or a portion of its portfolio over a short period of time, and if it is able to do so, the Sub-Fund could realize significantly less value than the value at which it had previously recorded those investments. In some



instances, given the illiquidity of most investments, the Sub-Fund could hold such investments past its term, and the sale of investments held by the Sub-Fund may require lengthy negotiations even if the proposed sale occurs after the term of the Sub-Fund has ended. There can be no assurance that the Sub-Fund will be able to dispose of its investments at the price and at the time it wishes to do so. Furthermore, such illiquidity could continue even if the underlying entities obtain listings on securities exchanges or otherwise are traded in a liquid market. As discussed above under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle, the Sub-Funds and the Shares—Distributions in-Kind*" section of the general part of the Prospectus, the potential exists for investments that cannot be liquidated within the term of the Sub-Fund to be distributed in kind to the Investors upon the termination of the Sub-Fund. The possibility of partial or total loss of capital will exist, and prospective investors should not invest unless they can bear the consequences of such loss.

**Debt investments.** The Sub-Fund may, in certain circumstances, make investments in debt instruments or convertible debt securities in connection with investments in equity or equity-related securities (including as Additional Investments) or may make debt investments, which could take into account leverage incurred in connection with such investments, comparable to equity or equity-related securities. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. Certain debt instruments in which the Sub-Fund may invest may have speculative characteristics. A secured debt investment is subject to the same risks as the underlying asset securing the debt.

There are no restrictions on the credit quality of the investments of the Sub-Fund. Rating agencies rate debt securities based upon their assessment of the likelihood of the receipt of principal and interest payments. Rating agencies do not consider the risks of fluctuations in market value or other factors that may influence the value of debt securities. Therefore, the credit rating assigned to a particular instrument may not fully reflect the true risks of an investment in such instrument. Credit rating agencies may change their methods of evaluating credit risk and determining ratings. These changes may occur quickly and often. While the Sub-Fund may give some consideration to ratings, ratings may not be indicative of the actual credit risk of the Sub-Fund's investments in rated instruments.

Generally, investments in speculative securities offer a higher return potential than higher-rated securities, but involve greater volatility of price and greater risk of loss of income and principal. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

**Risks of investments in special situations.** The Sub-Fund has the ability to invest in special situations, such as recapitalizations, spin-offs, restructurings, reorganization, bankruptcy, litigation, corporate control transactions, corporate events and other catalyst-oriented strategies. The Investment Manager and/or Sub-Investment Manager believes these types of investments often have limited downside risk relative to their current valuations. The Investment Manager and/or Sub-Investment Manager could, however, be incorrect in its assessment of the downside risk associated with an investment, thus resulting in significant losses to the Sub-Fund. Investments in such securities often are difficult to analyze or could have limited trading histories or in-depth research coverage. Although the Sub-Fund intends to utilize appropriate risk management strategies, such strategies cannot fully insulate the Sub-Fund from the risks inherent in its planned activities. Moreover, in certain situations the Sub-Fund could be unable to, or could choose not to, implement risk management strategies because of the costs involved or other relevant circumstances.

**Investments in equity securities.** The Sub-Fund will hold investments in equity securities. Investments in equity securities of small or medium-sized market capitalization companies will have more limited marketability than the securities of larger companies. In addition, securities of smaller companies may have greater price volatility. For example, investment in equity securities may arise in connection with the Sub-Fund's debt investment opportunities, which may be accompanied by "equity-kickers" or warrants, as well as in the form of

equity investments in Platform Investments, to the extent that any such Platform Investment is allocated to Apollo Clients (such as the Sub-Fund) and not Apollo in accordance with Apollo's policies and procedures. See also the: "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Allocation of Investment Opportunities*" and "*Conflicts of Interest—Allocation of Investment Opportunities*" sections of the general part of the Prospectus; the "*—Allocation of Investment Opportunities*" section below; and the "*—Allocation of Investment Opportunities*" section of Annex II of this Sub-Fund Supplement. The Sub-Fund also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of private placements, registering restricted securities for public resale. In addition, equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates and general economic environments.

**Investments in SPACs.** The Sub-Fund could invest in, facilitate the acquisition of companies by and exit Portfolio Companies through the use of, special purpose acquisition companies ("**SPACs**"). A SPAC is a single-use vehicle incorporated for the purpose of raising capital through an initial public offering to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more operating businesses. After the acquisition of a target company, a SPAC typically would exercise control over the management of such target company to increase the target company's value. Capital raised through the initial public offering of securities of a SPAC is typically placed into a trust until the target company is acquired or a predetermined period of time elapses. Investors in a SPAC typically would receive a return on their investment in the event that a target company is acquired and such target company's value increased. If a SPAC is unable to locate and acquire a target company (or target companies) by the deadline, the SPAC would be forced to liquidate its assets, which could result in losses due to the SPAC's expenses and liabilities.

There are a number of risks associated with investing through SPACs, including: (i) because a SPAC is typically created without a specifically-identified acquisition target, it could never, or only after an extended period of time, find and execute a suitable transaction, during which period the capital committed to or invested in the SPAC will not be available for other uses; (ii) SPACs invest in single assets and not diversified portfolios, and investments therein are therefore subject to significant concentration risk; (iii) SPACs are exempt from the rules promulgated by the SEC to protect investors in "blank check" companies, such as Rule 419 promulgated under the Securities Act, so investors in SPACs are not afforded the benefits or protections of those rules; (iv) SPACs could generate substantial fees, costs and expenses (including fees that accrue to the benefit of Apollo without any offset against fees payable by the Sub-Fund), which are typically borne by the investors therein (in some cases, regardless of whether, or when, the SPAC consummates a transaction); (v) the value of any target company could decrease following its acquisition by a SPAC; (vi) the value of the Apollo-managed funds invested and held in the trust could decrease as the SPAC is locating a target by the deadline; (vii) if a SPAC is unable to consummate a business combination, the Sub-Fund is forced to wait until the deadline before liquidating distributions are made; (viii) redemption rights make SPACs unattractive to targets or preclude SPACs from completing a business combination; and (ix) the use of SPACs as an investment tool has only recently become more widespread, and there remains substantial uncertainty regarding the viability of SPAC investing on a large scale, the supply of desirable transactions relative to the pace at which SPACs are currently being formed and whether or to what degree regulatory, tax or other authorities will implement additional or adverse policies relating to SPACs and SPAC investing.

In addition, SPACs can raise capital through offering—and SPAC investors, which could include the Sub-Fund, could ultimately hold in the ultimate target business—common equity, preferred equity, equity-linked instruments, debt or other types of instruments, each of which is subject to the risks associated with such instruments. If a SPAC completes a business combination, it will be affected by numerous risks inherent in the business operations of the acquired company or companies. Further, as described herein, Apollo is subject to conflicts of interest, including with respect to its sponsorship of, or the Sub-Fund's investments in, SPACs. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

Investments in SPACs may be made on an opportunistic basis from time to time, and are not expected to represent more than a minor proportion of the Sub-Fund's portfolio. Any investment by the Sub-Fund in SPACs will be assessed on a case-by-case basis, prior to investment, to ensure compliance with the ELTIF Investment Restrictions (including, for the avoidance of doubt, the ELTIF eligibility criteria) and the Sub-Fund's risk profile.

**Investments in PIPEs.** The Sub-Fund could make private investments in public equity ("**PIPEs**"), including, privately sourced and structured convertible and equity-linked securities of public companies, including in connection with SPAC investments (including those that are substantially owned and controlled by Apollo). PIPEs offer the opportunity for significant gains, but also involve a high degree of risk, including the complete

loss of capital. Among these risks are the general risks associated with investing in companies operating at a loss or with substantial variations in operating results from period to period and investing in companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Securities of any such portfolio company will likely be thinly traded and undercapitalized and will therefore be more sensitive to adverse business or financial developments. In the event that any such portfolio company is unable to generate sufficient cash flow or raise additional equity capital to meet its projected cash needs, the value of the Sub-Fund's investment in such portfolio investment could be significantly reduced or even lost entirely. Investments in PIPEs may be made on an opportunistic basis from time to time, and are not expected to represent more than a minor proportion of the Sub-Fund's portfolio. Any investment by the Sub-Fund in PIPEs will be assessed on a case-by-case basis, prior to investment, to ensure compliance with the ELTIF Investment Restrictions (including, for the avoidance of doubt, the ELTIF eligibility criteria) and the Sub-Fund's risk profile.

**Acquisition of portfolios of investments.** The Sub-Fund may seek to purchase entire portfolios or substantial portions of portfolios from market participants in need of liquidity or suffering from adverse valuations. The Investment Manager and/or Sub-Investment Manager may designate, in its discretion, whether any acquisition by the Sub-Fund of multiple securities of one or more issuers or a series or pool of securities, instruments, interests, obligations or assets (whether in a single acquisition or series of related acquisitions) will constitute a single investment or several investments of the Sub-Fund (including for purposes of the Sub-Fund's diversification limits and distribution waterfall). The Sub-Fund may be required to bid on such portfolios in a very short time frame and may not be able to perform normal due diligence on the portfolio. Such a portfolio may contain instruments or complex arrangements of multiple instruments that are difficult to understand or evaluate. Such a portfolio may suffer further deterioration after purchase by the Sub-Fund before it is possible to ameliorate such risk. As a consequence, there is substantial risk that the Investment Manager and/or Sub-Investment Manager will not be able to adequately evaluate particular risks or that market movements or other adverse developments will cause the Sub-Fund to incur substantial losses on such transactions.

**The Sub-Fund's income.** A portion of the Sub-Fund's income is expected to be derived from repayments of principal and interest that the Sub-Fund receives in respect of loans and other debt instruments. The Sub-Fund's income may at times be variable. For example, there may be times when the Sub-Fund holds instruments that are junior to other instruments and as a result of limited cash flow, the Sub-Fund receives little or no income. A wide range of factors may adversely affect an obligor's ability to make repayments, including adverse changes in the financial condition of such obligor or the industries or regions in which it operates; the obligor's exposure to counterparty risk; systemic risk in the financial system and settlement; changes in law (including insurance law) or taxation; changes in governmental regulations or other policies; natural disasters; terrorism; social unrest, civil disturbances; or general economic conditions. Default rates tend to accelerate during economic downturns.

Any defaults will have a negative impact on the value of the Sub-Fund's investments and may reduce the return that the Sub-Fund receives from its investments in certain circumstances. While some amount of annual defaults is expected to occur in the Sub-Fund's portfolio, defaults in or declines in the value of the Sub-Fund's investments in excess of these expected amounts may result in breaches of covenants under the Sub-Fund's financing arrangements, triggering credit enhancement requirements or accelerated repayment provisions and, if not cured within the relevant grace periods, permitting the finance provider to enforce its security over all the assets of the Sub-Fund.

**Loan origination.** The Sub-Fund's investment strategy may include the origination of loans, including secured and unsecured notes, senior and second lien loans, mezzanine loans, and other similar investments. From time to time, the Sub-Fund may offer participations in and/or assignments or sales of loans (or interests therein) to other Apollo Clients or sales of loans (or interests therein) to third parties, in either case that the Sub-Fund has originated or purchased; provided, that there is no assurance that the Sub-Fund will complete the sale of such an investment. See also the: "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle, the Sub-Funds and the Shares—Risk Associated with Unspecified Transactions; No Assurance of Investment Return*", "*Certain Risk Factors— Certain Risks Related to the Umbrella Vehicle's Investments—Over-Commitment*", and "*Certain Risk Factors— Certain Risks Related to the Umbrella Vehicle's Investments—Co-Investors*" sections of the general part of the Prospectus and the "*—Co-Investors*" section above. In the event of such an offer to other Apollo Clients, the price of the participation, assignment or sale will not be set by the AIFM, the Investment Manager, Sub-Investment Manager, or the Sub-Fund, but rather will be established based on third-party valuations. Further, the decision by any Apollo Client to accept or reject the offer may be

made by a party independent of the Investment Manager and/or Sub-Investment Manager, such as an independent third-party valuation firm or the independent directors of such Apollo Client, if any, or an advisory or credit committee composed of individuals who are not affiliated with Apollo. In determining the target amount to allocate to a particular loan origination, the Sub-Fund may take into consideration the fact that it may sell, assign or offer participations in such investment to third parties as described above. If the Sub-Fund is unable to sell, assign or successfully close transactions for the loans that it originates, the Sub-Fund will be forced to hold its interest in such loans until such time as it can be disposed. This could result in the Sub-Fund's investments being over-concentrated in certain borrowers. Loan origination may present special tax considerations for the Sub-Fund, including potentially generating ECI for the Sub-Fund.

**High-yield securities.** The Sub-Fund may invest in high-yield securities. Such securities are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. The Sub-Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities that react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. It is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

**Anchor investments in Apollo Clients.** Subject to the Fund Documents, the Sub-Fund may also invest in other Apollo Clients, including (i) newly-formed Apollo Clients established for a particular investment, strategy or sector and (ii) in circumstances where the Sub-Fund may serve as the initial or "anchor" investor in such Apollo Client. The Sub-Fund will be directly or indirectly subject to the terms of the governing documents of the Apollo Client in which it invests, and such terms will control with respect to such investment without any corresponding application of the terms and conditions as between the Sub-Fund and Apollo, such as the Fund Documents (even if such terms are inconsistent). For example, the applicable governing documents of such Apollo Client may provide for a different form, manner, timing or calculation of performance-based compensation that may result in Apollo receiving such compensation from such Apollo Client in a greater amount, earlier or subject to fewer or less burdensome conditions than is the case for the carried interest allocable by the Sub-Fund. Apollo Clients into which the Sub-Fund invests may, in turn, invest in other Apollo Clients or portfolio companies of Apollo Clients. Such activity may subject the Sub-Fund to additional risks. For example, the Sub-Fund may bear an additional layer of expenses as a result of investing into such anchor clients, as well as its pro rata share of the expenses of such Apollo Clients, which could adversely affect the Sub-Fund's returns. The returns of the Sub-Fund will depend in part on the performance of the team managing the Apollo Client and could be substantially adversely affected by the unfavorable performance of such team.

**Investments in event-oriented situations.** The price offered for securities of a company involved in an announced deal can generally represent a significant premium above the market price prior to the announcement. Therefore, the value of such securities held by the Sub-Fund may decline if the proposed transaction is not consummated and if the market price of the securities returns to a level comparable to the price prior to the announcement of the deal. Furthermore, the difference between the price paid by the Sub-Fund for securities of a company involved in an announced deal and the anticipated value to be received for such securities upon consummation of the proposed transaction will often be very small. If the proposed transaction appears likely not to be consummated or, in fact, is not consummated or is delayed, the market price of the securities will usually decline, perhaps by more than the Sub-Fund's anticipated profit.

Where the Sub-Fund has purchased put options with respect to the securities it anticipates receiving in an exchange or merger, if the proposed transaction is not consummated, the exercise price of the put options held by the Sub-Fund may be lower than the market price of the underlying securities, with the result that the cost of the options will not be recovered. If the Sub-Fund has purchased put options with respect to securities which are the subject of a proposed cash tender offer or cash merger and the transaction is consummated, the Sub-Fund also may not exercise its options and may lose the premiums paid therefor. Premiums paid for put options increase the Sub-Fund's transaction costs and, in certain situations, may result in a sufficient reduction in the spread between the acquisition price and the anticipated price to be received to make the arbitrage investment so unattractive based upon a return on capital/risk-reward analysis that the Investment

Manager and/or Sub-Investment Manager may determine not to take a portfolio position. Since options expire on defined dates, in the event consummation of a transaction is delayed beyond the expiration of a put option held by the Sub-Fund it may lose the anticipated benefit of the option.

The Sub-Fund may determine that the offer price for a security which is the subject of a tender offer is likely to be increased, either by the original bidder or by another party. In those circumstances, the Sub-Fund may purchase securities above the offer price, and such purchases are subject to the added risk that the offer price will not be increased or that the offer will be withdrawn.

The consummation of refinancings, restructurings, mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a regulatory agency; (iii) efforts by the involved company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable securities laws; and (vii) inability to obtain adequate financing.

Often a tender or exchange offer will be made for less than all of the outstanding securities of an issuer or a higher price will be offered for a limited amount of the securities, with the provision that, if a greater number is tendered, securities will be accepted pro rata. Thus, a portion of the securities tendered by the Sub-Fund may not be accepted and may be returned to the Sub-Fund. Since, after completion of the tender offer, the market price of the securities may have declined below the Sub-Fund's cost, a sale of any returned securities may result in a loss.

**Investments in distressed securities.** A portion of the Sub-Fund's investments may also be in obligations or securities that are rated below investment grade by recognized rating services such as Moody's and Standard & Poor's. Securities rated below investment grade and unrated securities generally offer a higher current yield than that available from higher grade issues, but typically involve greater risk. Securities rated below investment grade and unrated securities are typically subject to adverse changes in general economic conditions, changes in the financial condition of their issuers and price fluctuation in response to changes in interest rates. During periods of economic downturn or rising interest rates, issuers of securities rated below investment grade and unrated securities may experience financial stress that could adversely affect their ability to make payments of principal and interest and increase the possibility of default. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the values and liquidity of securities rated below investment grade and unrated securities, especially in a market characterized by a low volume of trading. In addition, the secondary market for high-yield securities, which is concentrated in relatively few market makers, may not be as liquid as the secondary market for more highly rated securities. As a result, the Sub-Fund could find it more difficult to sell these securities or may be able to sell the securities only at prices lower than if such securities were widely traded.

**Existing and potential investments subject to bankruptcy laws.** The Sub-Fund may make investments in restructurings that involve Portfolio Companies that are experiencing or are expected to experience severe financial difficulties. These financial difficulties may never be overcome and may lead to uncertain outcomes, including causing such Portfolio Company to become subject to bankruptcy proceedings. See the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Nature of Bankruptcy Proceedings*" section of the general part of the Prospectus and the "*—Nature of Bankruptcy Proceedings*" section below. Such investments could, in certain circumstances, subject the Sub-Fund to certain additional potential liabilities that may exceed the value of the Sub-Fund's original investment therein. In addition, under certain circumstances, payments to the Sub-Fund and distributions by the Sub-Fund to Investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. Furthermore, investments in restructurings may be adversely affected by statutes related to, among other things, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

The possibility of litigation between the participants in a reorganization is another consideration that makes any evaluation of the outcome of an investment uncertain. Such uncertainties may also be increased by legal and other factors that limit the ability of the Investment Manager and/or Sub-Investment Manager to be able

to obtain reliable and timely information concerning material developments affecting an obligor, or which lengthen a reorganization or liquidation proceeding.

Such investments could also be subject to applicable bankruptcy law and fraudulent conveyance laws, which may vary from jurisdiction to jurisdiction, if the securities relating to such investments were issued with the intent of hindering, delaying or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such securities. If such investments constitute debt and such debt is used for a buyout of shareholders, this risk is greater than if the debt proceeds are used for day-to-day operations or organic growth. Under certain circumstances, payments to the Sub-Fund and distributions by the Sub-Fund to the Investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Such debt may also be disallowed or subordinated to the claims of other creditors if the Sub-Fund is found to have engaged in other inequitable conduct resulting in harm to other parties. The Sub-Fund's investment may be treated as equity if it is deemed to be a contribution to capital, or if the Sub-Fund attempts to control the outcome of the business affairs of a company prior to its filing under the applicable bankruptcy laws. While the Sub-Fund will attempt to avoid taking the types of action that would lead to such liability, there can be no assurance that such claims will not be asserted or that the Sub-Fund will be able to defend against them successfully.

**Nature of bankruptcy proceedings.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Nature of Bankruptcy Proceedings*" section of the general part of the Prospectus.

The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

One of the protections offered in certain jurisdictions in bankruptcy proceedings is a stay on required payments by the borrower on loans or other securities. When a Portfolio Company or other issuer seeks relief under the bankruptcy laws of a particular jurisdiction (or has a petition filed against it), an automatic stay prevents all entities, including creditors, from foreclosing or taking other actions to enforce claims, perfect liens or reach collateral securing such claims. Creditors who have claims against the issuer prior to the date of the bankruptcy filing must generally petition the court to permit them to take any action to protect or enforce their claims or their rights in any collateral. Such creditors may be prohibited from doing so if the court concludes that the value of the property in which the creditor has an interest will be "adequately protected" during the proceedings. If the bankruptcy court's assessment of adequate protection is inaccurate, a creditor's collateral may be wasted without the creditor being afforded the opportunity to preserve it. Thus, even if the Sub-Fund holds a secured claim, it may be prevented from collecting the liquidation value of the collateral securing its debt, unless relief from the automatic stay is granted by the court. If relief from the stay is not granted, the Sub-Fund may not realize a distribution on account of its secured claim until a plan of reorganization or liquidation for the debtor is confirmed. Bankruptcy proceedings are inherently litigious, time consuming, highly complex and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes. The equitable power of bankruptcy judges also can result in uncertainty as to the ultimate resolution of claims. A stay on payments to be made on the assets of the Sub-Fund could adversely affect the value of those assets and the Sub-Fund itself. Other protections in such proceedings may include forgiveness of debt, the ability to create super-priority liens in favor of certain creditors of the debtor and certain well-defined claims procedures. Additionally, the numerous risks inherent in the insolvency process create a potential risk of loss by the Sub-Fund of its entire investment in any particular issuer. Insolvency laws may, in certain jurisdictions, result in a restructuring of the debt without the Sub-Fund's consent under the "cramdown" provisions of applicable insolvency laws and may also result in a discharge of all or part of the debt without payment to the Sub-Fund.

Security interests held by creditors are closely scrutinized and frequently challenged in bankruptcy proceedings and may be invalidated for a variety of reasons. For example, security interests may be set aside because, as a technical matter, they have not been perfected properly under applicable law. If a security interest is invalidated, the secured creditor loses the value of the collateral and because loss of the secured status causes the claim to be treated as an unsecured claim, the holder of such claim will be more likely to experience a significant loss of its investment. There can be no assurance that the security interests securing the Sub-Fund's claims will not be challenged vigorously and found defective in some respect, or that the Sub-Fund will be able to prevail against the challenge. As such, investments in issuers involved in such proceedings could subject the Sub-Fund to certain additional potential liabilities that may exceed the value of the Sub-Fund's original investment therein.

Moreover, under applicable bankruptcy law, debt may be disallowed or subordinated to the claims of other creditors if the creditor is found guilty of certain inequitable conduct resulting in harm to other parties with respect to the affairs of a company or other issuer filing for protection from creditors. In addition, creditors' claims may be treated as equity if they are deemed to be contributions to capital, or if a creditor attempts to control the outcome of the business affairs of an issuer prior to its filing under such laws. If a creditor is found to have interfered with an issuer's affairs to the detriment of other creditors or shareholders, the creditor may be held liable for damages to injured parties. Although the Sub-Fund generally intends to make equity investments, there can be no assurance that claims for equitable subordination or creditor liability will not be asserted with respect to the Sub-Fund's portfolio investments, and to the extent applicable, the Sub-Fund could face the risk of becoming unexpectedly subordinated without its consent if a Portfolio Company or other issuer in which the Sub-Fund invests enters into a recapitalization, reorganization or other agreement with other lenders granting priority to such other lenders over the Sub-Fund. Such risk could exist even with respect to senior secured debt held by the Sub-Fund. Litigation regarding these types of recapitalizations, reorganizations, bankruptcies and similar situations has occurred, and lenders such as the Sub-Fund may experience increased risk of their investments in a Portfolio Company or other issuer being subordinated to the right of payment of other securities issued by, or loans made to, such Portfolio Company or other issuer.

While the challenges to liens and debt normally occur in a bankruptcy proceeding, the conditions or conduct that would lead to an attack in a bankruptcy proceeding could in certain circumstances result in actions brought by other creditors of the debtor, shareholders of the debtor or even the debtor itself in other U.S. state or U.S. federal proceedings, including pursuant to state fraudulent transfer laws. As is the case in a bankruptcy proceeding, there can be no assurance that such claims will not be asserted or that the Sub-Fund will be able successfully to defend against them. To the extent that the Sub-Fund assumes an active role in any legal proceeding involving the debtor, the Sub-Fund may be prevented from disposing of securities issued by the debtor due to the Sub-Fund's possession of material, non-public information concerning the debtor.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Sub-Fund's influence with respect to a class of claims can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

**Inflation risk.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Inflation Risk*" section of the general part of the Prospectus.

If a Portfolio Company is unable to increase its revenue in times of higher inflation, its profitability might be adversely affected. The Sub-Fund's Portfolio Companies could in some cases have long-term rights to income linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangements. Typically, as inflation rises, a Portfolio Company will earn more revenue but also will incur higher expenses; as inflation declines, a Portfolio Company might be unable to reduce expenses in line with any resulting reduction in revenue. A rise in real interest rates would likely result in higher financing costs for Portfolio Companies and could therefore result in a reduction in the amount of cash available for distribution to Investors. If a Portfolio Company is unable to increase its operating income in times of higher inflation, its profitability will be adversely affected.

**Litigation.** The Sub-Fund anticipates that the Sub-Fund, the Investment Manager, the Sub-Investment Manager, the AIFM and one or more of their respective affiliates (including Apollo) may be named as defendants in civil proceedings. The transactional nature of the business of the Sub-Fund exposes the Sub-Fund, the Investment Manager, the Sub-Investment Manager, the AIFM, Apollo and each of their respective affiliates generally to the risk of third-party litigation and, historically, Apollo and certain of its portfolio companies and affiliates have been subject to such litigation. Furthermore, as discussed below under the "*Certain Risk Factors—Certain Risks Related to Regulatory Matters—Enhanced Scrutiny and the Regulation of the Private Funds Industry*" section of the general part of the Prospectus, the adoption of new or the enhancement of existing laws and regulations may increase the risk of litigation still.

Any such litigation would likely have a negative financial impact on the Sub-Fund. For instance, the expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Sub-Fund and would reduce the Sub-Fund's assets. The Sub-Fund will also generally be responsible for indemnifying Indemnified Parties for any losses, claims, damages or liabilities they may incur in connection with any such litigation and may advance any fees, costs and expenses and other

liabilities relating to the Sub-Fund's indemnification obligations. Further, a portion of the fees, costs and expenses associated with obtaining any insurance for the benefit of the Indemnified Parties or otherwise in respect of Apollo's activities pertaining to the Sub-Fund or its existing or potential Portfolio Companies will be borne by the Sub-Fund. See the "—Potential Conflicts of Interest—Allocation of Expenses" section of the general part of the Prospectus.

**Ongoing Crisis in Ukraine.** On February 24, 2022, Russia launched a large-scale invasion of Ukraine marking the largest escalation of crisis in Ukraine to date. Although the Russian invasion and the conflict in Ukraine is ongoing and its long-term effects remain to be seen, the 2022 Russian invasion of Ukraine is likely to cause significant economic disruption and further calls from other countries for a severe sanctions regime that would seek to further isolate Russia from the world economy. In response to the Russian invasion of Ukraine in February 2022, the EU, the United States, the United Kingdom and other governmental entities (including the OFAC (as defined below)), the U.S. Department of Commerce and the U.S. Department of State) have passed a variety of severe economic sanctions and export controls against Russia, which have sought to isolate Russia from the world economy, including imposition of sanctions against Russia's Central Bank and largest financial institutions and bans and other restrictions on Russia's oil and other energy exports. In addition, a number of businesses have curtailed or suspended activities in Russia or dealings with Russian counterparts for reputational reasons. While current sanctions may not target Apollo, the Sub-Fund, Apollo Clients or their respective Portfolio Companies and industries more generally, these sanctions have had and may continue to have the effect of causing significant economic disruption, and may adversely impact the global economy generally, and the Russian economy specifically, by, among other things, creating instability in the energy sectors, reducing trade as a result of economic sanctions and increased volatility and uncertainty in financial markets, including Russia's financial sector. Any new or expanded sanctions that may be imposed by the EU, the U.S., the U.K. or other countries may materially adversely affect Apollo's operations, including the Sub-Fund and its investments. Further, any sanctions might result in higher prices for gas, oil and other natural resources, which would result in higher costs for the Sub-Fund's investments to run their respective businesses and might also contribute to inflation, which may reduce discretionary consumer spending. In addition, one or more Investors could become subject to sanctions or similar restrictions, which could result in adverse consequences to such Investor(s) or the Sub-Fund or its Portfolio Companies, including as it relates to the Sub-Fund's ability to consummate investments or its or a Portfolio Company's ability to obtain financing.

Overall, the situation in Ukraine remains uncertain, and how it will unfold or impact the Sub-Fund's business or results of operations cannot be predicted. The potential further repercussions surrounding the situation in Ukraine are unknown and no assurance can be given regarding the future of relations between Russia and other countries. Any or all of the above factors could have a material adverse effect on the Sub-Fund's business, financial condition, results of operations and prospects.

**Laws of other jurisdictions.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to Investments in the Target Jurisdictions—Laws of Other Jurisdictions*" section of the general part of the Prospectus.

For the avoidance of doubt, if the Sub-Fund, the Investment Manager, the Sub-Investment Manager, the AIFM or any of their respective affiliates is required to register in a particular non-U.S. jurisdiction solely in connection with the offering of interests in the Sub-Fund, or to clear subscriptions through a local broker-dealer or agent under applicable non-U.S. law, any fees, costs or expenses related thereto will be treated as Organizational Expenses and will not be treated as placement fees or expenses.

**Uncertainty regarding ongoing trade negotiations between the U.S. and China.** Recent trade tensions between the U.S. and China have led to concerns about economic stability and could have an adverse impact on global economic conditions. The U.S. and China have each been implementing increased tariffs on imports from the other, and the U.S. has also adopted certain targeted measures such as export controls or sanctions implicating Chinese companies and officials. While certain trade agreements have been agreed between the two countries, there remains much uncertainty as to whether the trade negotiations between the U.S. and China will be successful and how the trade war between the U.S. and China will progress. If the trade war between the U.S. and China continues or escalates, or if additional tariffs or trade restrictions are implemented by the U.S., China or other countries in connection with a global trade war, there could be material adverse effects on the global economy, and the Sub-Fund and its portfolio investments could be materially and adversely affected.

**Chinese growth slowdown; Chinese economy.** China is the world's largest economy (measured based on purchasing power parity) and the largest trading partner for many countries in the Asia Pacific region, including Australia and the Republic of Korea. The Chinese government has in recent years implemented a number of



measures to control the rate of economic growth, including by raising interest rates and adjusting deposit reserve ratios for commercial banks, and through other measures designed to tighten credit and liquidity. In response to China's slowing gross domestic product ("**GDP**") growth rates that began in 2011, the Chinese government has implemented stimulus measures but the overall impact of such measures remains uncertain. A further slowing of China's GDP growth rate could have a systemic impact on the global economy, including throughout the Asia Pacific region. Furthermore, the Chinese government continues to implement a "dynamic COVID zero" policy in response to the COVID-19 pandemic which could lead to negative impacts on the country's and the global economy. A slower, or especially negative, Chinese GDP growth, could have spillover effects in many countries in the Asia Pacific region and globally. These spillover effects may have a material negative impact on the ability of the Sub-Fund to source and execute new investment opportunities and may cause impairment to or losses in its investment portfolio.

The Chinese economy differs from the economies of more developed countries in many respects, including the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures since the late 1970s emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of the productive assets in China is still owned by the Chinese government. The Chinese government continues to play a significant role in regulating industry development by imposing industrial policies and also exercises significant control over China's economic growth by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. In the past, certain measures, including interest rate increases and certain economic reforms, had the effect of slowing down economic growth in China.

**Hong Kong National Security Law.** The Chinese government has continued to increase its control over the historically autonomous administrative region of Hong Kong. In June 2019, protests began in connection with an amendment to Hong Kong's extradition law and continued with increased size and intensity through the end of 2019 and into 2020. These protests resulted in disruptions to businesses in major business and tourist areas of Hong Kong and pushed Hong Kong's economy into a recession for the first time since the Global Financial Crisis. On June 30, 2020, the National People's Congress of China passed a national security law (the "**National Security Law**"), which criminalizes certain offenses including secession, subversion of the Chinese government, terrorism and collusion with foreign entities. The National Security Law also applies to non-permanent residents. Although the extra-territorial reach of the National Security Law remains unclear, there is a risk that the application of the National Security Law to conduct outside Hong Kong by nonpermanent residents of Hong Kong could limit the activities of or negatively affect Apollo, Affiliated Service Providers, Apollo Clients and the respective affiliates.

The National Security Law has been condemned by the U.S., the U.K. and several EU countries. On July 14, 2020, the Hong Kong Autonomy Act ("**HKAA**") was signed into law, which introduces sanctions on foreign persons who have "materially contributed" to the Chinese government's recent actions in Hong Kong as well as on certain foreign financial institutions. Simultaneously, an executive order was issued declaring a national emergency with respect to the threat posed by the Chinese government's actions in Hong Kong, formally suspending or eliminating any differential treatment of Hong Kong under U.S. law, including export control law, and authorizing sanctions on persons determined to be engaged in a broad array of anti-democratic or repressive activity. The U.S. has also imposed sanctions on senior Chinese officials and certain employees of Chinese technology companies that it believes have contributed to the Chinese government's activities in Hong Kong, including on July 20, 2020, adding 11 new Chinese companies to the Department of Commerce's Entity List. In mid-July the U.K. also suspended its extradition treaty with Hong Kong and extended its arms embargo on China to Hong Kong. Escalation of tensions resulting from the National Security Law and the response of the international community, including conflict between China and other countries like the U.S. and U.K., protests and other government measures, as well as other economic, social or political unrest in the future, could adversely impact the security and stability of the region and may have a material adverse effect on countries in which Apollo, Apollo Clients or any of their respective personnel or assets are located. In addition, any downturn in Hong Kong's economy could adversely affect the financial performance of Apollo Clients, or could have a significant impact on the industries in which Apollo Clients participate, and may adversely affect the operations of Apollo and Apollo Clients including the retention of investment professionals located in Hong Kong.

**Investments through Offshore Holding Companies.** The Sub-Fund is permitted to invest in Portfolio Companies operating in a particular country indirectly through holding companies organized outside of such country. Government regulation in such country could, however, restrict the ability of such Portfolio Companies

to pay dividends or make other payments to a "foreign" holding company. Additionally, any transfer of funds from a "foreign" holding company to its operating subsidiary, either as a shareholder loan or as an increase in equity capital, could be subject to registration with or approval by government authorities in such country. Such restrictions could materially and adversely limit the ability of any "foreign" holding company in which the Sub-Fund invests to grow, make investments or make acquisitions that could be beneficial to its businesses, pay dividends or otherwise fund and conduct its business.

**Political risk in general.** Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, insurance law, tax law, immigration policy, environmental protection and/or climate change policies or regulations and/or government entitlement programs during the term of the Sub-Fund could have a material adverse impact on the Sub-Fund and its investments. More generally, legislative acts, rulemaking, adjudicatory or other activities by U.S. or non-U.S. governmental, quasi-governmental or self-regulatory bodies, agencies and regulatory organizations could make it more difficult (or less attractive) for the Sub-Fund to achieve its investment objectives or for some or all of the Sub-Fund's portfolio companies to engage in their respective businesses.

Populist, protectionist and anti-globalization movements, particularly in Western Europe and the U.S., could result in material changes in economic, trade and immigration policies, all of which could lead to significant disruption of global markets and could have materially adverse consequences on the investments of the Sub-Fund, including in particular on portfolio companies whose operations are directly or indirectly dependent on international trade. See the "*—Uncertainty Regarding Ongoing Trade Negotiations between the U.S. and China*" section below.

**Economic and political risks in Non-U.S. Jurisdictions.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to Investments in the Target Jurisdictions—Economic and Political Risks*" section of the general part of the Prospectus.

Non-U.S. economies may differ favorably or unfavorably from the U.S. economy with regard to the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments.

**Investments in Public Companies.** The Sub-Fund may invest in stock or other securities (including debt securities) of public companies (subject to restrictions applicable to open market purchases of public equity in the Fund Documents) or take private Portfolio Companies public. Investments in public companies may subject the Sub-Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, movements in the stock market and trends in the overall economy, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Sub-Fund to dispose of such securities at certain times (including due to the possession by the Sub-Fund of material non-public information), increased likelihood of shareholder litigation against such companies' board members, which may include Apollo personnel, regulatory action by the SEC, inability to obtain financial covenants or other contractual governance rights, lack of access to certain information regarding such public company and increased costs associated with each of the aforementioned risks. In connection with any such shareholder litigation that arises in connection with the Sub-Fund's investment in a public company, it is possible that the Sub-Fund may not fund the full amount of the purchase price associated with such investment and return the applicable amount of proceeds to the Investors until such shareholder litigation is finally resolved. If the Sub-Fund contributes to the acquisition of the applicable Portfolio Company a portion of the purchase price that was not needed at such time in light of such shareholder litigation, the Investment Manager and/or Sub-Investment Manager or the Portfolio Company may cause such amounts to be returned to the Sub-Fund, which amounts can be held in reserve by the Sub-Fund. Any subsequent investment of such amounts in such Portfolio Company for purposes of settling or otherwise resolving any such shareholder litigation may not be deemed an Additional Investment in such Portfolio Company.

**Minority positions and Toehold Investments.** The Sub-Fund could also make minority equity or debt investments in companies where the Sub-Fund may have limited influence and accumulate minority positions in the outstanding voting stock, or securities convertible into the voting stock or other securities (including debt securities), of such companies. Such companies may have economic or business interests or goals that are inconsistent with those of the Sub-Fund and the Sub-Fund may not be in a position to limit or otherwise protect the value of its investment in such companies. The Sub-Fund's control over the investment policies of such companies may also be limited. This could result in the Sub-Fund's investments being frozen in minority positions that incur a substantial loss. If the Sub-Fund takes such a minority position in publicly traded securities as a "toe-hold" investment, then such publicly traded securities may fluctuate in value over the

duration of the Sub-Fund's investment in such publicly traded securities, which could potentially reduce returns to Investors. While the Investment Manager and/or Sub-Investment Manager may seek to accumulate larger positions on behalf of the Sub-Fund through open market purchases, registered tender offers, negotiated transactions or private placements, the Sub-Fund may be unable to accumulate a sufficiently large position in a company to execute its strategy. In such circumstances, the Sub-Fund may dispose of its position in a company within a short time of acquiring it and there can be no assurance that the price at which the Sub-Fund can sell such securities will not have declined since the time of acquisition. Moreover, this may be exacerbated by the fact that securities of the companies that the Sub-Fund may target may be thinly traded and that the Sub-Fund's position may nevertheless have been substantial, although not controlling, and its disposal may depress the market price for such securities. As discussed herein, it is anticipated that such minority equity or debt positions could be permanently levered, including in connection with the use of the Sub-Fund's credit facility.

**Risks of Multi-step Acquisitions.** In the event the Sub-Fund chooses to effect a transaction by means of a multi-step acquisition (such as a first-step cash tender offer or stock purchase followed by a merger or in the case of a simultaneous acquisition and concurrent merger of two separate companies), there can be no assurance that the remainder can be successfully acquired. This could result in the Sub-Fund having only partial control over the investment or partial access to its cash flow to service debt incurred in connection with the acquisition.

**Real property.** Although expected to be incidental to its primary investment objectives, the assets of the Sub-Fund and its Portfolio Companies may include real property in the form of, among other things, equity, fee simple, debt or other investments. Real property investments are subject to varying degrees of risk. Real property values are affected by a number of factors, including changes in the general economic climate, local conditions (such as an oversupply of or a reduction in demand for real estate), the quality and philosophy of management, competition based on rental rates, attractiveness and location of the properties, financial condition of tenants, buyers and sellers of properties, quality of maintenance, insurance and management services and changes in operating costs. Real property values are also affected by factors such as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing and potential liability under changing environmental and other laws.

**Commodity Price Risk and Energy Industry Market Dislocation.** Investments made by the Sub-Fund might be subject to commodity price risk. The operation and cash flows of any investment could depend, in some cases to a significant extent, upon prevailing market prices of commodities, including, for example, commodities such as oil, gas, coal, electricity, steel or concrete. Commodity prices fluctuate depending on a variety of factors beyond the control of Apollo, the Sub-Fund or their respective portfolio companies or affiliates, including, without limitation, weather conditions, foreign and domestic supply and demand, force majeure events, pandemics, epidemics, changes in laws, governmental regulations, price and availability of alternative commodities, international political conditions and overall economic conditions. Events in the energy markets over the last few years have caused significant dislocations and illiquidity in the equity and debt markets for energy companies and related commodities, with COVID-19 currently enhancing such dislocation. To the extent that such events continue (or even worsen), they could have an increasingly adverse impact on certain the Sub-Fund investments and could continue to lead to the further weakening of the U.S. and global economies. The resulting economic downturn arising due to the COVID-19 pandemic is adversely affecting the financial resources of and returns generated by a Portfolio Company in this sector and such adverse effect could continue for some time. Such marketplace events could also restrict the ability of the Sub-Fund to sell or liquidate portfolio investments at favorable times or for favorable prices. A stabilization or improvement of the conditions in the global financial markets generally and the energy markets specifically likely would aid the Sub-Fund's portfolio investments in this sector. Absent such a recovery or in the event of a further market deterioration, the value of the Sub-Fund's portfolio investments in this sector might not appreciate as projected (if applicable) or could suffer a loss. There can be no assurance as to the duration of any perceived current market dislocation.

**Recent Regulatory Proposals with Respect to Private Funds and Their Advisers.** In August 2023, the SEC voted to adopt new rules and amendments to existing rules under the Advisers Act (collectively, the "**Final Rules**") specifically related to investment advisers and their activities with respect to private funds. The various Final Rules have compliance dates of either 12 or 18 months from publication in the Federal Register which, as of the date hereof, has not yet occurred.

The Final Rules would, among other things, (a) require quarterly reporting by registered private fund advisers to investors concerning performance, fees and expenses; (b) require registered advisers to obtain an annual audit for private funds they advise; (c) require advisers to obtain a fairness opinion or a valuation opinion and

make certain disclosures, in connection with adviser-led secondary transactions (also known as GP-led secondaries); (d) prohibit advisers from charging certain fees and expenses to private fund clients without disclosure and in some cases investor consent; (e) prohibit advisers from reducing an adviser clawback by the amount of certain taxes, unless disclosed; (f) prohibit an adviser from borrowing or receiving an extension of credit from a private fund client without disclosure and investor consent; and (g) to impose limitations on and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with an adviser.

Such rules are likely to have a significant effect on Apollo, the Sub-Fund and their operations, including increasing compliance burdens and associated regulatory costs, and enhancing the risk of regulatory action, including public regulatory sanctions and may result in a change to Apollo's practices and create additional regulatory uncertainty.

The Final Rules may result in material alterations to how Apollo operates its business and/or the Sub-Fund, as well as Apollo's implementation of the Sub-Fund's investment strategy, and there can be no assurance that such alterations will not have a material adverse effect on Apollo, the Board of Directors, the Sub-Fund, their respective portfolio companies and/or the Investors. To the extent permitted under the Final Rules and this Sub-Fund Supplement, the incremental costs of compliance by Apollo, the Board of Directors and/or the Sub-Fund with any new SEC rules may be borne by the Sub-Fund, which may be significant.

**Industry-Specific Risk Factors.** Various industries in which the Sub-Fund expects to invest are heavily regulated. Investors should consider that changes to the Sub-Fund's investments due to the risks described herein in may directly or indirectly affect the Sub-Fund's performance.

**Industry-Specific Risk Factors.** The Sub-Fund may make investments in Portfolio Companies operating in industries, including energy and power, that are subject to greater amounts of regulation than other industries generally. Investments in Portfolio Companies that are subject to a high level of governmental regulation pose additional risks relative to investments in other companies generally. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. Various industries in which the Sub-Fund expects to invest are heavily regulated. A discussion of certain risks associated with certain regulated industries follows and investors should consider that changes to the Sub-Fund's investments due to such risks may directly or indirectly affect the Sub-Fund's performance. The industries discussed below do not represent an exclusive list of the industries in which the Sub-Fund may invest.

**Investments in Technology Industries.** The Sub-Fund is permitted to make investments in Portfolio Companies involved in the technology industry. Technology companies confront various specific challenges, including rapidly changing market conditions and/or participants, new competing products, changing consumer preferences, short product life cycles, services and/or improvements in existing products or services. Any Portfolio Companies in the technology sector will compete in this volatile environment. There is no assurance that products or services sold by such Portfolio Companies will not be rendered obsolete or adversely affected by competing products and services or that the Portfolio Companies will not be adversely affected by other challenges. Barriers to entry in the software and technology industries are low and new products and services can be distributed broadly and quickly at relatively low cost. Moreover, competition in this sector can result in significant downward pressure on pricing. In the event that the technology sector as a whole declines, or that Portfolio Companies are unable to utilize technology successfully and competitively, returns to the Investors from any Portfolio Companies involved in the technology industry could decrease.

**Investment in the Communications Industry.** The Sub-Fund's Portfolio Companies may include communications companies. Communications companies in the U.S., Europe and other developed and emerging countries undergo continual changes mainly due to evolving levels of governmental regulation or deregulation as well as the rapid development of communication technologies. Competitive pressures within the communications industry are intense, and the securities of communications companies may be subject to significant price volatility. In addition, because the communications industry is subject to rapid and significant changes in technology, the companies in this industry in which the Sub-Fund may invest will face competition from technologies being developed or to be developed in the future by others, which may make such companies' products and services obsolete.

**Effects of Ongoing Changes in the Utility Industry.** The Sub-Fund may make certain investments in electric utility industries both in the U.S. and abroad. In many countries, including the U.S., the electric utility industry is experiencing increasing competitive pressures, primarily in wholesale markets, as a result of consumer demand, technological advances, the development of organized markets, greater availability of natural gas and other factors. In response, for example, the U.S. Federal Energy Regulatory Commission ("**FERC**") has

in a series of orders implemented and improved the open-access transmission regulatory framework, which facilitates the provision of transmission service on a just and reasonable basis and without undue discrimination, and which increases transparency in the operation of the transmission grid. Similar actions are being taken or contemplated by regulators in other countries. A number of countries, including the U.S., are considering or implementing methods to introduce and promote retail competition. To the extent competitive pressures increase and the pricing and sale of electricity assume more characteristics of a commodity business, the economics of independent power generation projects into which the Sub-Fund may invest may come under increasing pressure. Electric market restructuring is fueling not only the current trend toward consolidation among domestic utilities, but also the disaggregation of many vertically integrated utilities into separate generation, transmission and distribution businesses. As a result, additional significant competitors could become active in the independent power industry. In addition, independent power producers may find it increasingly difficult to negotiate long-term power sales agreements with solvent utilities, which may affect the profitability and financial stability of independent power projects. There can be no assurance that: (i) existing regulations applicable to electric utility companies or independent power producers will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to electric utility companies or independent power producers; (iii) the technology and equipment selected by such companies to comply with current and future regulatory requirements will meet such requirements; (iv) such companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies.

**Equipment Risks.** The wind turbines, solar panels, solar trackers and other equipment used in renewable energy projects continue to evolve and, as a result, much of the equipment being used has not undergone extensive field testing over a period of years to determine its long-term costs of operation or its durability. Manufacturing and delivery of the equipment as well as its timely installation also may be difficult due to rapidly changing product designs and general manufacturing issues. Also, as with any equipment purchase, the purchaser is subject to the risk that the equipment, software or processes may be protected intellectual property of third parties, which may subject a Portfolio Company of the Sub-Fund to the risk of being unable to use the equipment as well as damages for its prior use. Each of these risks could result in late delivery or project underperformance. To protect against these risks, equipment suppliers or balance of plant contractors typically provide a guaranty of timely completion and a two to ten year (sometimes longer) equipment performance warranty. These warranties typically protect project owners against equipment capacity and efficiency shortfalls while they are effective. In most cases, however, the investment period in a project will extend beyond the warranty period. Furthermore, some equipment manufacturers or contractors may not be sufficiently capitalized to enable them to respond to all customer claims, especially serial defect warranty claims. There is a risk that some equipment manufacturers may be unable to honor their warranty claims. In the context of financing, projects typically are exposed to vendor credit, as a credit event around a key vendor is often a financing event of default. A defect in vendor credit also may lead to a violation of financing. In the event of a failure of any equipment after the end of the warranty period (or during the warranty period if the supplier or contractor does not have the ability to respond) a Portfolio Company may incur significant costs to keep the project operational or lose the project.

**Technology Risk Relating to EV and Battery Storage.** Energy storage and vehicle electrification investments may be susceptible to technology risk around lithium-ion batteries, as a number of alternative technologies are being researched, which if successful, could supplant this technology. The potential environmental impacts of lithium-ion batteries may pose risks, from the mining of lithium in the near term, to the potentially costly recycling or disposal of spent batteries, in the longer term. Additional technical risks may become apparent as energy storage technology is tested for longer periods, for example, as variances in anticipated degradation may significantly impact profitability. Further, new innovations and combinations may affect demand for goods or services currently provided by the Portfolio Companies. For instance, battery storage may make solar power more competitive, accelerating demand for both batteries and solar. Separately, ridesharing services might impact individual households' demand for new electric vehicles.

**Investments in Less Established Companies and Unlisted Securities in Energy Transition Sectors.** The Sub-Fund may invest a portion of its assets in smaller, less established or start-up companies in the renewable energy, energy technology and other energy transition sectors, and the securities of any such companies may never be publicly traded or listed on a securities exchange. Companies whose securities are unlisted are not subject to the same disclosure and other investor protection requirements that are applicable to companies with listed securities. These investments may be difficult to value and to sell or otherwise liquidate, and the

risk of investing in such companies is generally much greater than the risk of investing in listed or publicly traded companies. In addition, investments in such companies may involve greater risks than are generally associated with investments in more established companies. Less established companies tend to have smaller capitalizations and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies also have shorter operating histories on which to judge future performance and may experience start-up related difficulties that are not faced by established companies. The Sub-Fund has not established any minimum capitalization or operating history for the companies in which it will invest. In addition, less established companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which The Sub-Fund invests, it may suffer a partial or total loss of capital invested in that company. There can be no assurance that any such losses will be offset by gains (if any) realized on The Sub-Fund's other investments.

**Federal Power Act; Natural Gas Act; State Regulations.** Companies owning or operating electric generation and transmission assets may separately be subject to regulatory requirements under the U.S. Federal Power Act, as amended (the "**FPA**"), and state and, perhaps, local public utility laws. The FPA grants the FERC jurisdiction over the transmission of electricity in interstate commerce, the sale of electricity at wholesale in interstate commerce, and all facilities for such transmission or sale; provided, that jurisdiction over retail sales is left to the states. The FPA prohibits "public utilities" (entities that own or operate facilities subject to FERC jurisdiction) from selling, leasing, merging or consolidating jurisdictional facilities, and from buying or acquiring securities of other public utilities, without first obtaining FERC approval. The U.S. Energy Policy Act of 2005 also provided the FERC with expanded jurisdiction over the acquisition of generating assets by public utilities and required prior approval by the FERC of certain mergers, consolidations or the acquisition of securities with a value of \$10 million or more by any holding company in a holding company system that includes a transmitting utility or an electric utility company. Rates, charges and other terms for transmission services and for wholesale sales by public utilities are subject to the FERC's supervision. Certain wholesale generating companies may obtain market-based rate authority, enabling companies to price based upon market conditions. In determining whether a wholesale generating company will be granted market-based rate authority, the FERC has established market power tests that review the holdings of the generating company and its affiliates; the need to maintain market-based rate authority may, from time to time, constrain the investment opportunities available to the Sub-Fund. The FERC also is responsible for licensing and inspecting private, municipal and state-owned hydroelectric projects. Since Portfolio Companies may own electric facilities, they may be deemed to be public utilities, subject to these regulations, unless otherwise exempted.

Companies owning or operating natural gas transportation or storage facilities may be subject to regulatory requirements under the U.S. Natural Gas Act, as amended (the "**NGA**"). The NGA grants the FERC jurisdiction over the transportation of natural gas in interstate commerce, among other things. While the FERC has jurisdiction over the rates charged for interstate transportation and storage services, in most cases, owners of certain natural gas storage facilities may obtain market-based rate authority, enabling companies to price based upon market conditions. As with wholesale generation, the FERC has adopted market power tests that review the holdings of storage providers prior to granting market-based rates. The FERC also has authority over facility construction, and no such construction can occur without FERC authorization under the NGA. The FERC does not have jurisdiction to review mergers of natural gas companies, but operating and construction certificates may not be transferred without prior FERC approval.

On the state level, most state laws require approval from the state commission before an electric utility operating in the state may divest or transfer electric generation or distribution facilities. These laws also give the commission authority to regulate the financial activities of electric utilities selling electricity to consumers in their states. Certain states also regulate the transfer of other electric facilities and financing activities by the owners of such facilities.

**Exploration and Development Risks.** The Sub-Fund may invest in any Fossil Fuel Portfolio Company that the Investment Manager and/or Sub-Investment Manager intends to shut down, retire or convert to a non-fossil fuel energy source within a reasonable period after the acquisition of such Fossil Fuel Portfolio Company. In this regard, The Sub-Fund may invest in businesses that have engaged in natural resources exploration and development, a speculative business involving a high degree of risk.

**Renewable Energy.** The Sub-Fund may make investments in renewable energy projects. The market for renewable energy assets and businesses continues to evolve rapidly. Diverse factors, including the cost-effectiveness, performance and reliability of renewable energy technology, changes in weather and climate and availability of government subsidies and incentives, as well as the potential for unforeseeable disruptive technology and innovations, present potential challenges to investments in renewable assets. Renewable

resources (wind, solar, hydro, geothermal, etc.) are inherently variable. Variability may arise from site specific factors, daily and seasonal trends, long-term impact of climatic factors, or other changes to the surrounding environment. Hydrology, wind and weather conditions generally have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors. A natural disaster could impact water flows, and water rights are generally owned or controlled by governments that reserve the right to control water levels or may impose water-use requirements as a condition of license renewal. Variations in renewable resource levels impact the amount of electricity generated, and therefore cash flow generated, by renewable energy investments.

The success of the Sub-Fund's Portfolio Companies will be dependent on their ability to acquire, develop and operate technology in a manner superior to existing products and products introduced in the future, and in a manner that is cost effective. In addition, there may be pressure to continually enhance any products that are developed as well as introduce new products that keep pace with technological change and address the increasingly sophisticated needs of the marketplace. Even if the current technologies and protocols of the Sub-Fund's Portfolio Companies prove to be commercially feasible, there is extensive research and development being conducted on alternative energy sources that may render such technologies and protocols obsolete or otherwise non-competitive. There can be no assurance that the Sub-Fund will be able to access such new technologies on favorable terms or at all. In addition, changes in commodity prices for conventional energy sources, the regulation of carbon-intensive fuel sources and other market factors could result in decreased reliance on clean and renewable energy sources in favor of other energy sources.

If renewable energy technology proves unsuitable for widespread commercial deployment or if the demand or political support for renewable energy products fails to continue to develop (including as a result of changes in market conditions, such as a decrease in the price of fossil fuels or improvements in technology), the Sub-Fund's investments in renewable energy projects may be adversely affected. Additionally, the operation and financial performance of any renewable energy investment depend on governmental policies and regulatory frameworks that support renewable energy sources. Investments in renewable energy and related businesses and/or assets currently enjoy wide support from national, state and local governments and regulatory agencies designed to finance or support the financing development thereof, including renewable energy tax credits such as the ITC and the U.S. federal production tax credit, various renewable and alternative portfolio standard requirements enacted by several states, renewable energy credits and state-level utility programs, such as system benefits charge and customer choice programs. Similar support, initiatives and arrangements exist in non-U.S. jurisdictions as well, in particular the EU. Non-U.S. jurisdictions may have more variable views on policies regarding renewable energy (and, for example, may be more willing or likely to abandon initiatives regarding renewable energy in favor of more carbon-intensive forms of traditional energy generation). The combined effect of these programs is to subsidize in part the development, ownership and operation of renewable energy projects, particularly in an environment where the low cost of fossil fuel may otherwise make the cost of producing energy from renewable sources uneconomic. Some of the U.S. states or other jurisdictions in which renewable energy investments are located may have Renewable Portfolio Standards ("RPS") requirements that support the sale of electricity generated from renewable energy sources. Electric utility suppliers may satisfy their RPS requirements by purchasing renewable energy or renewable energy credits ("RECs") from producers of electricity generated from renewable sources. The Sub-Fund's investment thesis and the performance of its investments depends in part on continued and increasing government support for sustainable low carbon projects in the energy, industrial and agriculture segments of the economy. There can be no assurance that government support for renewable energy will continue, that favorable legislation will pass, or that the electricity produced by the renewable energy investments will continue to qualify for support through the RPS programs. The elimination of, or reduction in, government policies that support renewable energy is likely to have a material adverse effect on a renewable energy Portfolio Company's financial condition or results of operations. Any reduction in or elimination of these programs will have an adverse effect on development of renewable energy resources, as was demonstrated by the significant reduction in wind power development projects between the end of 2003 when the federal production tax credit expired and the reinstatement of such credit by the U.S. Congress in October 2004. To the extent any federal, state or local renewable energy tax credits, (including ITCs) other favorable tax treatment or other forms of support for renewable energy are changed, the Sub-Fund's renewable energy investments may be negatively impacted. The Inflation Reduction Act introduced a number of extensions and expansions to renewable energy tax incentives, however it is unclear whether The Sub-Fund or its investments will be able to benefit from these changes.

In addition, the development and operation of renewable assets may at times be subject to public opposition. For example, with respect to the development and operation of wind projects, public concerns and objections often center around the noise generated by wind turbines and the impact such turbines have on wildlife. While

public opposition is usually of greatest concern during the development stage of renewable assets, continued opposition could have an impact on ongoing operations.

**Uncertainty Inherent in Government Contracts.** The Sub-Fund may invest in Portfolio Companies involved in the defense and government information technology industries. Companies engaged in supplying equipment and services to U.S. government agencies are subject to certain business risks peculiar to that industry. These risks include the ability of the U.S. government to, in some circumstances, unilaterally suspend its contractors from receiving new contracts in the event of certain violations of law or regulation. All of a Portfolio Company's U.S. government contracts may, by their terms, be subject to termination by the U.S. government either for its convenience or following the default of the Portfolio Company. In addition, certain costs and expenses may not be allowable charges under U.S. government contracts. A Portfolio Company, as a U.S. government contractor, may be subject to financial audits and other reviews by the U.S. government of performance of, and the accounting and general practices relating to, U.S. government contracts. Costs and prices under such contracts may be subject to adjustment based upon the results of such audits and reviews.

**Other Regulated Industries.** In addition to industry-specific risks described herein, other industries are heavily regulated. The Sub-Fund's investments are expected to include investments in Portfolio Companies operating in industries that are subject to greater amounts of regulation than other industries generally. In addition to the investments described above, these more highly regulated industries include real estate, financial services (including banking, investing and mortgage servicing), transportation (e.g., aviation), construction and businesses that serve primarily customers that are governmental entities, including the defense industry. Certain investments (e.g., those involving hospitality, hotels and leisure) also can involve regulated activities (e.g., gaming and liquor). Investments in Portfolio Companies that are subject to greater amounts of governmental regulation pose additional risks relative to investments in other companies generally, including risks relating to approval of a change in ownership, and the acquisition and maintenance of applicable licenses. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures and/or regulatory capital requirements in the case of banks or similarly regulated entities. If a Portfolio Company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines.

A Portfolio Company also could be negatively affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Governments have considerable discretion in implementing regulations that could impact a Portfolio Company's business and governments may be influenced by political considerations and may make decisions that adversely affect a Portfolio Company's business. Additionally, certain Portfolio Companies have unionized work forces or employees who are covered by a collective bargaining agreement, which could subject any such Portfolio Company's activities and labor relations matters to complex laws and regulations relating thereto.

Moreover, a Portfolio Company's operations and profitability could suffer if it experiences labor relations problems. Upon the expiration of any such Portfolio Company's collective bargaining agreements, it may be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more of any such company's facilities could have a negative effect on its business, results of operations and financial condition. Additionally, any such problems may bring scrutiny and attention to the Sub-Fund itself, which could adversely affect the Sub-Fund's ability to implement its investment objectives.

**Force Majeure and Expropriation Risk.** Portfolio Companies or assets may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of infectious disease, pandemic or any other serious public health concern, war, regional armed conflict, terrorism and labor strikes). Natural disasters, epidemics, pandemics and other acts of God, which are beyond the control of the Investment Manager and/or Sub-Investment Manager, may negatively affect the economy, infrastructure and livelihood of people throughout the world. For example, southeast Asia and many countries in Asia, including China, Japan, Indonesia and Australia have been affected by earthquakes, floods, typhoons, drought, heat waves or forest fires. Disease outbreaks have occurred in Asia in the past (including severe acute respiratory syndrome, or SARS, avian flu, H1N1/09 flu and COVID-19) and are occurring globally at present, and any prolonged occurrence of infectious disease, or other adverse public health developments or natural disasters in any country related to the Sub-Fund's investments may have a negative effect on the Sub-Fund. Resulting catastrophic losses may either be uninsurable or insurable at such high rates as to make such coverage impracticable. If such a major uninsured



loss were to occur with respect to any of the Sub-Fund's investments, the Sub-Fund could lose both invested capital and anticipated profits.

Some force majeure events may adversely affect the ability of a party (including a Portfolio Company or a counterparty to the Sub-Fund or a Portfolio Company) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to a Portfolio Company or the Sub-Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Sub-Fund may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more Portfolio Companies or its assets, could result in a loss to the Sub-Fund, including if its investment in such Portfolio Company is canceled, unwound or acquired (which could be without what the Sub-Fund considers to be adequate compensation). Any of the foregoing may therefore adversely affect the performance of the Sub-Fund and its investments.

**Investment in Clean Transition Equity-Oriented Companies.** The Sub-Fund could invest in the securities of clean transition equity-oriented companies that can make decisions or otherwise pursue courses of action that are not in the short-term operating or financial interest of the Sub-Fund (for example, in terms of increasing profitability of the Portfolio Company), but instead may be in the interest of achieving certain clean transition equity-oriented outcomes. Conversely, the Sub-Fund can invest in certain companies that, while at the time of the Sub-Fund's investment seek clean transition equity-oriented strategies, cease to pursue such strategies in the interest of achieving economic outcomes. As a result, there can be no assurance that the Sub-Fund's Portfolio Companies will achieve both successful economic and clean transition equity-oriented outcomes, or that such Portfolio Companies will achieve either result.

Additionally, while the Board of Directors, the Investment Manager and the Sub-Investment Manager will seek to diligence whether prospective Portfolio Companies are able to achieve certain climate goals, the climate goals as between a Portfolio Company operating in one industry or sector and a Portfolio Company operating on another industry or sector could significantly vary, and it is possible that The Sub-Fund will not be successful in selecting investments that have the ability to actually successfully transition their businesses in furtherance of the Sub-Fund's climate goals.

**Climate Performance and Reporting.** The Sub-Fund could report against climate metrics at the Portfolio Company level and fund-level, including utilizing the assistance of certain third-party service providers. However, measuring the performance of specific investments and of the Sub-Fund as a whole against such metrics could prove to be challenging, as the Sub-Fund will be reliant on information and data provided by its Portfolio Companies. While the Board of Directors, the Investment Manager and the Sub-Investment Manager intend to exert appropriate influence under the circumstances to ensure receipt of complete, timely and accurate Portfolio Company reports, they might not be able to do so in all cases. As such, if the Sub-Fund is unable to obtain reliable information and data from such Portfolio Companies, its ability to assess and provide reporting to Investors will be significantly impacted. In addition, the Board of Directors, the Investment Manager and the Sub-Investment Manager are permitted to, in their sole discretion, change the nature of the Sub-Fund's climate-related reporting, including the items being reported and the reporting frameworks against which they are being reported. Furthermore, the costs of measuring against such climate metrics and of providing relevant reporting to the Sub-Fund's Investors will be The Sub-Fund expenses, which will adversely impact the Sub-Fund's and Investors' returns.

**Community Development.** The Investment Manager and/or Sub-Investment Manager has the authority to engage in activities that it believes will promote the growth and development of the communities of certain portfolio companies in which the Sub-Fund will invest, which may include advising and collaborating with governmental agencies (including federal, state and local departments of such agencies), non-profit entities, debt providers, larger corporations and other service providers in such communities, among other activities. While the Investment Manager and/or Sub-Investment Manager believes that such activities will ultimately be beneficial to the Sub-Fund's investment strategy, there can be no assurance that such activities will positively affect the Sub-Fund's investment returns or clean transition equity impact.

**Nature of Impact Investments.** To the extent that the Sub-Fund makes societal impact investments, it will be subject to a variety of risks, not all of which can be foreseen or quantified. When evaluating potential investment opportunities, in addition to financial return, the Investment Manager and/or Sub-Investment Manager has the ability to consider an investment's potential to achieve a measurable positive social and/or environmental impact(s). As a result, the opportunity set for potential investments will necessarily be smaller than it would otherwise be if the Sub-Fund were seeking to make investments solely on the basis of financial returns. This

could result in the Sub-Fund not consummating an investment that it might otherwise have pursued absent such considerations. In addition, although the Investment Manager and/or Sub-Investment Manager does believe that pursuing positive social and/or environmental impacts necessarily has a negative effect on an investment's financial returns, and that they can even enhance a Portfolio Company's profitability, it is possible that a Portfolio Company's dual focus on financial success and positive social and/or environmental impact may from time to time require it to make decisions that favor one goal at the expense of the other.

**Allocations Based on Impact Underwriting.** Whether a particular investment is allocable to the Sub-Fund depends in large part on whether it satisfies Apollo's clean transition equity impact underwriting framework and standards applicable to the Sub-Fund and its investments as then in effect. Apollo does not expect to screen all investment opportunities in the deal pipeline across the firm for a potential clean transition equity impact. Rather, if a potential investment opportunity seems to satisfy the core premise Apollo's clean transition equity's investment objective and the investment team is interested in pursuing the opportunity, the Investment Manager and/or Sub-Investment Manager and the investment team will then assess such opportunity for underwriting pursuant to the investment processes described elsewhere in this Sub-Fund Supplement.

**General Risks Related to Certain Clean Transition Investment Strategies.** Any clean transition investments by the Sub-Fund may not provide as favorable returns or protection of capital as other investments. The Sub-Fund may structure certain investments using non-standard terms that are less favorable for the Sub-Fund than those traditionally found in the marketplace for investment strategies that do not link clean transition equity to financial returns. There is no assurance that the Portfolio Companies in which the Sub-Fund invests will not produce, or result in the production of, material carbon emissions or that such investments will satisfy any environmental impact goals. Moreover, the Sub-Fund may determine to forgo an investment that could provide favorable returns because such investment would not have sufficient clean transition equity. The Sub-Fund expects that some of its investments will be made in reliance on innovative and untested business strategies. For example, although the Sub-Fund generally does not intend to do so, if the Sub-Fund lends capital as part of an investment in connection with an innovative business strategy, repayment of such a loan may be contingent on the achievement of a certain threshold of success over which the Sub-Fund has no control. In addition, clean transition equity projects selected by the Sub-Fund may require the Sub-Fund to make several different types of investments. For example, the Sub-Fund may provide both equity and debt in the same clean transition equity project. Moreover, the Sub-Fund may invest in clean transition equity projects that involve investments in multiple locations, and the financial returns thereon will depend on the success of the clean transition equity project in each location.

**Clean Energy Sector Risks—General.** The renewable clean energy sector is a relatively new and emerging asset class of investment funds and may be considered riskier than more established asset classes. Many factors will influence the widespread adoption of clean energy and the demand for clean energy, including the cost-effectiveness, performance and reliability of clean energy and continuing availability of government subsidies and incentives. The electricity and power sectors are highly regulated industries as is renewable electricity generation. Long-term revenues for clean energy projects are based in part on regulated mandates and commitments to support premium pricing for clean energy. There is a risk that one or more governments or states may repeal or amend existing mandates and clean energy investment incentives (including measures with retrospective or retroactive effect) which could materially adversely affect the price of renewable electricity and the value of clean energy assets.

Clean energy projects currently enjoy wide support from governments (both central and local) and regulatory agencies designed to stimulate the development of clean energy. The combined effect of these initiatives is to subsidize in part the development, ownership and operation of clean energy projects, particularly in an environment where the cost of fossil fuel may otherwise make the cost of producing energy from renewable energy sources less competitive. Any reduction in or elimination of these programs may have a material adverse effect on existing investments, as well as the future development of clean energy projects or resources.

**Climate Risk.** While the Sub-Fund sees economic opportunities in climate change and carbon reduction, global climate change is widely considered to be a significant threat to the global economy. Assets in clean energy, enabling solutions, decarbonized transport, greening industrials, and agriculture & natural solutions in particular may face risks from the physical effects of climate change, such as risks posed by increasing frequency or severity of extreme weather events and rising sea levels and temperatures. Additionally, the "Paris Agreement" and other initiatives by international, federal, state, and regional policymakers and regulatory authorities as well as private actors seeking to reduce greenhouse gas emissions may expose such assets to so-called "transition risks", such as: (i) regulatory and litigation risk (e.g., changing legal requirements

that could result in increased permitting and compliance costs, changes in business operations, or the discontinuance of certain operations, and litigation seeking monetary or injunctive relief related to clean transition equity impacts); (ii) technology and market risk (e.g., declining market for products and services seen as greenhouse gas intensive or less effective than alternatives in reducing greenhouse gas emissions); and (iii) reputational risk (e.g., risks tied to changing customer or community perceptions of an asset's relative contribution to greenhouse gas emissions). Assets may also be exposed to physical risks which may include the damages to assets from extreme weather events caused by climate change such as floods, droughts, fires, earthquakes or other natural events. These changing weather patterns could cause both chronic (steady long-term) and acute (severe short-term) effects that can vary depending on the geographical location of the assets and could increase the costs faced by investors. The Board of Directors, the Investment Manager or the Sub-Investment Manager cannot rule out the possibility that these climate risks could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities once undertaken, any of which could have a material adverse effect on an investment or the Sub-Fund.

Additionally, the Sub-Fund may acquire or invest in investments that are located in areas which are particularly susceptible to climate change. Any Portfolio Companies located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Sub-Fund's business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise and extreme temperatures. As a result of these physical impacts from climate-related events, the Sub-Fund may be vulnerable to the following: risks of property damage to the Sub-Fund's investments; indirect financial and operational impacts from disruptions to the operations of the Sub-Fund's investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage, for investments in areas subject to severe weather, decreased net migration to areas in which investments are located, resulting in lower than expected demand for the products and services of the investments; increased insurance claims and liabilities; increased energy cost impacting operational returns; changes in the availability or quality of water or other natural resources on which the business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment and economic distributions arising from the foregoing.

### **Additional Tax Risks related to the Sub-Fund**

#### *Taxes Generally*

The Sub-Fund expects to make and hold investments through wholly or partially owned SPVs. When possible, the Sub-Fund will seek to structure investments through SPVs in a tax efficient manner so as to be exempt from, or be subject to minimal, income and withholding taxes in a particular SPV's jurisdiction of formation or incorporation or in any other jurisdictions in which the SPV operates. However, no undertaking or assurance is given that the investment structure(s) adopted by the Sub-Fund will be optimal for each investor, that investors will be able to benefit from specific (or efficient) tax treatment in any jurisdiction, or that returns to investors will be unaffected by Tax arising in relation to an investment structure.

The Sub-Fund may be subject to Tax in jurisdictions in which the Sub-Fund invests. In particular, the Sub-Fund may make investments that result in the incurrence of ECI by the Sub-Fund. The Sub-Fund will be subject to U.S. federal income tax on such income. The Sub-Fund may also, under certain circumstances, be subject to additional "branch profits tax" at a 30% rate with respect to such income. In addition, if the Sub-Fund were to acquire stock in a United States Real Property Holding Corporation as defined in Section 897 of the Code then any gain on the sale of such stock would generally be treated as ECI and would be subject to regular U.S. federal income tax.

#### *Investment alongside the Other CTE Funds*

As the Sub-Fund will generally invest as minority co-investor alongside the Other CTE Funds, Investors should be aware that investing into investments where the Sub-Fund does not have full control of investment-holding structures may result in additional tax considerations and risks, some of which may result in reduced returns to the Sub-Fund or other adverse tax-related consequences for the Sub-Fund. In particular, it is noted that (i) the vehicles comprising the underlying investment holding structures may be subject to taxation (which may be significant) and any such taxation will decrease the amount of returns to the Sub-Fund; (ii) the underlying

structures may result in additional tax or tax compliance obligations for the Sub-Fund or its investors; and (iii) the Sub-Fund and its investors may be reliant on information provided by the Other CTE Funds in respect of certain tax matters which could lead to increased tax costs if such information is not provided in a timely manner.

### *U.S. Investments*

As the Sub-Fund may make investments that have a particular focus on U.S. investments and/or structures, the following recent US law changes (set out below) may affect the investment performance of the underlying investment holding structure and as such the Sub-Fund's investment performance. The below may also impact any other U.S. focused investments made directly by the Sub-Fund:

In recent years, several changes to the U.S. federal tax code were enacted, including the Tax Cuts and Jobs Act (the "**TCJA**") in 2017, and the Coronavirus Aid, Relief, and Economic Security Act (the "**CARES Act**") in 2020. In addition, the Inflation Reduction Act of 2022 (the "**IR Act**") was enacted on August 16, 2022. The changes made by the IR Act include, among other things, significantly changed the taxation of business entities including by imposing an alternative minimum tax on certain corporations, implementing a 1% excise tax on stock repurchases, and economically similar transactions, of U.S. publicly-traded corporations and bolstered funding for the IRS. The 1% excise tax may apply to leveraged buyouts and certain merger transactions, which could increase the cost to the Sub-Fund of acquiring interests in publicly traded corporations. The IR Act also includes significant tax credit incentives for a variety of renewable energy resources in the U.S., which may have a significant impact on the renewable energy industry, including certain Sub-Fund investments. Amongst other changes, the IR Act extends the Investment Tax Credit and Production Tax Credit and adds expanded tax credits for certain new technologies and productions. The IR Act also includes new targeted incentives intended to encourage development in low-income communities, the use of domestically produced materials and the achievement of certain wage and apprenticeship goals. Certain credits contained in the IR Act are subject to sunset. The impact of these credits on the industries in which the Sub-Fund operates and on the Sub-Fund are uncertain.

A number of provisions enacted as part of the TCJA, the CARES Act and the IR Act are still subject to uncertainty as to scope and application. While certain regulations and guidance have been issued by the U.S. Treasury Department and the IRS, some of these regulations remain in proposed form and other interpretive guidance will be necessary to help reduce uncertainty in application. However, it may take a substantial amount of time for regulations to become final and guidance to be published, and, accordingly, the Sub-Fund and the entities in which the Sub-Fund may, directly or indirectly, invest may have significant uncertainties in their tax positions. Furthermore, the impact of this legislation on the state and local tax consequences of investments by the Sub-Fund is uncertain and will depend on whether and to what extent state and local jurisdictions conform applicable tax laws to these provisions and the interpretation thereof. In addition, there can be no assurance that U.S. tax laws, including laws impacting the corporate income tax rate, will not significantly change in the future. An increase in the corporate income tax rate would likely result in an increase of the overall tax burden borne by the Sub-Fund (including in respect of any "blocker" entities) and its investments and may accordingly adversely affect the Sub-Fund's returns.

The passage of new legislation, as well as changes or modifications in existing judicial decisions or in the current positions of the IRS, could substantially modify the tax treatment of the structures into which the Sub-Fund invests, possibly on a retroactive basis. The Sub-Fund cannot predict whether the U.S. Congress or any other legislative body will enact new tax legislation or whether the IRS or any other tax authority will issue new regulations or other guidance, nor can it predict what effect such legislation or regulations might have. There can be no assurance that new legislation or regulations, including changes to existing laws and regulations, will not have an adverse effect on the Sub-Fund's investment performance.

### *Potential for Recapture of Investment Tax Credits*

The Sub-Fund is expected to invest in projects that generate investment tax credits ("**ITCs**"). Certain ITCs are subject to "recapture" if the projects are sold or cease to be qualifying property (e.g., the facility is no longer utilized) within five years of such projects being placed in service (the "**Recapture Period**"), ratably 20% per year. ITC investments may be made by the Sub-Fund (or a "blocker" vehicle through which it invests) through one or more entities treated as partnerships for U.S. federal income tax purposes. In such case, a recapture event could include a direct or indirect sale of the applicable partnership interests or a reduction in a partners share of profits of such partnership during the Recapture Period. As discussed in more detail below, situations could arise where a recapture event occurs with respect to an ITC investment and the recapture event could

occur at the partner level, meaning that the Sub-Fund (or a "blocker" vehicle through which it invests) could be required to make a recapture payment to the IRS.

For example, it is possible that the Sub-Fund (or a "blocker" vehicle) might own an ITC investment through a Lower Tier Carry-paying Entity and/or other intermediate partnership ("**Intermediate Partnership**") that would own equity in a partnership that directly owns the facility (the "**Investing Partnership**"). If ITCs with respect to such investment are claimed, such ITCs may be allocated to the Sub-Fund (or a "blocker" vehicle through which it invests) in respect of its indirect ownership of such facility through Intermediate Partnerships and Investing Partnership, which ITCs could be sold by the Investing Partnership. Any such claimed ITCs may be subject to recapture if during the Recapture Period, the Sub-Fund (or a "blocker" vehicle through which it invests) has its proportionate interest in the general profits of the Investing Partnership (or in the facility) reduced below two-thirds of its proportionate interest in the general profits of such Investing Partnership (or in the facility) for the year in which such facility was placed in service (for example, as a result of a sale of an interest in an Intermediate Partnership or Investing Partnership, the admission of a new investor in an Intermediate Partnership or Investing Partnership, or the operation of distribution provisions in partnership agreements for an Intermediate Partnership or Investing Partnership (or taking into account more than one Intermediate Partnership or Investing Partnership) that reduce the Sub-Fund's (or "blocker" vehicle's) distribution entitlements with respect to such facility by more than one-third as compared to the year the facility was placed in service (e.g., the effect of distributions to the Carried Interest Recipient from a Lower Tier Carry-paying Entity and management promote payable at another Intermediate Partnership that begin in a year after the facility is placed in service)).

If such recapture were to occur, the Sub-Fund could owe certain tax liabilities, including penalties and interest, based on the recaptured ITCs. If such ITC were sold to a third-party purchaser for a price that is less than the amount of the ITC transferred, the amount of recapture could exceed the cash received for the sale of such ITC.

#### *Blocker Entities.*

The Sub-Fund may make investments through "blocker" entities that are subject to U.S. federal corporate income tax. For example, the Sub-Fund may acquire majority or minority positions in assets in respect of which treatment as "tax-exempt use property" under the Code would be material and adverse to the Sub-Fund or to unaffiliated investors in the relevant asset. The Sub-Fund may make such investments through a "blocker" vehicle that is subject to corporate-level tax. The Sub-Fund will bear any reduction in proceeds resulting from the corporate-level tax paid or otherwise borne by such "blocker" entity.

#### *Risks from Changes in the Taxation of Carried Interest*

The ability of the Board of Directors to achieve the investment objectives of the Sub-Fund depends, to a substantial degree, on the ability of Apollo to retain and motivate their investment executives and other key personnel, and to recruit talented new personnel. The ability of Apollo to recruit, retain and motivate their professionals is dependent on their ability to offer highly attractive incentive opportunities. Certain amendments to U.S. tax law pursuant to the TCJA could result in a substantial portion of any carried interest being treated as short-term capital gain generally taxed at ordinary rates for U.S. federal income tax purposes. Although proposed regulations have been issued, the overall impact this legislation will have on Apollo and its affiliates, or any profit participations granted to the Fund's operating partners, or any professionals of such organizations remain unclear. Additionally, certain states, including New York and California, have proposed legislation to levy additional state tax on carried interest, and additional U.S. federal proposals to tax carried interest at higher rates are also made in the U.S. Congress from time to time, any of which could materially increase their tax liability with respect to their entitlement to carried interest, which could adversely affect Apollo's ability to attract and retain certain investment executives and which could have an adverse effect on the Board of Directors' ability to achieve the investment objectives of the Sub-Fund.

#### *Determination of Carried Interest*

For the purposes of determining the amount of Carried Interest due and payable to the Carried Interest Recipient, any reduction in Relevant Proceeds received by or apportioned to the Sub-Fund attributable to, amongst other taxes, U.S. federal income tax shall be borne solely by the Investors and shall not be treated as Organizational Expenses or Operating Expenses or reduce amounts due to the Carried Interest Recipient. Apollo and its Affiliates, including the Investment Manager and/or Sub-Investment Manager, do not have a financial incentive to try and minimize such tax and, as such, conflicts of interest may arise with respect to the structuring of investments.

## ANNEX II CONFLICT OF INTEREST DISCLOSURES

Terms not otherwise defined in this Annex shall have the meaning given to them in the Prospectus and the Sub-Fund Supplement, as applicable.

**Expanding Scope of Apollo.** The Apollo Group continues to expand in scope and range of activities. This creates increased opportunities for conflicts of interest, increased pressure on the allocation of opportunities across the platform and increased competition for the time, including conflicts of interest with respect to the devotion of time and attention of Apollo's investment professionals who provide services in respect of the Umbrella Vehicle, Sub-Fund, and the Sub-Fund's investments. It also creates increased opportunities for disputes, liabilities and other burdens on such investment professionals. Apollo personnel who are members of the Sub-Fund's investment team or investment committee could be excluded from participating in certain investment decisions due to conflicts of interest involving other Apollo business or for other reasons, including other business activities, in which case the Sub-Fund will not benefit from their experience. In particular, such personnel in their capacity unrelated to the Sub-Fund may make decisions that may be for the benefit of broader arrangements, relationships or transactions that Apollo and its affiliates wish to pursue outside of and independent of the Sub-Fund. Apollo has long-term relationships with a significant number of corporations and their senior management and will consider those relationships when evaluating an investment opportunity for the Sub-Fund, which may result in Apollo choosing not to make such an investment due to such relationships. There can be no assurance of a net benefit to the Sub-Fund, and it is possible that the expansion of the Apollo Group's activities will yield a net detriment to the Sub-Fund.

**Investments with Respect to Which Other Apollo Clients and/or Apollo Affiliates May Benefit.** Similarly, subject to the express limits in the Fund Documents, the Sub-Fund may from time to time invest in Portfolio Companies in which other Apollo Clients and/or Apollo have pre-existing investments. Given the potential benefits to such other Apollo Clients or Apollo (including, for example, to achieve higher valuations on its investment, or proceeds from the Sub-Fund's investment), the Investment Manager and/or Sub-Investment Manager could be incentivized to cause the Sub-Fund to invest in such companies, and such activities can give rise to conflicts of interest as described herein.

**Holding Entities and Tracking Interests.** The Investment Manager and/or Sub-Investment Manager may determine that for legal, tax, regulatory, accounting, administrative or other reasons that the Sub-Fund should hold an investment (or a portion of a portfolio or pool of assets) through a single intermediary holding entity through which one or more other Apollo Clients hold different investments (or a different portion of such portfolio or pool of assets, including where such portfolio or pool has been divided and allocated among the Sub-Fund and such other Apollo Clients) in respect of which the Sub-Fund does not have the same economic rights, obligations or liabilities. In such circumstances, it is expected that the economic rights, liabilities and obligations in respect of the investment (or portion of a portfolio or pool) that is indirectly held by the Sub-Fund would be specifically attributed to the Sub-Fund through tracking interests in such holding entity or back-to-back or other similar contribution or reimbursement agreements or other similar arrangements entered into with such other Apollo Clients, and that the Sub-Fund would be deemed for purposes of the Fund Documents to hold its investment (or portion of a portfolio or pool) separately from, and not jointly with, such other Apollo Clients (and vice versa in respect of the investments (or portion of a portfolio or pool) held indirectly through such holding entity by such other Apollo Clients). The use of such investment structures in connection with the Sub-Fund's investment activities could have an adverse impact on the Sub-Fund. For example, liabilities could arise in relation to a specific investment held indirectly through such holding entity by another Apollo Client, but not the Sub-Fund, and a counterparty could seek recourse against the holding entity from a different investment that is held indirectly through such holding entity by the Sub-Fund, but not the other Apollo Client. As the Sub-Fund investment made through such a holding entity will therefore be subject to risks by virtue of other investments owned by the holding entity in which the Sub-Fund does not have a tracking interest, and such risks would not be present if separate holding entities were used for the separate investments made by the Sub-Fund and the other Apollo Client. Furthermore, certain holding structures may require a newly-established manager, advisor, service provider or other entity intended to address certain legal, tax, regulatory, accounting, administrative or other considerations applicable to the Sub-Fund and/or other Apollo Clients. For example, due to rules, regulations and/or requirements in a particular jurisdiction (e.g., licensing requirements), it may be the case that in order to comply with the foregoing, one Apollo entity serves a particular role for another Apollo entity (e.g., as an administrator or other role requiring a license) that it otherwise would not but for the rules, regulations and/or requirements in such jurisdiction. It is possible that the Sub-Fund will be responsible for the costs and expenses of establishing such holding structure (including any such newly-established entities) prior to, and/or, in anticipation of, other Apollo Clients participating through such structure

for their investments and it is expected that such other Apollo Clients reimburse the Sub-Fund for any such costs and expenses on a pro rata basis.

**Allocation of Investment Opportunities.** The description below should be read in conjunction with the description given under the "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Allocation of Investment Opportunities*" section of the general part of the Prospectus.

As described in the general part of the Prospectus, the Sub-Fund's entitlement to investment opportunities will be governed exclusively by Apollo's investment allocation policies and procedures, and notwithstanding the Sub-Fund's targeted investment objectives, the Sub-Fund will not have any contractual entitlement representing a priority or "deal flow" allocation with respect to any specific investment opportunity, in whole or in part, including Platform Investments and investment opportunities sourced by such Platform Investments, and, in some cases, at any time prior to funding the Sub-Fund's allocation to potential investments sourced by Platform Investments could be cut-back or otherwise reduced by the Platform Investment and such decisions are not subject to Apollo's investment allocation policies and procedures. The final allocation decisions by Platform Investments for investment opportunities sourced by such Platform Investments could take into account Apollo's own interests as well as the interests of the Platform Investment, such as maintaining and/or developing opportunities to place, syndicate or otherwise sell-down investments to third parties in an effort to, among other things, develop the sourcing capabilities of a Platform Investment. Further, there are Apollo Clients that have in their respective governing documents such priority or "deal flow" allocations or covenants requiring Apollo to offer such Apollo Clients the right to participate (in whole or in part) in investment opportunities that meet their investment objectives. As such, the Sub-Fund's entitlement to a potential investment opportunity will be subject to and burdened by such obligations, which could result in the Sub-Fund not participating in an investment opportunity at all, or to the extent that it could have participated.

The Sub-Fund is anticipated to generally invest alongside the Other CTE Funds but is always subject to the ELTIF Regulation in general and the ELTIF investment restrictions as set forth in this Sub-Fund Supplement, in particular. If an investment opportunity is suitable for both the Sub-Fund and the Other CTE Funds, the Sub-Fund may not be able to participate in 100% of such investment opportunity, and Apollo may allocate suitable investment opportunities between the Sub-Fund and the Other CTE Funds in a manner, and at a size, that is determined to be appropriate for the Sub-Fund and the Other CTE Funds, based on various criteria, including the investment restrictions or limitations at the Sub-Fund-level, the ELTIF Regulation and investment restrictions thereunder, the available capital of the Sub-Fund and the Other CTE Funds, and other various portfolio composition considerations of each respective fund. The Other CTE Funds may also be allocated investment opportunities that the Sub-Fund may not pursue given asset mix, geography, or its portfolio diversification limitations or other such considerations under the ELTIF Regulation or otherwise. Further, there may be circumstances where the Other CTE Funds cannot invest alongside the Sub-Fund as a result of the investment restrictions imposed on the Other CTE Funds under their governing documents, in which case, Apollo may allocate to the Sub-Fund differently than the Other CTE Funds. As such, the Other CTE Funds may make additional or different investments consistent with the investment strategy of the Other CTE Funds in order to remain compliant with their governing documents, which may result in different investment results for the Sub-Fund and the Other CTE Funds. Moreover, Apollo manages, sponsors and advises and will continue to manage, sponsor and advise other Apollo Clients that have overlapping and competing investment objectives with that of the Sub-Fund (including the Flagship PE Funds (as defined below), the infrastructure-managed funds, impact-related funds and potential growth strategies that could be pursued by Apollo Clients or by Apollo itself), including Apollo Clients that have targeted and actual sizes that are larger than the Sub-Fund, which could result in the Sub-Fund receiving an allocation that represents less than the Sub-Fund's desired or expected allocation. Furthermore, if the Sub-Fund were to co-invest in a Portfolio Company alongside any Apollo Clients (including the Apollo Clients described in this paragraph), it is possible that the Sub-Fund will not have the ability to effect its desired "clean transition-related" objectives with respect to such Portfolio Company, or Apollo as general partner of such other Apollo Clients believes that it is appropriate to make decisions with respect to such Portfolio Company that contradict, are not in furtherance of or are to the detriment of such "clean transition-related" objectives. As such, there should not be an expectation that the Sub-Fund's "clean transition-related" interests will be given priority in relation to the overall business plan of a Portfolio Company, in particular those Portfolio Companies in which the Sub-Fund co-invests alongside other Apollo Clients.

The commitment period of Apollo Natural Resources Partners III ("**Fund I**") has not ended. It is therefore possible that, due, for example, to any receipt by Fund I of recyclable capital thereafter, both Fund I and the Sub-Fund could be eligible to make investments during an overlapping period. Subject to the governing documents of Fund I and the Sub-Fund, Apollo will have discretion to allocate investment opportunities arising

during any such period to Fund I, the Sub-Fund or a combination of the two, and will do so in accordance with its investment allocation policies and procedures and generally taking into account the factors described herein and therein. There can be no assurance that any such allocation will be made in a manner that is ultimately beneficial to the Sub-Fund.

**Allocations Based on Clean Transition Underwriting.** Whether a particular investment is allocable to the Sub-Fund depends in part on the clean transition equity factors underwritten for it. A significant factor in determining whether an investment is allocable to the Sub-Fund as opposed to another Apollo Client is Apollo's expectations regarding the investment's potential to mitigate climate change. When underwriting a prospective investment's potential to mitigate climate change, Apollo may assess the investment in the context of its clean transition framework, which may include certain sector-, geography- or investment-specific standards that allows Apollo to determine the potential clean transition eligibility for a particular investment opportunity. In addition, there are certain situations where the framework could call for a modified standard as an adjustment to or filter on the clean transition eligibility. When such modified standards are applied, Apollo's judgment will be even more significant. For instance, there may be circumstances where the third-party studies and research that generally underpin the clean transition underwriting are not readily available for the relevant potential or that Apollo believes are not rigorous enough to factor into its clean transition underwriting assessment. In these cases, Apollo may rely on analogous studies, or on a different set of analyses to determine potential clean transition eligibility. Moreover, there may be particular sectors, such as healthcare, or types of deals, such as those involving early-stage companies, where Apollo may apply modified standards to account for the nature of such investments. In addition, due to the cost involved in performing a robust clean transition underwriting, the extent of Apollo's analysis may vary depending on the size of the investment. Apollo expects its framework to evolve over time and will be authorized to make any changes thereto that it determines to be appropriate under the circumstances.

**Apollo Managed Finance Programs.** The Sub-Fund may invest alongside Apollo Clean Transition Capital Fund, L.P. and its parallel funds and alternative investment vehicles ("**ACT Capital**") across the capital structures of a portfolio investment as determined by Apollo and subject to this Sub-Fund Supplement and the governing documents of ACT Capital. In particular, ACT Capital may invest in the equity, debt, yield and/or make a hybrid investment in a Portfolio Company in which the Sub-Fund holds or is intending to hold an investment. ACT Capital's investment in a Portfolio Company of the Sub-Fund may be facilitated through a variety of structured solutions, including commingled funds or vehicles, joint venture funds, continuation funds or other secondary structures. As such, investment opportunities may arise that fall within the investment objectives or strategies of both the Sub-Fund, ACT Capital and any other Apollo Client and any investment opportunities generated for ACT Capital may provide opportunities for investment by ACT Capital, including in different levels of the capital structure, given ACT Capital's lesser focus on equity investing. Moreover, Olivia Wassenaar is a "key person" with respect to ACT Capital (in addition to other Apollo Clients) and therefore her time and attention will be dedicated to each such vehicle in a manner that is determined by Apollo. See the "*Conflicts of Interest—Capital Structure Conflicts*" and "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Competition for Investment Opportunities*" sections of the general part of the Prospectus, and "*—Allocation of Investment Opportunities*" above.

**Data Management Services.** Apollo or an affiliate of Apollo formed in the future could provide data management services to Apollo, Apollo Clients or affiliates or portfolio companies thereof and associated entities (collectively, "**Data Holders**"). Such services could include assistance with obtaining, analyzing, curating, processing, packaging, organizing, mapping, holding, transforming, enhancing, distributing, marketing and selling such data (among other related data management and consulting services) for monetization through licensing or sale arrangements with third parties and/or, subject to the limitations in the Fund Documents and any other applicable contractual limitations, with Apollo, Apollo Clients or affiliates or portfolio companies thereof and associated entities. If Apollo or its affiliate enters into data services arrangements with such persons for such data services, the Sub-Fund could indirectly bear its share of such compensation based on its pro rata ownership of a portfolio company. Where Apollo or its affiliate believes appropriate, data from one Data Holder may be aggregated or pooled with data from other Data Holders. Any revenues arising from such aggregated or pooled data sets would be allocated between applicable Data Holders on a fair and reasonable basis as determined by Apollo or its affiliate in its sole discretion, with Apollo or its affiliate able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable. Apollo or its affiliate is expected to receive compensation for such data management services, which may include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, and which compensation is also expected to include fees, royalties and cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)) will not



be subject to the management fee offset provisions or otherwise shared with the Sub-Fund or Investors. Additionally, Apollo or its affiliate is also expected to share and distribute the products from such data management services within Apollo or Apollo Clients or affiliates or portfolio companies thereof and associated entities at no charge and, in such cases, the Data Holders may not receive any financial or other benefit from having provided such data thereto. The potential receipt of such compensation by Apollo or its affiliate may create incentives for Apollo or its affiliate to cause the Sub-Fund to invest in portfolio companies with a significant amount of data that it might not otherwise have invested in or on terms less favorable than it otherwise would have sought to obtain.

**Determination of Fees Paid to Affiliated Service Providers.** If, under an agreement between the Sub-Fund or a Portfolio Company, on the one hand, and an Affiliated Service Provider, on the other hand, the Affiliated Service Provider is engaged in activities or services on behalf of the Sub-Fund and/or one or more Portfolio Companies on a for-profit basis, as determined by Investment Manager and/or Sub-Investment Manager in good faith, the applicable fees will be determined on a case-by-case basis. In determining fees, Apollo could seek to evaluate what comparable service providers who are engaged in the same or substantially similar activities as the Affiliated Service Provider charge in the ordinary course for similar services at the time of determination. While Apollo will determine in good faith what rates it believes are customary for such services at such time, there will be variances in the marketplace based on an array of factors that affect service providers and the prices of their services, including pricing strategies or other marketing practices, integration efficiencies, geographic market differences and the quality of the services provided. Apollo will make a good faith determination as to what it believes to be the market rate at such time, and will base its determination on several factors, including market knowledge, prices charged by competitors, prices charged by an Affiliated Service Provider to a third party, a third-party valuation agent or other subjective and objective metrics. For the avoidance of doubt, a rate that Apollo determines to be customary will not necessarily be equal to or lower than the median rate of comparable firms and, in certain circumstances, is expected to be in the top of a comparable or benchmark range.

In respect of benchmarking, while Apollo often obtains benchmarking data regarding the rates charged or quoted by third parties for services similar to those provided by Apollo affiliates in the applicable market or certain similar markets, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services (e.g., different assets may receive different services). In addition, benchmarking data is based on general market and broad industry overviews, rather than determined on an asset-by-asset basis. As a result, benchmarking data does not take into account specific characteristics of individual assets then owned or to be acquired by the Sub-Fund (such as size or location), or the particular characteristics of services provided. Further, it could be difficult to identify comparable third-party service providers that provide services of a similar scope and scale as the Affiliated Service Providers that are the subject of the benchmarking analysis or to obtain detailed information about pricing of a service comparable to that being provided to the Sub-Fund from third-party service providers if such service providers anticipate that Apollo will not in fact engage their services. For these reasons, such market comparisons may not result in precise market terms for comparable services. Expenses to obtain benchmarking data will be borne by the Sub-Fund, other Apollo Clients and their respective portfolio companies and will not offset the Management Fee. Finally, in certain circumstances Apollo can be expected to determine that third-party benchmarking is unnecessary, either because the price for a particular good or service is mandated by law (e.g., title insurance in rate-regulated U.S. states) or because in Apollo's view no comparable service provider offering such good or service (or an insufficient number of comparable service providers for a reasonable comparison) exists or because Apollo has access to adequate market data (including from third-party clients of the Affiliated Service Provider that is the subject of the benchmarking analysis) to make the determination without reference to third-party benchmarking. For example, in certain circumstances an Affiliated Service Provider or a portfolio company service provider could provide services to third parties, in which case if the rates charged to such third parties are consistent with the rates charged to the Sub-Fund, other Apollo Clients and their respective portfolio companies, then a separate benchmarking analysis of such rates is not expected to be prepared. Some of the services performed by Affiliated Service Providers could also be performed by Apollo from time to time and vice versa. Fees paid by the Sub-Fund or its Portfolio Companies to Affiliated Service Providers do not offset or reduce the Management Fee payable by the Management Fee-bearing Investors and are not otherwise shared by the Sub-Fund. In addition, where fees are paid by the Sub-Fund or its Portfolio Companies to Affiliated Service Providers in kind, conflicts may arise with respect to the valuation methodologies for such assets and/or such non-cash fees may be valued at such time as is reasonably determined by Apollo which may result in a value that is less than the value ultimately realized by the Affiliated Service Provider. Apollo has prepared accounting guidelines and has also adopted written valuation policies and procedures intended to address conflicts of interests that arise in respect of such valuations. See "*—Valuation of Fund Assets*"

below. These conflicts related to Affiliated Service Providers will not necessarily be resolved in favor of the Sub-Fund, and Investors may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

The Investment Manager and/or the Sub-Investment Manager will conduct an analysis similar to that described in the previous paragraph when determining a "market rate," "arms'-length" terms or similar standards described in this Prospectus, and the same or similar conflicts will apply to such analysis as discussed above.

**APPS and Other Consultants.** The description below should be read in conjunction with the description given under the "*Conflicts of Interest—APPS and Other Consultants*" section of the general part of the Prospectus.

Members of the Apollo Global Climate Council could also be treated as Consultants, (including with respect to other Apollo Clients and portfolio companies of other Apollo Clients) and the significant role of the Apollo Global Climate Council will not, by itself, render its members Apollo employees or Affiliates. Accordingly, such members of the Apollo Global Climate Council will not be subject to any restrictions, conditions, policies or procedures that relate specifically to employees of Apollo. Members of the Apollo Global Climate Council may therefore, for example, make personal investments in Portfolio Companies alongside the Sub-Fund, and the Sub-Fund may invest in Portfolio Companies in which members of the Apollo Global Climate Council have an existing investment (even if material). See also "*—Apollo Global Climate Council*" below.

Additionally, from time to time, Consultants provide services on behalf of both the Sub-Fund and other Apollo Clients, and any work performed by Consultants retained on behalf of the Sub-Fund may benefit such other Apollo Clients (and alternatively, work performed by Consultants on behalf of other Apollo Clients may benefit the Sub-Fund), and the Board of Directors, the Investment Manager and/or the Sub-Investment Manager shall have no obligation to allocate any portion of the costs to be borne by the Sub-Fund in respect of such Consultant to any other Apollo Clients that are not blind pool commingled funds.

**Apollo Compensation-Related Conflicts.** The description below should be read in conjunction with the description given under the "*Conflicts of Interest—Apollo Compensation-Related Conflicts*" section of the general part of the Prospectus.

Since any Clawback Obligation of the Carried Interest Recipient will be calculated on an after-tax basis under the Fund Documents, Investors may not ultimately receive their full share of profits that they would have otherwise received had there been no excess carried interest to the Carried Interest Recipient or similar person. For example, under the Sub-Fund's distribution "waterfall," carried interest distributions become payable earlier if profitable investments are liquidated before unprofitable investments because the waterfall does not permit any distributions of carried interest until after the cumulative amount of distributions has covered any prior losses and permanent write offs associated with unprofitable investments. During the "catch-up" period, the Investment Manager and/or Sub-Investment Manager is heavily incentivized to bring realizations forward and lock in returns (and stop the accrual of the priority return), even though investors might achieve a better overall return if the Sub-Fund retained the investment for a longer period of time.

Since in no event will the Carried Interest Recipient be required to restore an amount greater than the cumulative distributions received by the Carried Interest Recipient, its subsidiaries and its partners with respect to the carried interest, calculated net of tax liabilities attributable to the Sub-Fund income allocated to the Carried Interest Recipient calculated at an assumed income tax rate, as set forth in the Fund Documents, Investors may not ultimately receive their full share of profits that they would have otherwise received had there been no excess distribution to the Carried Interest Recipient or similar person throughout the term of the Sub-Fund. This incentive is further exacerbated by the Carried Interest Recipient's Clawback Obligation, in that, among other things, (i) the Investment Manager and/or Sub-Investment Manager is incentivized to lock in returns in order to avoid having the Carried Interest Recipient pay a Clawback Obligation and (ii) the Carried Interest Recipient will not be obligated to restore excess carried interest to the extent attributable to the "tax effecting" of its Clawback Obligation, which could result in Investors not being made whole in full pursuant to such obligation depending on the amount thereof.

While there is a finite Commitment Period during which new investments can be consummated, there is more flexibility regarding when investments must be realized. Under amendments to the U.S. federal tax code, as described in "*—Certain Tax Considerations*" above, for U.S. federal income tax purposes, capital gain in respect of the Carried Interest Recipient's carried interest distributions will be treated as short-term capital gain unless the Sub-Fund holds the relevant investment for more than three years, as opposed to the general rule that capital gain from the disposition of investments held for more than one year is treated as long-term capital gain. Furthermore, without limitation, the Carried Interest Recipient could, at any time, elect not to receive all or any portion of any distribution of carried interest to which it is entitled and such amount being retained by

the Sub-Fund instead, as an accelerated return. In such case, the Carried Interest Recipient could thereafter elect to have any amounts (or, at the Carried Interest Recipient's discretion, a specified portion of such amounts) otherwise retainable by the Sub-Fund in the future distributed instead to the Carried Interest Recipient as carried interest until the Carried Interest Recipient has received the same amount of distributions as it would have received had it not made such election.

Similarly, management fees, or higher management fees, will incentivize Apollo to dedicate increased resources and allocate more profitable investment opportunities to Apollo Clients who are charged such management fees or higher management fees.

The right to receive carried interest distributions also creates a potential conflict of interest in the valuation of investments. For example, because Carried Interest is calculated through a "modified deal-by-deal" distribution waterfall, the Carried Interest Recipient will not receive Carried Interest until the Sub-Fund retains distributions equal to any losses from prior investments and permanent write offs that were not taken into account from prior distributions. This will create an incentive for the Investment Manager and/or Sub-Investment Manager to dispose of profitable investments before unprofitable investments, as discussed above, as well as to minimize losses from write downs (which, as described in the "*Certain Risk Factors—Certain Risks Related to Regulatory Matters—Valuations and Changing Accounting Standards*" section of the general part of the Prospectus, may not be determined in accordance with the Sub-Fund's valuation policies) that must be returned before Carried Interest distributions can be paid. For example, the Investment Manager and/or Sub-Investment Manager is incentivized to defer a determination that an unrealized investment has incurred a loss or is permanently written down as a means to ensure that carried interest distributions are made at the applicable time. In addition, in the case where distributions in kind are made to Investors, the Investment Manager and/or Sub-Investment Manager will be incentivized to employ valuation methodologies that may give rise to a higher valuation of such assets. Apollo has prepared accounting guidelines regarding the recognition of asset impairment and has also adopted written valuation policies and procedures intended to address conflicts of interests that arise in respect of the valuation of the Sub-Fund's assets. See "*Valuation of Fund Assets*" below.

**Minority Investments in Other Businesses.** Apollo and Apollo Clients from time to time make minority investments in alternative asset management and insurance firms and other businesses which are not portfolio companies of the Sub-Fund or other Apollo Clients and that are not affiliated with Apollo, the Sub-Fund, other Apollo Clients and their respective portfolio companies. Certain of these firms may from time to time engage in similar investment or other transactions in which the Sub-Fund engages, including with respect to purchase and sale of investments, with these asset management firms and their sponsored funds and portfolio companies. Typically, the Apollo-related party with an interest in the asset management firm or other person would be entitled to receive, as applicable, a share of carried interest/performance based incentive compensation and net fee income or revenue share generated by the various products, vehicles, funds and accounts managed by that third-party asset management firm or a revenue share, as applicable, that are included in the transaction or activities of the third-party asset management firm or person, or a subset of such activities such as transactions with an Apollo-related party. In addition, while such minority investments are generally structured so that Apollo does not "control" such third-party asset management firms or persons, Apollo may nonetheless be afforded certain governance rights in relation to certain investments of an such third-party asset management firms (typically in the nature of "protective" rights, negative control rights or anti-dilution arrangements, as well as certain reporting and consultation rights) that afford Apollo the ability to influence the firm. Although Apollo and Apollo Clients do not intend to control such third-party asset management firms or persons, there can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of such third-party asset management firms or persons or the interpretation of applicable law or regulations, investments by Apollo, the Sub-Fund, other Apollo Clients and their respective portfolio companies will not be deemed to have control elements for certain contractual, regulatory or other purposes. While such third-party asset managers or persons will not be deemed Affiliates of Apollo under the Fund Documents or for any other purpose, Apollo may, under certain circumstances, be in a position to influence the management and operations of such asset managers or persons and the existence of its economic/revenue sharing interest therein may give rise to conflicts of interest. The Sub-Fund may from time to time participate in such investments alongside other Apollo Clients. Participation rights in a third-party asset management firm (or other business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the investments of the Sub-Fund to claims by third parties in connection with such investments (as indirect owners of such asset management firms or businesses) that may have an adverse financial or reputational impact on the performance of the Sub-Fund. Furthermore, it is expected that from time to time, the Sub-Fund, its Affiliates and their respective portfolio companies will engage in transactions with, and buy

and sell investments from, any such third-party asset managers and their sponsored funds, or such persons, and make investments in vehicles sponsored by such third party asset managers, which may result in the Apollo-related party earning carried interest/performance-based incentive compensation and/or fee income or revenue in respect of any such transactions. There can be no assurance that the terms of these transactions between parties related to Apollo, on the one hand, and the Sub-Fund and its Portfolio Companies, on the other hand, will be at arms' length or that Apollo will not receive a benefit from such transactions, which can be expected to incentivize Apollo to cause these transactions to occur. Such conflicts related to investments in and arrangements with other asset management firms or such persons will not necessarily be resolved in favor of the Sub-Fund. The Investors will not be entitled to receive notice or disclosure of the terms or occurrence of either the investments in alternative asset management firms or transactions therewith and will not receive any benefit from such transactions.

**Apollo Side-by-Side Investment Rights.** As described in greater detail in the section "*Apollo Side-by-Side Investment Rights*" of this Sub-Fund Supplement, in addition to one or more investment vehicles through which Apollo will offer certain qualified Apollo professionals and employees (and in certain cases, employees of portfolio companies of Apollo or Apollo Clients) the opportunity to invest in the Sub-Fund, Apollo, including Apollo professionals and employees and other Apollo Clients or entities and other key advisors/relationships of Apollo, will be permitted to invest in portfolio investments outside of the Sub-Fund in an amount equal to a certain specified percentage (the "**Apollo Co-Investment Percentage**") determined on an annual basis and not to exceed 5% of the amount of equity otherwise available to the Sub-Fund for investment on an annual basis. In addition, and notwithstanding the foregoing, the Investment Manager and/or Sub-Investment Manager can, in its sole discretion, permit certain Apollo personnel and other professionals responsible for portfolio operations and other similar operational initiatives with respect to one or more Portfolio Companies to participate in the Apollo co-investment rights with respect thereto by making an election to participate on a Portfolio Company-by-Portfolio Company basis prior to the consummation thereof; provided, that (i) the Investment Manager and/or Sub-Investment Manager intends to limit participation by any such professionals to Portfolio Companies involving Portfolio Companies with respect to which the Investment Manager and/or Sub-Investment Manager expects in good faith that such professionals will be involved following the consummation of such Portfolio Company, and (ii) in no event will such amounts, when combined with the amounts referred to above, cause the amounts pursuant to these co-investment rights to exceed the applicable limitation(s) relating to the Apollo Co- Investment Percentage. In determining whether to exercise these rights and which, if any Apollo professionals and employees, key advisors/relationships or Apollo Clients participate in such program, Apollo will take into account and consider a multitude of factors, including its own, the Sub-Fund's and other Apollo Clients' interests in investing in the opportunity and its strategic initiatives and strategies. In the event that Apollo elects to exercise these rights, it is expected that the portion of portfolio investments that may otherwise have been allocable to the Sub-Fund pursuant to Apollo's investment allocation policies and procedures would be reduced. Apollo's own interests and/or the interests of other Apollo Clients and the interests of certain Apollo professionals in any such portfolio investment could create incentives for such persons to take different actions, including having a greater risk exposure, than would otherwise be taken but for their interests in such portfolio investment.

**Subdivision of Debt Obligations.** The Investment Manager and/or Sub-Investment Manager and/or any of their Affiliates, acting in respect of the Sub-Fund and other Apollo Clients, is permitted, from time to time, to subdivide a debt or other fixed-income obligation (including preferred equity securities to the extent applicable) into two or more tranches, each of which has different terms from the original obligation with respect to interest and principal repayment, seniority and subordination, default remedies, rights to collateral and other matters. The owner of the original obligation, which could have been acquired directly from a borrower in a negotiated transaction or in the secondary market, can retain an interest in one or more tranches and elect to dispose of any such interests, including in related-party transactions between the Sub-Fund and other Apollo Clients. The subdivision or "tranching" of debt or other fixed-income obligations typically will be undertaken when Apollo determines that it can achieve competitive advantages or other benefits. For example, a borrower would be expected to favor a lender that is prepared to negotiate a single, consolidated credit arrangement, instead of having to negotiate senior and subordinated loans and/or secured and unsecured loans with multiple lenders. Tranching can also facilitate access to debt or other fixed-income obligations or other securities having specific features that suit the differing risk and return parameters of different Apollo Clients (including the Sub-Fund) on a more customized basis than is available in the market at a particular time. Participation by the Sub-Fund in these tranching activities, either as a creator/seller of tranches to or as a purchaser from other Apollo Clients, will give rise to a variety of potential conflicts of interest with Apollo and other Apollo Clients. While the foregoing parameters are generally governed by the terms of Apollo's policies and procedures (and not the Fund Documents), no assurance can be given that such policies and procedures will be applied in a manner that

benefits the Sub-Fund. See "*—Terms of Tranches*," "*—Exercise of Rights and Remedies*" and "*—Bankruptcy and Other Distress Situations*" below.

**Terms of Tranches.** The terms of the tranches, including pricing terms and other terms, including inter-creditor rights and obligations between or among the holders of the different tranches, typically will not be the result of any arms'-length negotiations. Apollo will endeavor to ascertain and adhere to prevailing market practices at the time that the terms of the tranches are established. However, for any particular terms, there can be no assurance that a prevailing market practice exists or can be readily ascertained or that it will be adopted if there are circumstances that cause Apollo to conclude that it is not appropriate in a particular case.

**Exercise of Rights and Remedies.** Once different tranches have been allocated among the Sub-Fund and other Apollo Clients, a variety of situations could arise in which the holders of a particular tranche will have the opportunity to enforce rights or remedies relating to the borrower, or to vote on or consent to waivers, amendments or other changes. In general, if the relevant documents give holders of one tranche a right to take action, Apollo expects that under most circumstances, it will take such action in the manner that it believes to be in the interests of such holders, without regard to the consequences for holders of other tranches, including the Sub-Fund or other Apollo Clients. A decision on any of these matters on behalf of holders of one tranche could have an adverse effect on the expected return for holders of other tranches. In these circumstances, Apollo could consider whether there are alternative measures that could fairly reconcile the competing interests of its clients, but there can be no assurance that such alternative measures will be available. As a result, Apollo could be required to take, or not take, an action that will place the interests of another Apollo Client ahead of those of the Sub-Fund. Alternatively, if the Sub-Fund is the owner of a tranche in which unaffiliated investors also own a material interest, and other Apollo Clients own an interest in a different tranche, in order to mitigate conflict with such other Apollo Clients, Apollo could elect to take a passive approach in which it allows the unaffiliated holders to guide the action to be taken or not taken.

**Bankruptcy and Other Distress Situations.** When a debtor with different classes of outstanding debt becomes bankrupt or experiences severe financial distress, a resolution of the situation often requires adversarial judicial proceedings or contentious negotiations. If this were to occur with respect to a debtor for which the Sub-Fund and other Apollo Clients hold different tranches of debt or other securities, it generally will not be feasible for Apollo to advocate effectively for the interests of all of its clients to the extent that there are conflicting or competing interests among holders of different tranches. As a threshold matter, Apollo expects that in a bankruptcy or other distressed situation, it will generally consider whether it is necessary or appropriate to arrange for separate legal counsel to be engaged on behalf of each separate tranche in order to analyze and identify the available rights, remedies, potential claims and legal strategies for seeking to maximize the recovery potentially available to the tranche, unless the outcome for a particular tranche is clear and certain. It is anticipated that, where feasible, an effort will be made to fashion a compromise solution. Any such effort to reach a compromise solution could result in the Sub-Fund and, in turn, other Apollo Clients, experiencing a worse outcome than they might have achieved in the absence of Apollo's conflicting loyalties. In certain circumstances, Apollo could seek to mitigate the conflict by delegating certain decision-making responsibilities on behalf of the Sub-Fund or other Apollo Clients to unaffiliated third parties, or by seeking to dispose in whole or in part of one or more tranches. Alternatively, Apollo can seek to accommodate the competing interests of Apollo Clients by assigning different teams of Apollo investment professionals, supported by separate legal counsel and other advisors, to act independently of each other in representing different tranches. There can be no assurance that any of these measures will be implemented, feasible or effective in any particular situation, and it is possible that the outcome for the Sub-Fund, and in turn, the Apollo Client, will be less favorable than might otherwise have been the case if Apollo had not had duties to Apollo Clients holding other tranches.

While Apollo anticipates that, over time, the overall benefits of permitting multiple clients, including the Sub-Fund, to participate in different tranches could outweigh the potential disadvantages in particular circumstances, there is no way to predict whether these net benefits will ultimately be achieved. Moreover, Apollo's own interests will influence how conflicts between clients in these situations will be resolved. For example, Apollo will be perceived to have an incentive to favor the interests of Apollo Clients that invest primarily in more subordinated classes of debt, since Apollo's compensation from such clients is generally higher than the compensation earned from clients that invest primarily in more senior debt. While Apollo's policies and procedures for addressing the conflicts between its clients in these situations are intended to resolve the conflicts in an impartial manner, there can be no assurance that Apollo's own interests will not influence its conduct or the outcome of any conflict of interest solution.

**Apollo Global Climate Council.** While the Apollo Global Climate Council will not provide investment advice or make investment decisions, it will, among other things, assist in driving the clean transition equity potential of different investment opportunities for the Sub-Fund and oversee the development and implementation of clean transition equity impact assessment methodologies. The role of the Apollo Global Climate Council gives rise to certain conflicts of interest. For example, members of the Apollo Global Climate Council could have an incentive to select focus areas that could result in the Sub-Fund investing in portfolio companies in which the members of the Apollo Global Climate Council (or other Apollo Clients or non-Apollo funds they manage or with which they are involved or are invested) already hold existing material investments. The GCC Chair and/or any other members of the Apollo Global Climate Council may also be entitled to receive carried interest distributions in respect of the Sub-Fund. The members of the Apollo Global Climate Council will also have significant responsibilities outside of the Sub-Fund, including with respect to other clean transition equity investing, and could choose to devote time and attention to those outside responsibilities (including, with respect to Apollo or outside of Apollo), even if it works to the detriment of the Sub-Fund or any of its Portfolio Companies. The members of the Apollo Global Climate Council may have separate arrangements with Apollo in addition to their service on the Apollo Global Climate Council and will receive compensation, at the Sub-Fund's expense, in connection therewith. Any fees or expenses incurred by the Apollo Global Climate Council that constitute Operating Expenses under the Fund Documents will be borne by Sub-Fund. See the "*Apollo Global Climate Council*" section of this Sub-Fund Supplement.

**Valuation of Fund Assets.** There can be situations in which Apollo is incentivized to influence or adjust the valuation of the Sub-Fund's assets. For example, the Investment Manager and/or the Sub-Investment Manager could be incentivized to (i) employ valuation methodologies that improve the Sub-Fund's track record, or (ii) minimize losses from the write downs that must be returned prior to the Carried Interest Recipient receiving Carried Interest. Apollo has adopted valuation policies to address these potential conflicts. See "*Certain Risk Factors—Certain Risks Related to Regulatory Matters—Valuations and Changing Accounting Standards*" section of the general part of the Prospectus.

**Overhead Allocation.** Apollo has in-house accounting, legal, compliance, tax, administrative, operational, finance, risk, reporting, technology, investor servicing and other types of personnel or employees that provide support to Apollo Clients (including the Sub-Fund) and their respective subsidiaries and potential and existing portfolio investments on an ongoing basis. These employees assist with, among other things, the legal, compliance, tax, administrative, operational, finance, risk, reporting, technology, investor servicing and other functions of the Sub-Fund, the Investment Manager, the Sub-Investment Manager, their respective Affiliates and Apollo Clients (including the formation of, and capital raising for, Apollo Clients) and their respective acquisition, due diligence, holding, maintenance, financing, restructuring and disposition of investments, including, without limitation, mergers and acquisitions, financing and accounting, legal, tax and operational support and risk, litigation and regulatory management and compliance. The performance of such functions by Apollo employees could be in addition to or as an alternative to the outsourcing of any such services to third party service providers at market rates, including entities and persons regularly used by Apollo and its Affiliates, Apollo Clients and their respective potential and existing portfolio investments. All fees, costs and expenses incurred by Apollo (including allocable compensation of such personnel or employees and related overhead otherwise payable by Apollo in connection with their employment, such as rent and benefits) in connection with services performed by personnel or employees of the Investment Manager, the Sub-Investment Manager, or their respective Affiliates that constitute services for or in respect of the Sub-Fund, its subsidiaries and its existing and potential portfolio investments, will be allocable to and borne by the Sub-Fund. Such allocations to the Sub-Fund will be based on any of the following methodologies (or any combination thereof), among others: (i) requiring personnel to periodically allocate their historical time spent with respect to the Sub-Fund or the Sub-Investment Manager, approximating the proportion of certain personnel's time spent with respect to the Sub-Fund or the Sub-Investment Manager (which will be tracked on a weekly or biweekly basis), and, in each case, allocating their compensation and allocable overhead based on such approximations of time spent, or charging such approximations of time spent at market rates, (ii) the assessment of an overall dollar amount (based on a fixed fee or percentage of assets under management) that the Investment Manager and/or Sub-Investment Manager determines in good faith represents a fair recoupment of expenses and a market rate for such services or (iii) any other methodology determined by the Investment Manager and/or Sub-Investment Manager in good faith to be appropriate and practicable under the circumstances. In addition, the GCC Chair is expected to dedicate time to both the Sub-Fund's activities as well as Apollo's firm-wide initiatives. Because the GCC Chair's time allocations are not expected to be tracked, any allocable expenses in connection therewith will be allocated to the Sub-Fund as determined by the Investment Manager and/or Sub-Investment Manager in good faith to be appropriate and practicable under the circumstances. Further, the methodology utilized for one personnel group could be different from the methodology utilized by another personnel group, and different methodologies may be utilized, including within a single personnel group, at

different times or in determining different types of allocations (such as allocations among Apollo Clients, on the one hand, and allocations as between Apollo Clients and Apollo Affiliates, on the other hand). Determining such charges based on approximate allocations, rather than time recorded on an hourly or similar basis (which will not be undertaken), could result in the Sub-Fund being charged a different amount (including relative to another Apollo Client), which could be higher or lower, than would be the case under a different methodology. In addition, any methodology (including the choice thereof), as well as the application of any approximations it entails, involves inherent conflicts between the interests of the Sub-Fund, on the one hand, and any other Apollo Client or Apollo Affiliate to which all or a portion of the relevant personnel's time would otherwise be charged, on the other hand, and could result in incurrence of greater expenses by the Sub-Fund and its subsidiaries and potential and existing portfolio investments than would be the case if such services were provided by third parties at market rates. Further, there could be Apollo Clients whose governing documents restrict or preclude the allocation of any of the foregoing amounts to such Apollo Clients in which case such Apollo Clients could bear a lesser amount of such expenses relative to the Sub-Fund or any other Apollo Client or not bear any such expenses at all. See the "*Operating Expenses*" section of this Sub-Fund Supplement.

**Reinsurance Arrangements.** Apollo provides asset management and advisory services to the Athene Group and the Athora Group (and certain other insurance company portfolio companies in which Apollo, its Affiliates or an Apollo Client have an interest) (collectively, the "**Insurance Company PortCos**").

One or more insurance company subsidiaries or cedents (each, a "Portfolio Company Insurer") of an Insurance Company PortCo could from time to time enter into one or more reinsurance or other risk transfer agreements or other arrangements (collectively, "**Reinsurance Arrangements**") with insurers and reinsurers that are affiliated with Apollo or certain Apollo Clients or their respective portfolio companies, including Catalina Holdings (Bermuda) Ltd., an affiliate of the Sub-Investment Manager and an acquirer and manager of non-life insurance and reinsurance companies and portfolios in run-off (together with its affiliates, "**Catalina**"), members of the Athene Group and members of the Athora Group (each, an "**Apollo Affiliated Insurance Company**"). Similar arrangements could be entered into in the event that the Sub-Fund invests in a Portfolio Company that is, or has one or more subsidiaries that are, in the insurance industry.

In some cases, under these Reinsurance Arrangements, a Portfolio Company Insurer may cede to an Apollo Affiliated Insurance Company all or a portion of the risks it underwrites and will pay to such Apollo Affiliated Insurance Company a premium based upon the risk and exposure of the policies subject to reinsurance. In other cases, a Portfolio Company Insurer may act as a reinsurer and assume certain agreed risks from an Apollo Affiliated Insurance Company in exchange for premiums based upon the risks and exposures assumed by the Portfolio Company Insurer. Such Reinsurance Arrangements may include catastrophe, treaty, facultative and quota share reinsurance and may be on an excess of loss basis (where protection is provided for the amount of covered losses in excess of a specified loss amount), on a proportional basis (where the reinsurer shares in a proportional amount of the premiums and covered losses for a specified group of risks) or with respect to an entire specified block of the ceding company's business (for example, the reinsurer may assume all of the outstanding risks on a line of business exited by the ceding insurer).

Although the reinsurer is liable to the ceding company to the extent of the reinsurance ceded, the ceding company remains liable as the direct insurer on all risks reinsured. After reinsurance is purchased or otherwise obtained, the ceding company has limited ability to manage the credit risk of the reinsurer. In addition, in a number of jurisdictions, particularly the EU and the U.K., reinsurers are permitted to transfer such Reinsurance Arrangements to other reinsurers, that may be less creditworthy, without a counterparty's consent; provided, that any such transfer has been approved by the applicable regulatory and/or court authority. In addition, where a Portfolio Company Insurer acts as a reinsurer, the Portfolio Company Insurer is dependent on the original underwriting decisions made by the ceding company and therefore is subject to the risk that the ceding company may not have adequately evaluated the risks the Portfolio Company Insurer has reinsured, such that the premiums may not adequately compensate for the risks assumed or the losses incurred.

It is anticipated that in connection with these Reinsurance Arrangements, the reinsurer may engage Apollo Asset Management Europe LLP ("**AAME**"), ISGI or Apollo Credit or any other Affiliated Service Provider (including ISGI) for investment advisory and/or management services, and such service providers will be entitled to compensation from the Portfolio Company Insurer, an Apollo Affiliated Insurance Company or a related reinsurance trust, as applicable. Such fees, compensation or expense reimbursements received by AAME, Apollo Credit or any other Affiliated Service Provider (including from the Sub-Fund or an Insurance Company PortCo) will be retained by, and be for the benefit of, such service provider, as applicable, and will not directly or indirectly benefit the Sub-Fund or the Investors. The provision of services by AAME, Apollo Credit or any other Affiliated Service Provider to an Portfolio Company Insurer or an Apollo Affiliated Insurance

Company, as applicable, will not require the review by or consent of the Investors or any other independent party. See "*Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle, the Sub-Funds and the Shares—Risks Associated with Affiliated Service Providers*" section of the general part of the Prospectus.

These Reinsurance Arrangements (including any subsequent Affiliated Service Provider arrangements) inherently involve actual and potential conflicts of interest, including, without limitation, (i) to the extent that the performance and operations of an affiliated counterparty could conflict with, and adversely affect the performance and operations of, an Insurance Company PortCo and its subsidiaries and (ii) in regard to the pricing, recourse and other terms that an Insurance Company PortCo and its subsidiaries may seek as compared to an unrelated third party. In such cases, the affiliated counterparty may not take into consideration the interests of an Insurance Company PortCo and its subsidiaries. In the event that an Insurance Company PortCo or any Apollo Affiliated Insurance Company experiences distress or cannot perform its respective obligations under the Reinsurance Arrangement, certain potential or actual conflicts of interest could arise given Apollo's governance rights and investments of Apollo Clients being on both sides of the transactions, and, therefore, Apollo and its Affiliates may seek (but will not be obligated to) use certain measures to mitigate such conflicts of interest, including deferring decisions associated with the Reinsurance Arrangements to other persons or entities (such as the board of an Insurance Company PortCo or a committee thereof). For example, certain material reinsurance transaction between a Portfolio Company Insurer and an Apollo Affiliated Insurance Company, including any Reinsurance Arrangement, may be subject to review by the independent members of the Insurance Company PortCo's Board of Directors (the "Independent Directors") and a majority vote of such Independent Directors may be required or requested to approve any such transaction. Any approval may be required to be sought in accordance with the applicable corporate formalities of such Board of Directors, and such transactions may also be subject to review by an independent conflicts review agents or similar persons.

It is anticipated that any Insurance Company PortCo will institute policies and procedures designed to address such potential or actual conflicts of interest and that seek to ensure that such Insurance Company PortCo and its subsidiaries are treated fairly and equitably with regard to any such reinsurance transactions entered into with an Apollo Affiliated Insurance Company and that any such transactions are entered into on terms not materially less favorable to the Portfolio Company Insurer than terms generally available to an unaffiliated third party under the same or similar circumstances. No such reinsurance transactions or Reinsurance Arrangement will require the review by or consent of the Investors, the advisory board of the Sub-Fund, any subcommittee thereof or any other independent party.

**Secondments and Internships.** Certain personnel of Apollo and its Affiliates, including Consultants, will, in certain circumstances, be seconded to one or more Portfolio Companies, vendors, personnel and service providers or Investors in the Sub-Fund and investors in other Apollo Clients to provide finance, accounting, operational support, data management and other similar services, including the sourcing of investments for the Sub-Fund or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne by Apollo and its Affiliates or the organization for which the personnel are working or both. In addition, personnel of Portfolio Companies, vendors, service providers (including law firms and accounting firms), Investors in the Sub-Fund, and investors in other Apollo Clients will, in certain circumstances, be seconded to, serve internships at or otherwise provide services to, Apollo, the Sub-Fund, Portfolio Companies and other Apollo Clients. While often the Sub-Fund, other Apollo Clients and their respective portfolio companies are the beneficiaries of these types of arrangements, Apollo is from time to time a beneficiary of these arrangements as well, including in circumstances where the vendor, personnel or service provider or otherwise also provides services to the Sub-Fund, other Apollo Clients or Apollo in the ordinary course. Apollo, the Sub-Fund, other Apollo Clients or their respective portfolio companies may or may not pay salary or cover expenses associated with such secondees and interns, and if a Portfolio Company pays the cost it will be borne directly or indirectly by the Sub-Fund. Apollo, the Sub-Fund, other Apollo Clients or their respective portfolio companies could receive benefits from these arrangements at no cost, or alternatively could pay all or a portion of the fees, compensation or other expenses in respect of these arrangements and if a Portfolio Company of the Sub-Fund or other Apollo Client pays the costs or Apollo seeks reimbursement from the Sub-Fund, such other Apollo Client, or their respective portfolio company for such secondment costs, all or a portion of such costs would be borne directly or indirectly by the Sub-Fund or such other Apollo Client. If Apollo pays salaries or covers expenses associated with such secondees and interns, it may seek reimbursement from the Sub-Fund for such amounts. To the extent such fees, compensation or other expenses are borne by the Sub-Fund, including indirectly through its Portfolio Companies or reimbursement of Apollo for such cost, the Management Fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. The personnel described above may provide services in respect of multiple matters, including in respect of matters related to Apollo, the Sub-Fund,



other Apollo Clients or their respective portfolio companies, each of their respective Affiliates and related parties, and any costs of such personnel may be allocated accordingly. Apollo will endeavor in good faith to allocate the costs of these arrangements, if any, to Apollo, the Sub-Fund, other Apollo Clients, their respective portfolio companies and other parties based on time spent by the personnel or another methodology Apollo deems appropriate in a particular circumstance.

**Asset Pooling.** The Sub-Fund may pool certain or all investments with one or more other Apollo Clients (any such pool, an "**Asset Pool**"), including for the purposes of obtaining leverage or other financing, seeking a full or partial exit from one or more investments including through securitization or otherwise to facilitate investment into one or more portfolio companies. In such circumstances an Asset Pool may be managed or controlled by Apollo or any of its Affiliates (or other Apollo Client) and securities or other interests in the Asset Pool will be owned by the Sub-Fund and other Apollo Clients. The consummation of any such transaction will generally not require the consent of Investors and will involve the exercise of Apollo's and its Affiliates' discretion with respect to a number of material matters, which may give rise to actual or potential conflicts. For example, in connection with such transactions, Apollo will have broad discretion to determine whether and to what extent such a transaction constitutes a disposition of the contributed assets under the Fund Documents, to determine the proportionate interest of the Sub-Fund and the other Apollo Clients in the Asset Pool (or particular classes or tranches of securities or others interests in the Asset Pool), which will require Apollo and its Affiliates to determine the relative value of assets contributed to the Asset Pool and value of securities or interests (or particular classes or tranches thereof) issued by the Asset Pool, and to determine how interests in or proceeds from the Asset Pool are attributed to those Investors that participated in such contributed assets, each of which may have a material impact on Investors' returns in respect of such investments or the Sub-Fund more generally. In making these determinations Apollo and its Affiliates may, but are not required to, engage or seek the advice of any third-party independent expert; however even if such advice was sought, valuing such assets and interests and, therefore, the value of the Sub-Fund's interest in, or proceeds received from, any Asset Pool, will be subjective. The Sub-Fund will generally be exposed to the performance of all assets in an Asset Pool and those investments contributed to the Asset Pool by other Apollo Clients may not perform as well as those investments contributed by the Sub-Fund. Accordingly the returns of the Sub-Fund in respect of investments contributed by it may be lower than if they had not been contributed to the Asset Pool. The receipt, use and recontribution by such Asset Pools of any such proceeds shall not be considered distributions received by, or contributions made by, the Sub-Fund or the Investors for purposes of the Fund Documents (including, for example, that such proceeds will not be subject to the investment limitations applicable to the Sub-Fund's investments, will not be subject to the carried interest waterfall, will not be subject to any preferred return and will not subject to any requirements under the Fund Documents with respect to the timing of distribution of proceeds) and may result in higher or lower reported returns than if such proceeds had otherwise been distributed (or deemed distributed) to the Sub-Fund or the Investors. See the "*Certain Risk Factors— Certain Risks Related to the Umbrella Vehicle's Investments—Portfolio Company Designation*" section of the general part of the Prospectus.

**Fee and Incentive Allocation Related Conflicts.** The existence of incentive allocation with respect to the Sub-Fund will create an incentive for Apollo to make riskier or more speculative investments on behalf of the Sub-Fund than it might otherwise make in the absence of such performance-based compensation. In addition, the terms of the incentive allocation in favor of the Carried Interest Recipient could incentivize the Investment Manager and/or Sub-Investment Manager, as an affiliate of the Carried Interest Recipient, to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors. In exercising its discretion over investment and related decisions, the Investment Manager and/or Sub-Investment Manager is permitted to consider such interests and factors as it desires, including its own interests. As such, there can be no assurance that any such conflict will be resolved in favor of any Investor(s), or in a manner that does not adversely affect the Sub-Fund or the Investors as a whole.

Additionally, the percentage of profits Apollo is entitled to receive and the terms applicable to such incentive allocation and carried interest may vary among Apollo Clients. Because the opportunity to receive an amount of incentive allocation and carried interest distributions is based on the success of portfolio investments, to the extent incentive allocation and carried interest percentages or terms applicable to incentive allocation and carried interest distributions differ among Apollo Clients, Apollo may be incentivized to dedicate increased resources and allocate more profitable investment opportunities or best investment ideas to Apollo Clients bearing higher incentive allocation and carried interest percentages or to Apollo Clients whose governing documents contain less restrictive terms regarding incentive allocation and carried interest distributions. In addition, Apollo may be incentivized to allocate investment opportunities away from Apollo Clients that have suffered losses and have not yet achieved a priority return threshold and, instead, allocate them to Apollo Clients that are more likely to actively generate incentive allocation and carried interest distributions. Apollo

has adopted written allocation policies and procedures, to help address conflicts arising in the allocation of resources and investment opportunities among Apollo Clients.

Similarly, management fees, or higher management fees, will be perceived to incentivize Apollo to dedicate increased resources and allocate more profitable or more attractive investment opportunities to Apollo Clients who are charged such management fees or higher management fees.

Finally, the right to receive incentive allocation or carried interest distributions also creates a potential conflict of interest in the valuation of investments. In addition, in the case where distributions in kind are made to Investors, the Apollo will be incentivized to employ valuation methodologies that may give rise to a higher valuation of such assets.

**ANNEX III  
SUSTAINABLE FINANCE DISCLOSURES REGULATION**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Apollo Clean Transition Equity ELTIF (the "Sub-Fund")

**Legal entity identifier:** 635400NFYFCTY1Z4F189

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU)

2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Does this financial product have a sustainable investment objective?**

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: \_\_\_%

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



**What environmental and/or social characteristics are promoted by this financial product?**

Capitalized terms used in this Annex and not otherwise defined shall have the meaning ascribed to them in this Sub-Fund Supplement, the Prospectus or in the Articles, as applicable.

In respect of the Sub-Fund, the AIFM has delegated its portfolio management function to the Investment Manager. In addition, the Investment Manager in turn has appointed the Sub-Investment Manager as sub-investment manager in relation to the Sub-Fund. For the purposes of SFDR, the AIFM, and not the Investment Manager or the Sub-Investment Manager, is the

"financial market participant" required to make pre-contractual disclosures in relation to the Sub-Fund. All references in this Annex to the Investment Manager are references to the Investment Manager providing portfolio management services to the Sub-Fund as delegate of (and subject to the overall supervision and oversight of) the AIFM and may include the Sub-Investment Manager carrying out such activities.

The Sub-Fund intends to invest a certain proportion of assets in investments which, in addition to satisfying the Investment Manager's investment underwriting criteria, fall into one or more of the categories of environmental characteristics promoted by the Sub-Fund. The environmental characteristics promoted by the Sub-Fund are activities categorized as SEAs under the Climate and Transition Investment Framework, which are (non-exhaustively): energy transition; industrial decarbonization; sustainable mobility; or sustainable resource use. The environmental characteristics promoted by the Sub-Fund will also be aligned with certain climate-focused SDGs. Please refer to the section below titled "**What investment strategy does this financial product follow?**" for more details on the Climate and Transition Investment Framework.

SEAs are specific categories under the Climate and Transition Investment Framework set by Apollo and are different concepts to investments that qualify as Sustainable Investments and/or Taxonomy-Aligned Investments.

No reference benchmark has been designated for the purposes of attaining the Environmental Promotion.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The attainment of the Environmental Promotion will be measured using sustainability indicators relevant to the environmental characteristics promoted by the Sub-Fund. For each investment aligned with the Environmental Promotion, as set out in the table below, the Investment Manager will identify an appropriate metric based on how it assesses that an investment contributes or is projected to contribute to an SEA promoted by the Sub-Fund using the Climate and Transition Investment Framework's qualifying assessment criteria, i.e., the Currently Contributing Criteria or Projected-to-Contribute Criteria, respectively. Please refer to the section "What is the asset allocation planned for this financial product?" of this Annex for more information on the Currently Contributing Criteria and Projected-to-Contribute Criteria. Given the Sub-Fund expects to invest opportunistically across a range of assets, the sustainability indicators that the Investment Manager may use are subject to change and the list is provided for illustrative purposes only.

The Investment Manager may further develop any sustainability indicators over time.

Promoted Environmental Characteristic (the SEAs)	Sustainability Indicators
<b>Energy Transition</b>	% of investments that meet: <ul style="list-style-type: none"> <li>the Currently Contributing Criteria; and/or</li> <li>the Projected-to-Contribute Criteria.</li> </ul>
<b>Industrial Decarbonization</b>	% of investments that meet: <ul style="list-style-type: none"> <li>the Currently Contributing Criteria; and/or</li> <li>the Projected-to-Contribute Criteria.</li> </ul>
<b>Sustainable Mobility</b>	% of investments that meet: <ul style="list-style-type: none"> <li>the Currently Contributing Criteria; and/or</li> <li>the Projected-to-Contribute Criteria.</li> </ul>
<b>Sustainable Resource Use</b>	% of investments that meet: <ul style="list-style-type: none"> <li>the Currently Contributing Criteria; and/or</li> <li>the Projected-to-Contribute Criteria.</li> </ul>

To measure the effects of the negative screens, which form part of the investment strategy described further below, the Investment Manager will use the following sustainability indicators:

- at a portfolio level, % of Fossil Fuel Portfolio Companies as determined at the point of initial investment; and
- both (i) at a portfolio level and (ii) with respect to investments aligned with the Environmental Promotion only, % of investments assessed as not meeting the Currently Contributing Criteria or Projected-to-Contribute Criteria for an SEA, and related SDG(s), promoted by the Sub-Fund as determined at the point of initial investment.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable – the Sub-Fund does not commit to make Sustainable Investments.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, the Investment Manager, on behalf of the Sub-Fund, considers the principal adverse impacts of its investment decisions on sustainability factors by evaluating such decisions against the adverse sustainability indicator set out below.

No

#### **Adverse sustainability indicator**

The Investment Manager, on behalf of the Sub-Fund, considers the following adverse sustainability indicator from Table 1 of Annex I of the SFDR Regulatory Technical Standards (Commission Delegated Regulation (EU) 2022/1288) (the "RTS"):

10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises

#### **How the Investment Manager considers adverse harm**

Prior to making any investment, the Investment Manager will conduct investment due diligence on the proposed investment to evaluate a variety of factors, including the above adverse sustainability indicator (where relevant to the proposed investment). The evaluation will include an assessment of the impact of the investment against this indicator.

The Investment Manager's approach to defining adverse impact depends on the nature of the metric to which the indicator relates. In this case, the metric produces a binary output for a given investment (i.e., Yes/No). The Investment Manager considers that the investment causes adverse impact if the investment falls onto the harmful side of the binary output.

If the Investment Manager considers that an investment causes an adverse impact, the Investment Manager will decide what action to take, with a view to limiting or reducing the identified adverse impact. Such action may include (subject at all times to the obligation of the Investment Manager to act in the best interests of the Sub-Fund and its investors as well as in accordance with the investment objectives and policies of the Sub-Fund):

- deciding not to make the investment;
- limiting the position size of the investment; or
- making the investment with an intention to engage on improving the asset from a sustainability perspective.

The impact of an investment against the above indicator will continue to be monitored on an annual basis.

#### **Where will the Investment Manager report further information?**

Further information on principal adverse impacts on sustainability factors will be set out in the Sub-Fund's annual report.



## What investment strategy does this financial product follow?

The Sub-Fund will seek to leverage Apollo's historical expertise to pursue private equity-like opportunities including buyouts, carve-outs, fundamentals-based growth equity, public equity and toe-holds and stressed capital structure investments that are focused on capturing relative value across the clean transition equity ecosystem. It is expected that the Sub-Fund will primarily invest in opportunities that the Investment Manager believes will require no less than \$50,000,000 and no more than \$500,000,000 of equity of the CTE Funds, though the CTE Funds may also seek larger or smaller investments outside of, and will not be restricted by, this range.

The Environmental Promotion is achieved by the implementation of both: (i) the targeting of investments that contribute or are projected to contribute to at least one SEA promoted by the Sub-Fund and related SDG(s), and (ii) negative screens, which exclude certain investments which may be harmful to certain of the environmental characteristics promoted by the Sub-Fund. These binding investment criteria are described in further detail in the next section of this Annex, below.

In order to seek to ensure that the Environmental Promotion is followed on a continuous basis, the Investment Manager implements the following requirements:

- ***During the due diligence phase***, in accordance with the Sustainable Investing Policy, if appropriate for an investment, investment teams collaborate with Apollo's ESG and Sustainability teams and third-party advisors, where applicable, to conduct screening on ESG issues that could present material risks or opportunities for investment. An assessment evaluating both climate and ESG risks and opportunities, as well as alignment with Apollo's proprietary SEAs is generally completed before a deal is signed, and a summary of the findings of the assessment is presented in underwriting materials.
- ***Post-acquisition***, investment teams may collaborate with certain Portfolio Companies to implement climate and ESG reporting good practices. The Investment Manager engages with third-party operators on environmental-focused ESG risk mitigation on an as-needed basis. Certain equity investments categorised as "Clean Transition Activities" under the Climate and Transition Investment Framework participate in Apollo's ESG reporting program (the "ESG Reporting Program"). On an ongoing basis, strategic ESG benefits and ESG considerations may be discussed as part of bi-annual portfolio reviews.

### ● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy used to select investments to attain the Environmental Promotion are to evaluate the Sub-Fund's investments: (1) against the Investment Manager's negative screens, and (2) to make a minimum proportion of investments that contribute to or are projected to contribute to at least one SEA promoted by the Sub-Fund and related SDG(s).

#### **(1) Negative screens**

As determined by the Investment Manager and/or Sub-Investment Manager in their discretion at the time of acquisition of such investment, the Sub-Fund will not invest in any Portfolio Company (as defined below) that, at the time of the Sub-Fund's initial investment in such Portfolio Company is a Fossil Fuel Portfolio Company; provided, that such limitation shall not apply to portfolio investments: (i) in a Fossil Fuel Portfolio Company that the Investment Manager and/or Sub-Investment Manager intends to shut down, retire, or convert to a non-fossil fuel energy source within a reasonable period

after the acquisition of such Fossil Fuel Portfolio Company, (ii) in a Fossil Fuel Portfolio Company in which all or any portion of the invested proceeds will be used to support, maintain, build, grow or otherwise invest in assets or businesses in pursuit of the investment objectives described in this Sub-Fund Supplement or (iii) in any subsidiary or special purpose vehicle of a Fossil Fuel Portfolio Company that is involved in activities that are characterized as SEAs under the Climate and Transition Investment Framework.

In addition, the Investment Manager will not consider an investment to be aligned with the Environmental Promotion if, at the time of the initial investment, such investment does not meet the Currently Contributing Criteria or Projected-to-Contribute Criteria.

## **(2) Positive alignment with environmental characteristics**

The Investment Manager will evaluate potential investment that qualify as Eligible Investment Assets under Article 10 (1)(a), (b), (d), and (e) of the ELTIF Regulation (“**CTIF Eligible Investments**”), to determine whether, at a minimum, 70% of the Sub-Fund's total investments (based on the asset value of all of the Sub-Fund's investments over the life of the Sub-Fund) are investments that contribute or are projected to contribute to at least one SEA promoted by the Sub-Fund and related SDG(s). Please refer to the section below titled "**What is the asset allocation planned for this financial product?**" for more details on how this commitment will be calculated.

All CTIF Eligible Investments will be evaluated through Apollo's proprietary Climate and Transition Investment Framework. The Climate and Transition Framework is intended to assess whether opportunities align with climate-focused SDGs. These investments will specifically finance business, projects, or assets engaged in SEAs, which are (non-exhaustively): energy transition, industrial decarbonization, sustainable mobility, or sustainable resource use.

The Climate and Transition Investment Framework requires Apollo's ESG and Sustainability teams to use a qualifying assessment criteria to assess which SEA, if any, an investment's operations contribute or are projected to contribute to, and specifically whether it contributes or is projected to contribute to a "Climate Activity" or a "Transition Activity". Under the Climate and Transition Investment Framework, each SEA has been assessed by Apollo as aligned with certain climate-focused SDGs. The evaluation process is overseen by Apollo's Climate Task Force (the "Climate Task Force"), which reviews and approves specific transactions. To be considered an investment that contributes or is projected to contribute to one or more SEAs and related SDG(s), the investment must meet the requirements of the Climate and Transition Investment Framework, and be approved by the Climate Task Force if such additional approval is needed.

The Climate & Transition Framework requires Apollo's ESG and Sustainability teams to use a qualifying assessment criteria to assess which SEA, if any, an investment's operations contribute or are projected to contribute to, and specifically whether it contributes or is projected to contribute to a "Climate Activity" or a "Transition Activity". Under the Climate & Transition Framework, each SEA has been assessed by Apollo as aligned with one or more of the SDGs. The evaluation process is overseen by Apollo's Climate Task Force (the "Climate Task Force"), which reviews and approves specific transactions. To be considered an investment that contributes or is projected to contribute to one or more SEA and related SDG(s), the investment must meet the requirements of the Climate & Transition Framework, and be approved by the Climate Task Force if such additional approval is needed.

For the purposes of assessing potential investments against the Climate and Transition Investment Framework, the Investment Manager will seek to collect information on the potential investment's primary economic activities, environmental initiatives and projects, green certifications, and revenue or capital expenditure aligned with the relevant SEA promoted by the Sub-Fund and related SDG(s), if any. Then, using the



qualifying assessment criteria, the Investment Manager will measure contribution or projected contribution through a screening process. According to this process, the Investment Manager will determine whether a potential investment contributes or is projected to contribute to at least one of the SEA promoted by the Sub-Fund and at least one related SDG, including if a potential investment's primary economic activity contributes to at least one SEA promoted by the Sub-Fund and related SDG(s). Please refer to the section below titled "**What is the asset allocation planned for this financial product?**" for more details on the qualifying assessment criteria used by the Investment Manager under the Climate and Transition Investment Framework.

Apollo expects to continue to update and enhance its Climate and Transition Investment Framework qualifying assessment criteria over time.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

- ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager assesses the good governance practices of Portfolio Companies and potential Portfolio Companies in accordance with the Investment Manager's good governance policy. The Investment Manager uses third-party service providers to assess *inter alia* compliance of the Portfolio Companies with the UN Global Compact principles and OECD Guidelines for Multinational Enterprises. The Investment Manager applies exclusionary screens based on the information provided by such third-party data sources in accordance with the Investment Manager's good governance policy.



### **What is the asset allocation planned for this financial product?**

**#1 Aligned with E/S characteristics:** The Investment Manager intends to invest a minimum of 70% of the Sub-Fund's investments (over the life of the Sub-Fund) in investments which, in addition to seeking to achieve the broader economic objectives and investment strategy of the Sub-Fund, are investments aligned with the Environmental Promotion (the "Environmental Alignment Commitment").

At the point of investment and on a bi-annual basis, the Investment Manager will assess whether an investment is aligned with the Environmental Promotion. An investment will be considered to be aligned with the Environmental Promotion if it is assessed as contributing to at least one SEA and related SDG(s) as follows (collectively the "Currently Contributing Criteria"):

- in relation to a Portfolio Company or potential Portfolio Company, it generates more than 50% of actual revenues in an SEA and will maintain or increase further over the target investment period;
- for structured and project financing investments or potential structured and project financing investments, transactions have a defined use of proceeds tied to an SEA; and/or
- for real asset investments or potential real asset investments, the relevant asset has an approved certification, recognising sector specific leadership in an SEA (e.g., LEED Gold or above) and maintains that certification.

In addition, an investment will be considered to be aligned with the Environmental Promotion if it is assessed as projected to contribute to at least one SEA and related SDG(s) as follows (collectively

the "Projected-to-Contribute Criteria") and the Investment Manager reasonably expects it to meet the Currently Contributing Criteria by the end of the target investment period:

- the investment or potential investment generates more than 10% of actual revenues from an SEA and the Investment Manager projects 50% of revenues from an SEA by the end of the target investment period;
- the Portfolio Company or potential Portfolio Company currently spends 90% or more of growth capital expenditure on an SEA and the Investment Manager projects 50% of revenues from at least one SEA by the end of the target investment period, or a later date subject to Climate Task Force approval; and/or
- the Portfolio Company or potential Portfolio Company has established a science-based target as determined by the Science-based Targets initiative (the "SBTi").

The Environmental Alignment Commitment is intended to be measured over the life of the Sub-Fund (i.e., it is not a "point in time" test in respect of any investment) and will be measured as a percentage, (i) the numerator of which is the asset value of all of the Sub-Fund's investments aligned with the Environmental Promotion (over the life of the Sub-Fund) (see the section above titled "**Positive alignment with environmental characteristics**") and (ii) the denominator of which is the total asset value of all invested capital of the Sub-Fund, including cash, and instruments used for currency hedging purposes, and as may be adjusted by the Investment Manager in its sole discretion to take into account of any factors as the Investment Manager may determine in good faith.

The Environmental Alignment Commitment is subject to the following:

- As the Sub-Fund is a closed-ended investment vehicle with a fixed lifespan, and which expects to invest opportunistically in illiquid assets, the Investment Manager considers that it is appropriate to measure the Environmental Alignment Commitment over the life of the Sub-Fund and by reference to the total asset value of all invested capital of the Sub-Fund. Consequently, there may be periods during the lifecycle of the Sub-Fund (including its initial investment period, and divestment period) where the proportion of the Sub-Fund's portfolio invested in investments aligned with the Environmental Promotion is less than 70%.
- Should the minimum commitment not be achieved because of market or currency fluctuations, no remedial action will be required for these reasons.
- Any reference to the Environmental Alignment Commitment and/or to the percentage amount of that commitment in this Annex must be read subject to the exceptions in the above bullet points.

**#1A Sustainable:** The Sub-Fund might acquire assets qualifying as Sustainable Investments. However, given the likelihood of variation in scale and valuation of various potential investments, the Investment Manager cannot estimate the minimum proportion of Sustainable Investments or the degree to which assets will be allocated to specific categories of investments. Consequently, the Investment Manager does not commit to make Sustainable Investments.

**#2 Other:** The remaining investments will seek to achieve the broader economic objectives and investment strategy of the Sub-Fund. Such investments may include: investments made to seek to generate favourable economic returns; investments made for efficient portfolio management, liquidity management, or diversification purposes; financial derivative instruments entered into for hedging purposes. There may also be investments for which data are lacking as well as investments that may not match the binding elements of the Sub-Fund's investment strategy used to attain the Environmental Promotion, as described above, in their entirety or investments for which the Investment Manager and the Sub-Fund will not have sufficient influence or information rights to implement or monitor the implementation of the Sub-Fund's objectives in this respect.

**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The Sub-Fund will not use derivatives to attain the environmental characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Sub-Fund does **not** commit to make investments which are aligned to any minimum extent with the EU Taxonomy. As such, the Investment Manager discloses for the purposes of SFDR and the EU Taxonomy that the Sub-Fund has no minimum alignment with the EU Taxonomy.

The Investment Manager does not currently use the EU Taxonomy as a mandatory part of its investment process, and so wishes to retain the flexibility to invest in investments which are suitable for the Sub-Fund, without being tied to a minimum commitment to make Taxonomy-aligned investments. The Investment Manager considers that this approach is consistent with its duty to act in the best interests of the investors of the Sub-Fund.

While the Sub-Fund does not commit to make investments which are aligned to any minimum extent with the EU Taxonomy, the Sub-Fund may nevertheless make Sustainable Investments aligned with the EU Taxonomy.

***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>20</sup>?***

- Yes:
- In fossil gas  In nuclear energy
- No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

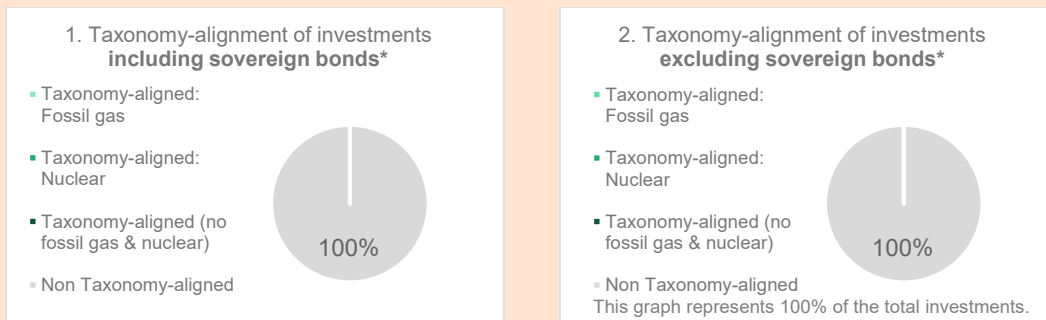
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

<sup>20</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.**

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable, as the Sub-Fund does not commit to make investments which are aligned with the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Sub-Fund does not commit to making Sustainable Investments. While the Sub-Fund does not commit to make a minimum share, as noted above, the Sub-Fund may nevertheless make Sustainable Investments with an environmental objective that are not aligned with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**

Not applicable, the Sub-Fund does not commit to make a minimum share of socially Sustainable Investments. While the Sub-Fund does not commit to make a minimum share, as noted above, the Sub-Fund may nevertheless make socially Sustainable Investments.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The purpose of any investments made by the Sub-Fund that may be classified as "#2 Other" within the SFDR will be to seek to achieve the broader economic objectives and investment strategy of the Sub-Fund. Such investments may include: investments made to seek to generate favourable economic returns; investments made for efficient portfolio management, liquidity management, or diversification purposes; financial derivative instruments entered into for hedging purposes. There may also be investments for which data are lacking as well as investments that may not match the binding elements of the Sub-Fund's investment strategy used to attain the Environmental Promotion, as described above, in their entirety or investments for which the Investment Manager and the Sub-Fund will not have sufficient influence or information rights to implement or monitor the implementation of the Sub-Fund's objectives in this respect. Beyond the Investment Manager's processes related to the integration of sustainability risks in its investment decision-making as

described in the "SFDR" section above, the Investment Manager does not apply specific minimum environmental or social safeguards to investments included under "#2 Other".



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No.

*How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable.

*How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable.

*How does the designated index differ from a relevant broad market index?*

Not applicable.

*Where can the methodology used for the calculation of the designated index be found?*

Not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on the website: <https://investor.apollo.com>.

**ANNEX IV  
AIFMD DISCLOSURE REQUIREMENTS**

<b>Information</b>	<b>Specify where to find the information in the transmitted documents</b>
<p>a) a description of the investment strategy and objectives of the AIF, information on where any master AIF is established and where the underlying funds are established if the AIF is a fund of funds, a description of the types of assets in which the AIF may invest, the techniques it may employ and all associated risks, any applicable investment restrictions, the circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements, and the maximum level of leverage which the AIFM are entitled to employ on behalf of the AIF;</p>	<p>Section 5 under heading "Investment Objective and Strategy" in the Prospectus. Within the "Investment Objective and Strategy" row in the Sub-Fund Supplement.</p> <p>Not applicable given that the Sub-Fund is not a fund comprising of funds.</p> <p>Section 5 under heading "Investment Objective and Strategy" in the Prospectus. Within the "Investment Objective and Strategy", "Warehousing" and "Cross Investments" rows in the Sub-Fund Supplement.</p> <p>Section 5 under the headings "Investment Objective and Strategy" and "Borrowing" in the Prospectus. Within the "Investment Objective and Strategy", "Borrowing", "Bridge Financing" rows and under the "Important Notice" in the Sub-Fund Supplement. Section 19 under heading "Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Use and Availability of Leverage; Recent Changes in the Credit Markets" of the Prospectus in conjunction with the "Use and availability of leverage; changes in credit markets" section located in Annex I (Risk Factors) of the Sub-Fund Supplement.</p> <p>Section 5 under heading "Investment Objective and Strategy" and "Borrowing" in the Prospectus. Within the "Investment Objective and Strategy", "Borrowing", "Bridge Financing" rows and under the "Important Notice" in the Sub-Fund Supplement. Section 19 under heading "Certain Risk Factors—Certain Risks Related to the Umbrella Vehicle's Investments—Use and Availability of Leverage; Recent Changes" with the "Use and availability of leverage; changes in credit markets" section located in Annex I (Risk Factors) of the Sub-Fund Supplement.</p> <p>Section 5 under heading "Investment Objective and Strategy" and "Borrowing" in the Prospectus. Section 19 under sub-heading "Securities Lending Arrangements Risk" – "8. Specification of any restrictions (regulatory or self-imposed) on reuse of collateral" in the Prospectus. Next to column "Borrowing" in the Sub-Fund Supplement.</p> <p>Section 5 under heading "Investment Objective and Strategy" and "Borrowing" in the Prospectus. Section 19 under sub-heading "Securities Lending Arrangements Risk" – "8. Specification of any restrictions (regulatory or self-imposed) on reuse of collateral" in the Prospectus.</p>

<p>b) a description of the procedures by which the AIF may change its investment strategy or investment policy, or both;</p>	<p>Section 18 under heading "Amendments" in the Prospectus.</p> <p>Next to column "Investment Objective and Strategy" and "SFDR" in the Sub-Fund Supplement.</p>
<p>c) a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established;</p>	<p>Section 16 under heading "Governing Law and Jurisdiction" in the Prospectus.</p>
<p>d) the identity of the AIFM, the AIF's depositary, auditor and any other service providers and a description of their duties and the investors' rights;</p>	<p><b>AIFM</b></p> <p><b>Carne Global Fund Managers (Luxembourg) S.A.</b>, a public limited liability company (<i>société anonyme</i>) incorporated in Luxembourg, with the RCS under registration number B 148.258, having its registered office at 3, rue Jean Piret, L - 2350 Luxembourg, Grand Duchy of Luxembourg.</p> <p>Section 3 under the heading "The AIFM" in the Prospectus.</p> <p><b>Investment Manager (in relation to the Sub-Fund)</b></p> <p>Apollo Management International LLP (the "<b>Investment Manager</b>"), an English limited liability partnership and an affiliate of Apollo Global Management, Inc ("<b>Apollo</b>"), with registered office at 1 Soho Place, London, England, W1D 3BG, United Kingdom.</p> <p>Next to column "Investment Manager" in the Sub-Fund Supplement.</p> <p><b>Administrator</b></p> <p><b>CACEIS Investor Services Bank S.A.</b>, a public limited liability company (<i>société anonyme</i>) incorporated in Luxembourg, with the RCS under registration number B 47192, having its registered office at 14, Porte de France, L- 4360 Esch-sur-Alzette, Grand Duchy of Luxembourg.</p> <p>Section 3 under the heading "The Administrator" in the Prospectus.</p> <p><b>Depositary</b></p> <p><b>CACEIS Investor Services Bank S.A.</b>, a public limited liability company (<i>société anonyme</i>) incorporated in Luxembourg, with the RCS under registration number B 47192, having its registered office at 14, Porte de France, L- 4360 Esch-sur-Alzette, Grand Duchy of Luxembourg.</p> <p>Section 3 under the heading "The Depositary" in the Prospectus.</p>

	<p><b>Auditor</b></p> <p><b>Deloitte Audit</b>, a private limited liability company (<i>société à responsabilité limitée</i>) incorporated in Luxembourg, with the RCS under registration number B 67895, having its registered office at 20, Boulevard de Kockelscheuer, L - 1821 Luxembourg, Grand Duchy of Luxembourg.</p> <p>Section 3 under the heading "The Auditor" in the Prospectus.</p> <p><b>Legal Counsel</b></p> <p>Clifford Chance, with registered address at 10 Upper Bank Street, London E14 5JJ, United Kingdom will act as legal advisor as to matters of law of England and Wales.</p> <p>Clifford Chance, with registered office at 10, boulevard GD Charlotte, L-1330 Luxembourg, Grand Duchy of Luxembourg will act as legal advisor as to matters of Luxembourg law.</p> <p>Investors will not have any direct contractual rights against the Service Providers of Fund or its Sub-Funds appointed from time to time. The foregoing is without prejudice to other rights which investors may have under ordinary rules of law or pursuant to specific legislation (e.g., a right of access to and rectification of personal data).</p> <p><b>Platform Advisor</b></p> <p><b>S64 Ventures Limited</b>, trading as S64 Capital Innovation, a limited company incorporated and registered in England and Wales with company number 11888553 whose registered office is at 91 Wimpole Street, London W1G 0EF, United Kingdom.</p> <p>Section 3 under the heading "The Platform Advisor" in the Prospectus.</p> <p><b>Global Distributor</b></p> <p><b>Carne Global Fund Managers (Luxembourg) S.A.</b>, a public limited liability company (<i>société anonyme</i>) incorporated in Luxembourg, with the RCS under registration number B 148.258, having its registered office at 3, rue Jean Piret, L - 2350 Luxembourg, Grand Duchy of Luxembourg.</p> <p>Section 3 under heading "The Global Distributor" in the Prospectus.</p>
<p>e) a description of how the AIFM is complying with the requirements of Article 9(7) of Directive 2011/61/EU;</p>	<p>The AIFM holds sufficient additional own funds which are appropriate to cover potential liability risks arising from professional negligence.</p> <p>Section 3 under the heading "The AIFM" in the Prospectus, sub-heading "Professional liability".</p>
<p>f) a description of any delegated management function as referred to in Annex I by the AIFM and of any safe-keeping function delegated by the depositary, the identification of the delegate and any</p>	<p>The Depositary is authorized to delegate its safekeeping duties (i) to delegates in relation to other assets and (ii) to sub-custodians in relation to financial instruments and to open accounts with</p>



<p>conflicts of interest that may arise from such delegations;</p>	<p>such sub-custodians. An up-to-date description of any safekeeping functions delegated by the Depositary and an up to date list of the delegates and sub-custodians may be obtained, upon request, from the Depositary. The Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and the Shareholders in the execution of its duties under the Law and the Depositary Bank and Principal Paying Agent Agreement.</p> <p>Section 3 under the heading "The Depositary" in the Prospectus, sub- heading "Delegation".</p> <p>The AIFM may appoint delegates in relation to its functions in accordance with the terms of the AIFMD, the AIFM Delegated Regulation and the 2013 Law. Information about conflicts of interests that may arise from these delegations is available at the registered office of the AIFM. The AIFM will monitor on a continued basis the activities of the third parties to which it has delegated functions. The agreements entered into between the AIFM and the relevant third parties provide that the AIFM can give at any time further instructions to such third parties, and that it can withdraw their mandates under certain circumstances and with notification to the Board of Directors without any undue delay.</p> <p>Section 3 under the heading "The AIFM" in the Prospectus, sub- heading "Delegation".</p> <p>The AIFM has fully delegated the portfolio management function to the Investment Manager under the Investment Management Agreement. The Investment Manager is responsible for the portfolio management of the Sub-Funds in accordance with each Sub-Fund's investment objective, investment policy and investment powers and restrictions. The Investment Manager is vested with the power to take investment decisions on behalf of each Sub-Fund.</p> <p>Section 3 under the heading "The AIFM" in the Prospectus, sub-heading "Delegation".</p> <p>Section 3 under the heading "The Investment Manager" in the Prospectus</p> <p>Next to column "Investment Manager" in the Sub-Fund Supplement.</p>
<p>g) a description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets in accordance with Article 19 of Directive 2011/61/EU;</p>	<p>Section 3 under heading "The AIFM" and sub-heading "Valuation" in the Prospectus.</p> <p>Next to column "Net Asset Value" in the Sub-Fund Supplement.</p>
<p>h) a description of the AIF's liquidity risk management, including the redemption rights both</p>	<p>The AIFM has a liquidity risk management process to monitor the liquidity risk of the Sub-Funds which includes, among other tools and methods of measurement, the use of stress tests under both</p>

<p>in normal and in exceptional circumstances, and the existing redemption arrangements with investors;</p>	<p>normal and exceptional liquidity conditions. Further details regarding the liquidity risk management process of the Sub-Funds are available upon request at any reasonable time during normal business hours (after furnishing reasonable advance written notice to the AIFM) at the registered office of the AIFM.</p> <p>The AIFM will comply with the ESMA Guidelines ESMA34-39897 on liquidity stress testing.</p> <p>Section 3 under the heading "The AIFM", section 5, sub-heading "Liquidity Risk Management" and section 8 in the Prospectus.</p> <p>Next to column "Redemption of Shares" in the Sub-Fund Supplement.</p>
<p>i) a description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors;</p>	<p>Sections 3 and 13 of the Prospectus.</p> <p>Next to columns "Co-Investments with the Other CTE Funds, other Apollo Clients and Other Persons", "Costs and Fees", "Special Fees", "Other Fees", "Operating Expenses" and "Organizational Expenses" in the Sub-Fund Supplement.</p>
<p>j) a description of how the AIFM ensures a fair treatment of investors and, whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM;</p>	<p>Section 3 under heading "The AIFM" and sub-heading "Fair and Preferential Treatment" in the Prospectus.</p> <p>Section 6 under the heading "Contribution and Draw Down" in the Prospectus.</p> <p>Section 16 under the heading "Fair treatment of investors" in the Prospectus.</p> <p>Next to columns "Eligibility" and "Distributions" in the Sub-Fund Supplement.</p>
<p>k) the latest annual report referred to in Article 22;</p>	<p>No annual report is yet available in respect of the Fund. For information on periodic reporting to Investors, prospective Investors are directed to Section 16 under the heading "Reports" in the Prospectus.</p>
<p>l) the procedure and conditions for the issue and sale of units or shares;</p>	<p>Sections 6 and 7 in the Prospectus.</p> <p>Next to columns "Shares", "Share Classes", "Minimum Subscription", "Eligibility", "Closing", "Redemption of Shares", "Transfers" and under Annex V (Classes of Shares) of the Sub-Fund Supplement.</p>
<p>m) the latest net asset value of the AIF or the latest market price of the unit or share of the AIF, in accordance with Article 19 of Directive 2011/61/EU;</p>	<p>The Fund's latest net asset value is not available at this date. The net asset value of the Fund shall be calculated at least annually. The Administrator will determine the net asset value per Share for each Class and sub-Class (if any) of the Sub-Fund as of the last Business Day in March, June, September and December each year.</p>
<p>n) where available, the historical performance of the AIF;</p>	<p>To date, the Fund has not made any Investments. Historical performance of each Sub-Fund shall be</p>

	available at the Fund's registered office.
o) the identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist;	For the time being, it is not anticipated that a prime broker will be appointed in respect of the Fund and/or Sub-Fund.
p) description of how and when the information required under paragraphs 4 and 5 of Article 23 of Directive 2011/61/EU will be disclosed.	Disclosure in annual accounts and/or ad hoc disclosure. Sections 16, 17 and 18 under the heading "Amendments" in the Prospectus.

**ANNEX V  
CLASSES OF SHARES**

<b>Class</b>	<b>Currency</b>	<b>Enrolled in the Hedging Program</b>	<b>Type of Investor</b>	<b>Minimum Initial Subscription and Minimum holding amount<sup>21</sup></b>	<b>Minimum Subsequent Subscription<sup>22</sup></b>	<b>Initial Subscription Price</b>	<b>Management Fee</b>
Class I1	EUR	Yes	Institutional	10,000	1000	100	1.50%
Class I2	USD	No	Institutional	12,000	1000	100	1.50%
Class I3	GBP	Yes	Institutional	10,000	1000	100	1.50%
Class I4	CHF	Yes	Institutional	10,000	1000	100	1.50%
Class T1	EUR	Yes	Advisory	10,000	1000	100	2.25%
Class T100	EUR	Yes	Advisory	10,000	1000	100	2.25%
Class T2	USD	No	Advisory	12,000	1000	100	2.25%
Class T3	GBP	Yes	Advisory	10,000	1000	100	2.25%
Class T4	CHF	Yes	Advisory	10,000	1000	100	2.25%
Class V1	EUR	Yes	Advisory	100,000	1000	100	2.00%
Class V100	EUR	Yes	Advisory	100,000	1000	100	2.00%
Class V2	USD	No	Advisory	100,000	1000	100	2.00%
Class V3	GBP	Yes	Advisory	100,000	1000	100	2.00%
Class V4	CHF	Yes	Advisory	100,000	1000	100	2.00%
Class Y1	EUR	Yes	Advisory	1,000,000	1000	100	1.75%
Class Y100	EUR	Yes	Advisory	1,000,000	1000	100	1.75%
Class Y2	USD	No	Advisory	1,000,000	1000	100	1.75%
Class Y3	GBP	Yes	Advisory	1,000,000	1000	100	1.75%
Class Y4	CHF	Yes	Advisory	1,000,000	1000	100	1.75%
Class A1	EUR	Yes	Advisory	10,000	1000	100	2.50%
Class A2	USD	No	Advisory	12,000	1000	100	2.50%
Class A3	GBP	Yes	Advisory	10,000	1000	100	2.50%

<sup>21</sup> *Note to investors:* Certain sub-distributors and/or countries may have higher minimums.

<sup>22</sup> *Note to investors:* Certain sub-distributors and/or countries may have higher minimums.

<b>Class</b>	<b>Currency</b>	<b>Enrolled in the Hedging Program</b>	<b>Type of Investor</b>	<b>Minimum Initial Subscription and Minimum holding amount<sup>21</sup></b>	<b>Minimum Subsequent Subscription<sup>22</sup></b>	<b>Initial Subscription Price</b>	<b>Management Fee</b>
Class A4	CHF	Yes	Advisory	10,000	1000	100	2.50%
Class C1	EUR	Yes	Advisory	100,000	1000	100	2.25%
Class C2	USD	No	Advisory	100,000	1000	100	2.25%
Class C3	GBP	Yes	Advisory	100,000	1000	100	2.25%
Class C4	CHF	Yes	Advisory	100,000	1000	100	2.25%
Class D1	EUR	Yes	Advisory	250,000	1000	100	1.90%
Class D2	USD	No	Advisory	250,000	1000	100	1.90%
Class D3	GBP	Yes	Advisory	250,000	1000	100	1.90%
Class D4	CHF	Yes	Advisory	250,000	1000	100	1.90%
Class K1	EUR	Yes	Apollo-related	10,000	1000	100	0.00%
Class K2	USD	No	Apollo-related	12,000	1000	100	0.00%
Class K3	GBP	Yes	Apollo-related	10,000	1000	100	0.00%
Class K4	CHF	Yes	Apollo-related	10,000	1000	100	0.00%

Subject to the sole discretion of the Board of Directors, each investor will generally be eligible for Class I Shares, Class A Shares, Class C Shares, Class D Shares, Class T Shares, Class V Shares, Class Y Shares, and Class K Shares as follows:

Class I Shares are being offered exclusively to institutional and/or professional investors investing directly, financial intermediaries investing for their own account, investors who invest in their own name, investors who have account-based fee arrangements known as advisory/wrap accounts, discretionary managed accounts, or comparable fee arrangements with their financial intermediary and financial intermediaries within the European Union who: (i) must make investments for their own account; (ii) cannot receive distribution fees in accordance with applicable regulatory requirements and/or (iii) must only offer their clients Classes with no retrocessions in accordance with written agreements in place with their clients.

Class A, Class C, Class D, Class T, Class V and Class Y Shares will generally be available to investors where the Financial Intermediary through which such investor acquired Shares provides such investor with ongoing reporting, administrative and/or other services.

It should be noted that: (i) only Apollo-related Investors (as defined more particularly below) will be eligible to hold Class K Shares; (ii) only the Carried Interest Recipient will be eligible to hold Class Z Shares; (iii) Class K and Class Z Shares will not bear any Management Fee, Carried Interest or Subscription Fee; (iv) neither Class K Shares or Class Z Shares are eligible for subscription by Retail Investors in the EEA or UK; and (v) Class A Shares, Class C Shares and

Class D Shares are only eligible for subscription by prospective Investors and/or Investors connected to certain financial intermediaries with a permanent establishment in Italy as determined by the Board of Directors in its sole discretion.

Certain Classes, as indicated in the table above, will, from time to time, be fully or partially hedged from the relevant currency against the U.S. dollar (or such other currency as indicated in the table above) (the "**Hedging Program**"), without taking into consideration any hedging strategies separately entered into by any Investor, although there can be no assurance that any hedging strategies employed by the Sub-Fund will be effective in protecting against currency exchange rate fluctuations. Investors subscribing for Classes in any country in which U.S. dollars are not the local currency should note that changes in the value of foreign exchange between the U.S. dollar and such currency may have an adverse effect on the value, price or income of the investment to such Investors. Any costs associated with such hedging shall be allocated to the relevant Class which will reduce returns. In relation to currency hedging undertaken in the interest of a hedged Class, Investors should note that the various Classes do not constitute separate portfolios of assets and liabilities, and similar considerations may apply to any intermediary vehicles or other investment structure to the extent the hedging program is undertaken at such level. Accordingly, while gains and losses and the expense of the hedging program will be allocated to the hedged Classes only, the Sub-Fund and/or any intermediary vehicles or other investment structure as a whole, may be liable for obligations in connection with currency hedges. Additionally, any financing facilities or guarantees utilized in connection with the hedging program may be entered into by the Umbrella Vehicle in respect of the Sub-Fund and/or any intermediary vehicles or other investment structure and not any specific Class. Although a Class might benefit from the use of the hedging program, changes in currency exchange rates or other factors could result in poorer overall performance for such Class compared to what such Class' performance would have been if it had not been hedged. Any Class may, from time to time, be over-hedged or under-hedged, and the performance of any particular Class may diverge materially from the performance of the reference currency of such Class, and may diverge materially from the performance of any other Class.

Before making an investment decision each Investor should consult with their Financial Intermediary (as applicable) regarding their eligibility for any Class.

For the purposes of this Sub-Fund Supplement, "**Apollo-related Investor**" means:

- a) any director, officer, member, manager, partner, consultant or employee or former director, officer, member, manager, partner, consultant or employee or other person engaged or formerly engaged in the business of a member of the Apollo Group;
- b) at the sole discretion of the Board of Directors, any such person's spouse or close relative;
- c) at the sole discretion of the Board of Directors, any entity controlled by any of the persons referred to in paragraphs (a) and (b) above or the trustees of a trust of which they are beneficiaries; and
- d) any Apollo Client, or the Investment Manager or any of its Affiliates,

provided, in each case, that the relevant person is considered by the Board of Directors (or its delegate) to be sufficiently sophisticated to understand the risks involved in investing in the Sub-Fund and meets any other requirements that the Board of Directors (or its delegate) deems appropriate from a legal, regulatory or liquidity perspective. For the avoidance of doubt, reference to any former employee(s) or person(s) formerly engaged in the business of a member of the Apollo Group includes only such persons who have ceased to be so employed or engaged following the acceptance of their subscription for Shares, unless otherwise agreed by the Board of Directors.