

**From:** Eileen Alexanderson <[REDACTED]>

**To:** Jeffrey Epstein <jeevacation@gmail.com>

**Subject:** FW: Athene Holdings Investment Opportunity - \*\*\* Action Required \*\*\*

**Date:** Fri, 28 Feb 2014 22:50:39 +0000

**Importance:** high

**Attachments:** Athene\_Detailed\_Cover\_Note\_12\_9\_13.pdf; Athene\_Teaser\_12\_5\_13.pdf

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See below, otherwise I just have subscription docs

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**From:** Leon Black [mailto:[REDACTED]]

**Sent:** Monday, February 24, 2014 9:11 AM

**To:** Eileen Alexanderson

**Subject:** FW: Athene Holdings Investment Opportunity - \*\*\* Action Required \*\*\*

**Importance:** High

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**From:** Martin L. Phillips

**Sent:** Friday, February 21, 2014 10:23 PM

**To:** ^All Apollo Qualified Personnel

**Cc:** Imran Siddiqui; Matthew Michelini; Jeremy Bergman; Kaitlin M. May; Stephanie Drescher; Jim Belardi; Lisa Bernstein

**Subject:** FW: Athene Holdings Investment Opportunity - \*\*\* Action Required \*\*\*

**Importance:** High

As a follow up to the email below, we have extended the date by which subscription documents must be submitted. Presently, we expect to close the subscription window mid to late March.

In the interim, we need to gather information on expected commitments. To this end, please submit your expected commitment amount (along with a few other data points) at the following link:

**We must have all indications of expected commitments no later than February 28th.** For those that have already submitted subscription documents, please indicate your commitment amount through this link as well.

If you have any questions regarding the commitment survey, please contact me at x0567 or [REDACTED]. For questions about the investment opportunity, please reach out to Imran Siddiqui or Matthew Michelini.

Regards,

**Martin Phillips** | Apollo Management

9 West 57th Street, New York, New York 10019

☎ 212-822-0567 | 646-581-7720 (mobile) | 646-607-5531 (eFax)

✉: [REDACTED]

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**From:** Lisa Bernstein

**Sent:** Tuesday, January 14, 2014 9:25 PM

**To:** ^All Apollo Qualified Personnel

**Cc:** Imran Siddiqui; Matthew Michelini; Jeremy Bergman; Kaitlin M. May; Stephanie Drescher; Jim Belardi; Lisa Bernstein  
**Subject:** Athene Holdings Investment Opportunity

Apollo and Athene are pleased to offer you an opportunity to invest in Athene Holdings Ltd. ("Athene").

Athene is an insurance company focused principally on the retirement market. Following the financial crisis, many insurers are under pressure to divest their fixed annuity (and 'asset-heavy') businesses as they struggle to earn their cost of capital in a low rate environment and reposition their core vs. non-core businesses in the wake of new regulations across the EU and Canada. This has left the annuity market undersupplied amidst growing demand for tax efficient retirement savings products from an American population whose portfolios are grossly inadequate to fund retirement.

Against this backdrop, Athene has emerged as a lead consolidator in the fixed annuity sector, having completed more acquisitions of fixed annuities than any other buyer over the last several years. Under the leadership of longtime industry veteran Jim Belardi, Athene has amassed ~\$59 billion of GAAP assets and \$2.5 billion of GAAP equity ex. AOCI<sup>(1)</sup> and has generated GAAP operating ROEs of ~40% through the first nine months of 2013<sup>(2)</sup> (long term target ROEs are in the mid to high teens). Additionally, Athene has developed multiple channels to source low-cost, "sticky" liability funding and has scaled its retail distribution platform in an effort to become one of the leading retirement services companies to Americans. Athene believes acquisition opportunities remain plentiful, and organic growth avenues are very attractive given the reduction in supply of annuities. Athene is looking to raise \$500 million of new capital to fund these growth initiatives. In the meantime, Athene continues to ready itself for an IPO and expects to file a registration statement by November 30, 2015, as the public markets should provide a permanent source of equity capital to fund Athene's long-term growth. Shares will be offered at \$25 per share (~1.2x expected book value ex. AOCI at close). This offering has been priced to target a ~20% IRR<sup>(3)</sup> for new investors assuming all capital is drawn at subscription, with identifiable and attainable paths to higher returns.

Please see the attached cover note and teaser for additional information on this opportunity. Interested investors will be provided with an investment memorandum and data room access and will have the opportunity to attend a management presentation scheduled for January 22, 2014. Participating employees will be provided with subscription documents in February and must have their capital commitments in place by February 28, 2014. Please note that the investors who receive a memorandum and data room access will be provided certain material non-public information about Athene, AP Alternative Assets, L.P. ("AAA") and Apollo Global Management ("AGM").

**Please note that you must be a qualified purchaser or knowledgeable employee in order to invest in this offering, and the minimum investment size is \$125,000. There will be no management or incentive fees assessed on new capital. Fees earned by Athene Asset Management ("AAM") or AGM as subadvisor to AAM will be earned on all investable assets of Athene.**

**For questions about the opportunity, please contact Imran Siddiqui or Matthew Michelini, and for access to the investor memorandum and data room please contact Jeremy Bergman.**

Regards,

Lisa

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- (1) Based on management view GAAP financials. Please refer to Appendix II of the Teaser for an explanation of management view financials. Management view GAAP capital ex. AOCI reflects midpoint of management's pro forma range of \$2.2bn - \$2.7bn. Accumulated other comprehensive income (AOCI) is an equity account that captures the unrealized gains and losses primarily resulting from fair value adjustments to an insurance company's investment portfolio. In evaluating an insurance company, AOCI is typically excluded so as to eliminate the effect of "non-core" items that can fluctuate significantly from period to period primarily based on changes in market value.
- (2) Past performance is not indicative nor a guarantee of future returns.
- (3) Target IRR presented is not a prediction, projection or guarantee of future performance. Target IRR does not reflect the effect of certain expenses or taxes. Target IRR was calculated based on certain assumptions, which include recent performance data and current market conditions. Neither Athene nor Apollo gives any assurance that targeted returns will be achieved or that the methodology and assumptions used to estimate such returns are reasonable.

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Apollo Global Management, LLC