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## Recognition of Tufts Gain in Exchanges

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- ▶ Provided that the \$1B of debt remains outstanding as structured currently (i.e., no personal guarantees by individuals, no guarantee by AGM, etc.), the \$800M of gain deferred from the 2007 distribution will be recognized over time as founders exchange APP interests. As that gain is recognized, additional basis step-up will be delivered to APO Corp., resulting in additional future TRA benefits payable to founders.
  
  - ▶ The following examples were prepared using certain assumptions, including:
    - ▶ No changes in current law corporate or individual tax rates
      - ▶ Blended tax rate for individuals of 35% (portion ordinary, portion subject to 3.8% NII tax, etc.)
      - ▶ Combined federal and state corporate tax rate of 40%
    - ▶ Discount rate of 7.5%
    - ▶ Net sales price per unit of \$22 on all sales (and excludes future dividends)
    - ▶ Assumes APO Corp. has income to currently utilize deductions attributes on a current basis
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# Recognition of Tufts Gain in Exchanges

## Sale of 7.5% of Interests and Recognition of 7.5% of Tufts Gain

	(Amounts in Millions)			
	<u>LB</u>	<u>MR</u>	<u>JH</u>	<u>Total</u>
Equity Cash Proceeds (\$22/unit)	\$152.0	\$96.7	\$96.7	\$345.4
Cash Taxes on Equity Proceeds (35% effective rate)	53.2	33.9	33.9	120.9
Gain Recognized - Tufts Gain	26.4	16.8	16.8	60.0
Cash Taxes on Tufts Gain (35% effective rate)	9.2	5.9	5.9	21.0
Total Cash Taxes	62.4	39.7	39.7	141.9
<b>Net After-Tax Equity Cash Proceeds</b>	<b>\$89.5</b>	<b>\$57.0</b>	<b>\$57.0</b>	<b>\$203.5</b>
Effective Tax Rate (Equity + Tufts Gain)	41.1%	41.1%	41.1%	41.1%
<i>NPV of After-Tax TRA Payments (@ 7.5% Discount Rate)</i>				
NPV of After-Tax TRA Payments - Cash Equity Sales	\$18.3	\$11.7	\$11.7	\$41.7
NPV of After-Tax TRA Payments - Tufts Gain	\$4.9	\$3.1	\$3.1	\$11.1
NPV Total After-Tax TRA Payments	<u>\$23.2</u>	<u>\$14.8</u>	<u>\$14.8</u>	<u>\$52.8</u>
<b>NPV Value (After-Tax Proceeds + TRA Value)</b>	<b>\$112.8</b>	<b>\$71.8</b>	<b>\$71.8</b>	<b>\$256.3</b>

(1) Excludes future dividends; assumes \$22 per share net price only.

## Recognition of Tufts Gain in Exchanges

Sale of 7.5% of Interests Annually From 2013 Through 2016 and Sale of Remaining 70% in 2017 With Tufts Gain Recognized Ratably

	(Amounts in Millions)			
	<u>LB</u>	<u>MR</u>	<u>JH</u>	<u>Total</u>
Total Equity Cash Proceeds (\$22/unit) (1)	\$2,026.4	\$1,289.5	\$1,289.5	\$4,605.5
Total Cash Taxes on Equity (35% effective rate)	709.2	451.3	451.3	1,611.9
Total Gain Recognized - Tufts Gain	352.0	224.0	224.0	800.0
Total Cash Taxes on Tufts Gain (35% effective rate)	123.2	78.4	78.4	280.0
Total Cash Taxes	832.4	529.7	529.7	1,891.9
Net After-Tax Equity Cash Proceeds	\$1,194.0	\$759.8	\$759.8	\$2,713.5
Effective Tax Rate (Equity + Tufts Gain)	41.1%	41.1%	41.1%	41.1%
<b>NPV Summary @ 7.5% Discount Rate</b>				
Total Equity Cash Proceeds (@ 7.5% Disc.) (1)	\$1,609.1	\$1,024.0	\$1,024.0	\$3,657.1
Total Cash Taxes on Equity Proceeds	563.2	358.4	358.4	1,280.0
Total Gain Recognized - Tufts Gain	279.5	177.9	177.9	635.3
Total Cash Taxes on Tufts Gain (35% effective rate)	97.8	62.3	62.3	222.3
Total Cash Taxes	661.0	420.7	420.7	1,502.3
NPV of Net After-Tax Equity Cash Proceeds	\$948.1	\$603.3	\$603.3	\$2,154.8
<b>NPV of After-Tax TRA Payments (@ 7.5% Discount Rate)</b>				
NPV of After-Tax TRA Payments - Cash Equity Sales	\$194.1	\$123.5	\$123.5	\$441.1
NPV of After-Tax TRA Payments - Tufts Gain	51.8	33.0	33.0	117.8
NPV Total After-Tax TRA Payments	\$245.9	\$156.5	\$156.5	\$558.9
Total NPV Value (After-Tax Proceeds + TRA Value)	1,194.0	759.8	759.8	2,713.7

(1) Excludes future dividends; assumes \$22 per share net price only.

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## Deferral of Tufts Gain Through Guarantees

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- ▶ A personal guarantee of the debt by the founders will avoid recognition of any Tufts gain on annual exchanges and defer such gain until the guarantee is eliminated. This deferral of gain will also defer any TRA benefits associated with the Tufts gain, and may result in an elimination of those TRA benefits altogether based on the current TRA agreement (although consideration should be given to amending the TRA agreement to avoid this result).
  
- ▶ Even in the worst case scenario, where all TRA benefits related to the Tufts gain are lost, the NPV of the deferral of taxes on the Tufts gain may exceed the NPV of the lost TRA benefits, depending on the period over which the Tufts gain is deferred and the discount rate used.
  
- ▶ The following examples were computed using assumptions consistent with previous examples, modified by the following:
  - ▶ Assumes personal guarantee of debt (and, therefore, no recognition of Tufts gain) until sale of final interest in APP.
  - ▶ Assumes worst case scenario – that TRA agreement is not amended and that no TRA benefits are paid to the founders for basis step-up to APO Corp. related to the Tufts gain

# Deferral of Tufts Gain Through Guarantees

## Sale of 7.5% of Interests and Deferral of 7.5% of Tufts Gain for 20 Years

	(Amounts in Millions)			
	<u>LB</u>	<u>MR</u>	<u>JH</u>	<u>Total</u>
Total Equity Cash Proceeds (\$22/unit) (1)	\$152.0	\$96.7	\$96.7	\$345.4
Total Cash Taxes on Equity (35% effective rate)	53.2	33.9	33.9	120.9
Total Gain Recognized - Tufts Gain (In 2032)	26.4	16.8	16.8	60.0
Total Cash Taxes on Tufts Gain (35% effective rate)	9.2	5.9	5.9	21.0
Total Cash Taxes	62.4	39.7	39.7	141.9
Net After-Tax Equity Cash Proceeds	<u>\$89.5</u>	<u>\$57.0</u>	<u>\$57.0</u>	<u>\$203.5</u>
Effective Tax Rate (Equity + Tufts Gain)	41.1%	41.1%	41.1%	41.1%
<b>NPV Summary @ 7.5% Discount Rate</b>				
Total Equity Cash Proceeds (@ 7.5% Disc.) (1)	\$152.0	\$96.7	\$96.7	\$345.4
Total Cash Taxes on Equity Proceeds	53.2	33.9	33.9	120.9
Total Gain Recognized - Tufts Gain	6.7	4.2	4.2	15.2
Total Cash Taxes on Tufts Gain (35% effective rate)	2.3	1.5	1.5	5.3
Total Cash Taxes	55.5	35.3	35.3	126.2
NPV of Net After-Tax Equity Cash Proceeds	<u>\$96.5</u>	<u>\$61.4</u>	<u>\$61.4</u>	<u>\$219.2</u>
<b>NPV of After-Tax TRA Payments (@ 7.5% Discount Rate)</b>				
NPV of After-Tax TRA Payments - Cash Equity Sales	\$18.3	\$11.7	\$11.7	\$41.7
NPV of After-Tax TRA Payments - Tufts Gain	0.0	0.0	0.0	0.0
NPV Total After-Tax TRA Payments	<u>\$18.3</u>	<u>\$11.7</u>	<u>\$11.7</u>	<u>\$41.7</u>
Total NPV Value (After-Tax Proceeds + TRA Value) w/Guarantee	<u>114.8</u>	<u>73.1</u>	<u>73.1</u>	<u>260.9</u>
Total NPV Value (After-Tax Proceeds + TRA Value) No Guarantee	<u>112.8</u>	<u>71.8</u>	<u>71.8</u>	<u>256.3</u>
Benefit/Detriment of Guarantee	<u>2.0</u>	<u>1.3</u>	<u>1.3</u>	<u>4.6</u>

# Deferral of Tufts Gain Through Guarantees

## Sale of 7.5% of Interests and Deferral of 7.5% of Tufts Gain for 5 Years

	(Amounts in Millions)			
	<u>LB</u>	<u>MR</u>	<u>JH</u>	<u>Total</u>
Total Equity Cash Proceeds (\$22/unit) (1)	\$152.0	\$96.7	\$96.7	\$345.4
Total Cash Taxes on Equity (35% effective rate)	53.2	33.9	33.9	120.9
Total Gain Recognized - Tufts Gain (In 2017)	26.4	16.8	16.8	60.0
Total Cash Taxes on Tufts Gain (35% effective rate)	9.2	5.9	5.9	21.0
Total Cash Taxes	62.4	39.7	39.7	141.9
Net After-Tax Equity Cash Proceeds	<u>\$89.5</u>	<u>\$57.0</u>	<u>\$57.0</u>	<u>\$203.5</u>
Effective Tax Rate (Equity + Tufts Gain)	41.1%	41.1%	41.1%	41.1%
<b>NPV Summary @ 7.5% Discount Rate</b>				
Total Equity Cash Proceeds (@ 7.5% Disc.) (1)	\$152.0	\$96.7	\$96.7	\$345.4
Total Cash Taxes on Equity Proceeds	53.2	33.9	33.9	120.9
Total Gain Recognized - Tufts Gain	19.8	12.6	12.6	44.9
Total Cash Taxes on Tufts Gain (35% effective rate)	6.9	4.4	4.4	15.7
Total Cash Taxes	60.1	38.3	38.3	136.6
NPV of Net After-Tax Equity Cash Proceeds	<u>\$91.9</u>	<u>\$58.5</u>	<u>\$58.5</u>	<u>\$208.8</u>
<b>NPV of After-Tax TRA Payments (@ 7.5% Discount Rate)</b>				
NPV of After-Tax TRA Payments - Cash Equity Sales	\$18.3	\$11.7	\$11.7	\$41.7
NPV of After-Tax TRA Payments - Tufts Gain	0.0	0.0	0.0	0.0
NPV Total After-Tax TRA Payments	<u>\$18.3</u>	<u>\$11.7</u>	<u>\$11.7</u>	<u>\$41.7</u>
Total NPV Value (After-Tax Proceeds + TRA Value) w/Guarantee	110.2	70.1	70.1	250.5
Total NPV Value (After-Tax Proceeds + TRA Value) No Guarantee	112.8	71.8	71.8	256.3
Benefit/Detriment of Guarantee	<u>(2.6)</u>	<u>(1.6)</u>	<u>(1.6)</u>	<u>(5.8)</u>

## Deferral of Tufts Gain Through Guarantees

Sale of 7.5% of Interests Annually From 2013 Through 2016 and Sale of Remaining 70% in 2017 With Tufts Gain Recognized Entirely in 2017 (5 Year Deferral)

	(Amounts in Millions)			
	<u>LB</u>	<u>MR</u>	<u>JH</u>	<u>Total</u>
Total Equity Cash Proceeds (\$22/unit) (1)	\$2,026.4	\$1,289.5	\$1,289.5	\$4,605.5
Total Cash Taxes on Equity (35% effective rate)	709.2	451.3	451.3	1,611.9
Total Gain Recognized - Tufts Gain (In 2017)	352.0	224.0	224.0	800.0
Total Cash Taxes on Tufts Gain (35% effective rate)	123.2	78.4	78.4	280.0
Total Cash Taxes	832.4	529.7	529.7	1,891.9
Net After-Tax Equity Cash Proceeds	<u>\$1,194.0</u>	<u>\$759.8</u>	<u>\$759.8</u>	<u>\$2,713.5</u>
Effective Tax Rate (Equity + Tufts Gain)	41.1%	41.1%	41.1%	41.1%
<b>NPV Summary @ 7.5% Discount Rate</b>				
Total Equity Cash Proceeds (@ 7.5% Disc.) (1)	\$1,609.1	\$1,024.0	\$1,024.0	\$3,657.1
Total Cash Taxes on Equity Proceeds	563.2	358.4	358.4	1,280.0
Total Gain Recognized - Tufts Gain	264.4	168.3	168.3	600.9
Total Cash Taxes on Tufts Gain (35% effective rate)	92.5	58.9	58.9	210.3
Total Cash Taxes	655.7	417.3	417.3	1,490.3
NPV of Net After-Tax Equity Cash Proceeds	<u>\$953.4</u>	<u>\$606.7</u>	<u>\$606.7</u>	<u>\$2,166.8</u>
<b>NPV of After-Tax TRA Payments (@ 7.5% Discount Rate)</b>				
NPV of After-Tax TRA Payments - Cash Equity Sales	\$194.1	\$123.5	\$123.5	\$441.1
NPV of After-Tax TRA Payments - Tufts Gain	0.0	0.0	0.0	0.0
NPV Total After-Tax TRA Payments	<u>\$194.1</u>	<u>\$123.5</u>	<u>\$123.5</u>	<u>\$441.1</u>
Total NPV Value (After-Tax Proceeds + TRA Value) w/Guarantee	<u>1,147.5</u>	<u>730.2</u>	<u>730.2</u>	<u>2,607.9</u>
Total NPV Value (After-Tax Proceeds + TRA Value) No Guarantee	<u>1,194.0</u>	<u>759.8</u>	<u>759.8</u>	<u>2,713.7</u>
Benefit/Detriment of Guarantee	<u>(46.6)</u>	<u>(29.6)</u>	<u>(29.6)</u>	<u>(105.8)</u>

## Deferral of Tufts Gain Through Guarantees

Sale of 7.5% of Interests Annually From 2013 Through 2016, Sale of 69% in 2017 and Sale of Remaining 1% in 2032 With Tufts Gain Recognized Entirely in 2032 (20 Year Deferral)

	(Amounts in Millions)			
	<u>LB</u>	<u>MR</u>	<u>JH</u>	<u>Total</u>
Total Equity Cash Proceeds (\$22/unit) (1)	\$2,026.4	\$1,289.5	\$1,289.5	\$4,605.5
Total Cash Taxes on Equity (35% effective rate)	709.2	451.3	451.3	1,611.9
Total Gain Recognized - Tufts Gain (In 2032)	352.0	224.0	224.0	800.0
Total Cash Taxes on Tufts Gain (35% effective rate)	123.2	78.4	78.4	280.0
Total Cash Taxes	832.4	529.7	529.7	1,891.9
Net After-Tax Equity Cash Proceeds	<u>\$1,194.0</u>	<u>\$759.8</u>	<u>\$759.8</u>	<u>\$2,713.5</u>
Effective Tax Rate (Equity + Tufts Gain)	41.1%	41.1%	41.1%	41.1%
<b>NPV Summary @ 7.5% Discount Rate</b>				
Total Equity Cash Proceeds (@ 7.5% Disc.) (1)	\$1,599.1	\$1,017.6	\$1,017.6	\$3,634.3
Total Cash Taxes on Equity Proceeds	559.7	356.2	356.2	1,272.0
Total Gain Recognized - Tufts Gain	89.0	56.6	56.6	202.3
Total Cash Taxes on Tufts Gain (35% effective rate)	31.1	19.8	19.8	70.8
Total Cash Taxes	590.8	376.0	376.0	1,342.8
NPV of Net After-Tax Equity Cash Proceeds	<u>\$1,008.3</u>	<u>\$641.6</u>	<u>\$641.6</u>	<u>\$2,291.5</u>
<b>NPV of After-Tax TRA Payments (@ 7.5% Discount Rate)</b>				
NPV of After-Tax TRA Payments - Cash Equity Sales	\$192.9	\$122.7	\$122.7	\$438.3
NPV of After-Tax TRA Payments - Tufts Gain	0.0	0.0	0.0	0.0
NPV Total After-Tax TRA Payments	<u>\$192.9</u>	<u>\$122.7</u>	<u>\$122.7</u>	<u>\$438.3</u>
Total NPV Value (After-Tax Proceeds + TRA Value) w/Guarantee	<u>1,201.1</u>	<u>764.3</u>	<u>764.3</u>	<u>2,729.8</u>
Total NPV Value (After-Tax Proceeds + TRA Value) No Guarantee	<u>1,194.0</u>	<u>759.8</u>	<u>759.8</u>	<u>2,713.7</u>
Benefit/Detriment of Guarantee	<u>7.1</u>	<u>4.5</u>	<u>4.5</u>	<u>16.1</u>

# Deferral of Tufts Gain Through Guarantees

## Summary of Scenarios

### 7.5% Discount Rate

	Leon Black					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$89.5	\$98.8	\$98.8	\$948.1	\$1,045.9	\$1,039.4
Plus: NPV of After-Tax TRA - Cash Equity Sales	18.3	18.3	18.3	194.1	194.1	192.9
Plus: NPV of After-Tax TRA - Tufts Gain	4.9	-	-	51.8	-	-
Less: NPV of Future Tax - Tufts Gain	-	(6.9)	(2.3)	-	(92.5)	(31.1)
NPV Value (After-Tax Proceeds + TRA Value)	\$112.8	\$110.2	\$114.8	\$1,194.0	\$1,147.5	\$1,201.1
Difference versus No Deferral		(\$2.6)	\$2.0		(\$46.6)	\$7.1

	Marc Rowan					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$57.0	\$62.9	\$62.9	\$603.3	\$665.6	\$661.4
Plus: NPV of After-Tax TRA - Cash Equity Sales	11.7	11.7	11.7	123.5	123.5	122.7
Plus: NPV of After-Tax TRA - Tufts Gain	3.1	-	-	33.0	-	-
Less: NPV of Future Tax - Tufts Gain	-	(4.4)	(1.5)	-	(58.9)	(19.8)
NPV Value (After-Tax Proceeds + TRA Value)	\$71.8	\$70.1	\$73.1	\$759.8	\$730.2	\$764.3
Difference versus No Deferral		(\$1.6)	\$1.3		(\$29.6)	\$4.5

	Josh Harris					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$57.0	\$62.9	\$62.9	\$603.3	\$665.6	\$661.4
Plus: NPV of After-Tax TRA - Cash Equity Sales	11.7	11.7	11.7	123.5	123.5	122.7
Plus: NPV of After-Tax TRA - Tufts Gain	3.1	-	-	33.0	-	-
Less: NPV of Future Tax - Tufts Gain	-	(4.4)	(1.5)	-	(58.9)	(19.8)
NPV Value (After-Tax Proceeds + TRA Value)	\$71.8	\$70.1	\$73.1	\$759.8	\$730.2	\$764.3
Difference versus No Deferral		(\$1.6)	\$1.3		(\$29.6)	\$4.5

# Deferral of Tufts Gain Through Guarantees

## Summary of Scenarios

### 2% Discount Rate

	Leon Black					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$89.5	\$98.8	\$98.8	\$1,119.9	\$1,235.4	\$1,232.3
Plus: NPV of After-Tax TRA - Cash Equity Sales	27.9	27.9	27.9	348.2	348.2	347.3
Plus: NPV of After-Tax TRA - Tufts Gain	7.4	-	-	93.0	-	-
Less: NPV of Future Tax - Tufts Gain	-	(8.5)	(6.3)	-	(114.7)	(84.5)
NPV Value (After-Tax Proceeds + TRA Value)	\$124.9	\$118.1	\$120.3	\$1,561.1	\$1,469.0	\$1,495.0
Difference versus No Deferral		(\$6.7)	(\$4.5)		(\$92.1)	(\$66.0)

  

	Marc Rowan					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$57.0	\$62.9	\$62.9	\$712.6	\$786.2	\$784.2
Plus: NPV of After-Tax TRA - Cash Equity Sales	17.7	17.7	17.7	221.6	221.6	221.0
Plus: NPV of After-Tax TRA - Tufts Gain	4.7	-	-	59.2	-	-
Less: NPV of Future Tax - Tufts Gain	-	(5.4)	(4.0)	-	(73.0)	(53.8)
NPV Value (After-Tax Proceeds + TRA Value)	\$79.5	\$75.2	\$76.6	\$993.4	\$934.8	\$951.4
Difference versus No Deferral		(\$4.3)	(\$2.9)		(\$58.6)	(\$42.0)

  

	Josh Harris					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$57.0	\$62.9	\$62.9	\$712.6	\$786.2	\$784.2
Plus: NPV of After-Tax TRA - Cash Equity Sales	17.7	17.7	17.7	221.6	221.6	221.0
Plus: NPV of After-Tax TRA - Tufts Gain	4.7	-	-	59.2	-	-
Less: NPV of Future Tax - Tufts Gain	-	(5.4)	(4.0)	-	(73.0)	(53.8)
NPV Value (After-Tax Proceeds + TRA Value)	\$79.5	\$75.2	\$76.6	\$993.4	\$934.8	\$951.4
Difference versus No Deferral		(\$4.3)	(\$2.9)		(\$58.6)	(\$42.0)

# Deferral of Tufts Gain Through Guarantees

## Summary of Scenarios

### 5% Discount Rate

	Leon Black					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$89.5	\$98.8	\$98.8	\$1,020.9	\$1,126.2	\$1,120.6
Plus: NPV of After-Tax TRA - Cash Equity Sales	22.0	22.0	22.0	250.2	250.2	248.9
Plus: NPV of After-Tax TRA - Tufts Gain	5.9	-	-	66.8	-	-
Less: NPV of Future Tax - Tufts Gain	-	(7.6)	(3.7)	-	(101.8)	(48.7)
NPV Value (After-Tax Proceeds + TRA Value)	\$117.4	\$113.2	\$117.1	\$1,337.9	\$1,274.6	\$1,320.8
Difference versus No Deferral		(\$4.2)	(\$0.3)		(\$63.3)	(\$17.1)

  

	Marc Rowan					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$57.0	\$62.9	\$62.9	\$649.7	\$716.7	\$713.1
Plus: NPV of After-Tax TRA - Cash Equity Sales	14.0	14.0	14.0	159.2	159.2	158.4
Plus: NPV of After-Tax TRA - Tufts Gain	3.7	-	-	42.5	-	-
Less: NPV of Future Tax - Tufts Gain	-	(4.8)	(2.3)	-	(64.8)	(31.0)
NPV Value (After-Tax Proceeds + TRA Value)	\$74.7	\$72.0	\$74.5	\$851.4	\$811.1	\$840.5
Difference versus No Deferral		(\$2.7)	(\$0.2)		(\$40.3)	(\$10.9)

  

	Josh Harris					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$57.0	\$62.9	\$62.9	\$649.7	\$716.7	\$713.1
Plus: NPV of After-Tax TRA - Cash Equity Sales	14.0	14.0	14.0	159.2	159.2	158.4
Plus: NPV of After-Tax TRA - Tufts Gain	3.7	-	-	42.5	-	-
Less: NPV of Future Tax - Tufts Gain	-	(4.8)	(2.3)	-	(64.8)	(31.0)
NPV Value (After-Tax Proceeds + TRA Value)	\$74.7	\$72.0	\$74.5	\$851.4	\$811.1	\$840.5
Difference versus No Deferral		(\$2.7)	(\$0.2)		(\$40.3)	(\$10.9)

# Deferral of Tufts Gain Through Guarantees

## Summary of Scenarios

### 8% Discount Rate

	Leon Black					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$89.5	\$98.8	\$98.8	\$934.5	\$1,030.9	\$1,024.3
Plus: NPV of After-Tax TRA - Cash Equity Sales	17.7	17.7	17.7	184.9	184.9	183.7
Plus: NPV of After-Tax TRA - Tufts Gain	4.7	-	-	49.4	-	-
Less: NPV of Future Tax - Tufts Gain	-	(6.8)	(2.1)	-	(90.8)	(28.5)
NPV Value (After-Tax Proceeds + TRA Value)	\$112.0	\$109.7	\$114.4	\$1,168.7	\$1,125.0	\$1,179.4
Difference versus No Deferral		(\$2.3)	\$2.4		(\$43.8)	\$10.7

  

	Marc Rowan					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$57.0	\$62.9	\$62.9	\$594.7	\$656.0	\$651.8
Plus: NPV of After-Tax TRA - Cash Equity Sales	11.3	11.3	11.3	117.6	117.6	116.9
Plus: NPV of After-Tax TRA - Tufts Gain	3.0	-	-	31.4	-	-
Less: NPV of Future Tax - Tufts Gain	-	(4.3)	(1.4)	-	(57.8)	(18.1)
NPV Value (After-Tax Proceeds + TRA Value)	\$71.3	\$69.8	\$72.8	\$743.7	\$715.9	\$750.6
Difference versus No Deferral		(\$1.5)	\$1.5		(\$27.9)	\$6.8

  

	Josh Harris					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$57.0	\$62.9	\$62.9	\$594.7	\$656.0	\$651.8
Plus: NPV of After-Tax TRA - Cash Equity Sales	11.3	11.3	11.3	117.6	117.6	116.9
Plus: NPV of After-Tax TRA - Tufts Gain	3.0	-	-	31.4	-	-
Less: NPV of Future Tax - Tufts Gain	-	(4.3)	(1.4)	-	(57.8)	(18.1)
NPV Value (After-Tax Proceeds + TRA Value)	\$71.3	\$69.8	\$72.8	\$743.7	\$715.9	\$750.6
Difference versus No Deferral		(\$1.5)	\$1.5		(\$27.9)	\$6.8

# Deferral of Tufts Gain Through Guarantees

## Summary of Scenarios

### 10% Discount Rate

	Leon Black					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$89.5	\$98.8	\$98.8	\$882.9	\$974.0	\$967.2
Plus: NPV of After-Tax TRA - Cash Equity Sales	15.6	15.6	15.6	153.3	153.3	152.3
Plus: NPV of After-Tax TRA - Tufts Gain	4.2	-	-	41.0	-	-
Less: NPV of Future Tax - Tufts Gain	-	(6.3)	(1.5)	-	(84.3)	(20.1)
NPV Value (After-Tax Proceeds + TRA Value)	\$109.3	\$108.0	\$112.8	\$1,077.2	\$1,043.0	\$1,099.3
Difference versus No Deferral		(\$1.2)	\$3.6		(\$34.2)	\$22.1

	Marc Rowan					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$57.0	\$62.9	\$62.9	\$561.9	\$619.8	\$615.5
Plus: NPV of After-Tax TRA - Cash Equity Sales	9.9	9.9	9.9	97.6	97.6	96.9
Plus: NPV of After-Tax TRA - Tufts Gain	2.6	-	-	26.1	-	-
Less: NPV of Future Tax - Tufts Gain	-	(4.0)	(1.0)	-	(53.7)	(12.8)
NPV Value (After-Tax Proceeds + TRA Value)	\$69.5	\$68.8	\$71.8	\$685.5	\$663.7	\$699.6
Difference versus No Deferral		(\$0.8)	\$2.3		(\$21.8)	\$14.1

	Josh Harris					
	7.5% Sale			NPV of Total Sale		
	No Deferral	5 yr Def.	20 yr Def.	No Deferral	5 yr Def.	20 yr Def.
Net After-Tax Equity Cash Proceeds	\$57.0	\$62.9	\$62.9	\$561.9	\$619.8	\$615.5
Plus: NPV of After-Tax TRA - Cash Equity Sales	9.9	9.9	9.9	97.6	97.6	96.9
Plus: NPV of After-Tax TRA - Tufts Gain	2.6	-	-	26.1	-	-
Less: NPV of Future Tax - Tufts Gain	-	(4.0)	(1.0)	-	(53.7)	(12.8)
NPV Value (After-Tax Proceeds + TRA Value)	\$69.5	\$68.8	\$71.8	\$685.5	\$663.7	\$699.6
Difference versus No Deferral		(\$0.8)	\$2.3		(\$21.8)	\$14.1