Apollo Commercial Real Estate Finance, Inc.
Form 424B3
July 27, 2016
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Registration No. 333-210632

PROXY STATEMENT/PROSPECTUS

To the Stockholders of Apollo Residential Mortgage, Inc.:

On February 26, 2016, Apollo Residential Mortgage, Inc., which we refer to as AMTG, and Apollo Commercial Real Estate Finance, Inc., which we refer to as ARI, entered into an Agreement and Plan of Merger, which we refer to as the merger agreement, pursuant to which (i) a subsidiary of ARI, which we refer to as Merger Sub, will merge with and into AMTG after which AMTG will become the surviving company and a direct subsidiary of ARI (the First Merger), and (ii) promptly following the effective time of the First Merger, AMTG will merge with and into ARI, after which AMTG will cease to exist (the Second Merger and, together with the First Merger, the mergers). The board of directors of AMTG, upon the unanimous recommendation of a special committee of the AMTG board of directors comprised solely of independent directors, has determined that the mergers and the merger agreement are advisable and in the best interests of AMTG and its stockholders and has approved the mergers and the merger agreement.

The obligations of ARI and AMTG to effect the mergers are subject to the satisfaction or waiver of certain customary conditions as described in *The Agreements Description of the Merger Agreement Conditions to Completion of the First Merger* beginning on page 175.

If the mergers are completed, each outstanding share of AMTG common stock will convert into the right to receive (i) 0.417571 shares of ARI common stock and (ii) $6.86 in cash, without interest, which we collectively refer to as the merger consideration; provided, however, that the cash portion of the merger consideration may be subject to certain adjustments. As described in more detail in the attached proxy statement/prospectus, the cash portion of the merger consideration will be (i) increased in the event that the closing of the mergers does not occur on or prior to September 5, 2016 and (ii) reduced to the extent a dividend or other distribution to AMTG stockholders is declared or paid at any time following July 22, 2016 (the Pricing Date) but with a record date prior to the closing of the mergers. The merger consideration will not be adjusted to reflect changes in the price of ARI common stock or the price of AMTG common stock. Based on the closing price of ARI common stock of $16.68 on July 22, 2016, the latest practicable date before the mailing date of the accompanying proxy statement/prospectus, the merger consideration to be received by holders of AMTG common stock is valued at approximately $13.83 per share of AMTG common stock. **The value of the merger consideration will fluctuate with changes in the market price of ARI common stock prior to the closing of the mergers. We urge you to obtain current market quotations for ARI common stock and AMTG common stock.**

Upon completion of the mergers, we estimate that the former holders of AMTG common stock will own approximately 16.58% of the issued and outstanding shares of ARI common stock.

In addition, if the mergers are completed, each outstanding share of 8.00% Series A Cumulative Redeemable Perpetual Preferred Stock of AMTG, $0.01 par value per share (the AMTG Series A Preferred Stock) will convert into the right to receive one newly issued share of ARI preferred stock, which ARI has classified and designated as 8.00% Series C Cumulative Redeemable Perpetual Preferred Stock, $0.01 par value per share (the ARI Series C Preferred Stock). The ARI Series C Preferred Stock will have preferences, rights and privileges substantially similar to the preferences, rights and privileges of the AMTG Series A Preferred Stock.

In connection with the proposed mergers, AMTG will hold a special meeting of its common stockholders (the AMTG special meeting). At the AMTG special meeting, holders of AMTG common stock will be asked to consider and vote on a proposal (i) to approve the First Merger and the other transactions contemplated by the merger agreement, (ii) to approve one or more adjournments of the AMTG special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, and (iii) to approve, on a non-binding, advisory basis, the merger-related compensation of AMTG s named executive officers (the Merger-Related Named Executive Officer Compensation Proposal) as disclosed under the heading Merger-Related Named Executive Officer Compensation Proposal beginning on page 126 of this proxy statement/prospectus.

The AMTG Board has fixed the close of business on July 12, 2016 as the record date for the determination of AMTG common stockholders entitled to receive notice of, and to vote at, the AMTG special meeting and any adjournments or postponements of the AMTG special meeting. Approval of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of AMTG common stock. In addition, the closing of the mergers is conditioned upon the holders of at least a majority of the outstanding shares of AMTG common stock that are beneficially owned by persons unaffiliated with Apollo Global Management, LLC approving the proposal to approve the First Merger and the other transactions contemplated by the merger agreement.

The board of directors of AMTG, upon the recommendation of a special committee of AMTG directors composed solely of independent directors, recommends that AMTG common stockholders vote FOR the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, FOR the proposal to approve one or more adjournments of the AMTG special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, and FOR the Merger-Related Named Executive Officer Compensation Proposal.

The accompanying proxy statement/prospectus contains important information about ARI, AMTG, the merger agreement, the mergers and the other transactions contemplated by the merger agreement, and the AMTG special meeting. The document serves as both a proxy statement with respect to the AMTG special meeting and a prospectus with respect to the issuance of ARI securities in connection with the mergers. **We encourage you to read the accompanying proxy statement/prospectus (and the documents incorporated by reference into the accompanying proxy statement/prospectus) carefully before voting, including the section entitled *Risk Factors* beginning on page 109.**

Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the AMTG special meeting please authorize a proxy to vote your shares as promptly as possible to make sure that your shares of AMTG common stock are represented at the AMTG special meeting.

Sincerely,

/s/ Michael A. Commaroto

Michael A. Commaroto

President and Chief Executive Officer

Neither the Securities Exchange Commission nor any state securities commission has approved or disapproved of the transactions contemplated by the merger agreement or the securities to be issued under the accompanying proxy statement/prospectus, passed upon the merits or fairness of the transactions contemplated by the merger agreement or passed upon the adequacy or accuracy of the disclosures in this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The accompanying proxy statement/prospectus is dated July 27, 2016 and is first being mailed to stockholders of AMTG on or about July 27, 2016.

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Notice of Special Meeting of AMTG s Stockholders

Apollo Residential Mortgage, Inc.

9 West 57th Street, 43rd Floor

New York, New York 10019

(212) 515-3200

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON AUGUST 24, 2016

To the Stockholders of Apollo Residential Mortgage, Inc.:

A special meeting of the stockholders (the AMTG special meeting) of Apollo Residential Mortgage, Inc., a Maryland corporation, which we refer to as AMTG, will be held at the offices of Latham & Watkins LLP, 885 Third Avenue, New York, New York, 10022, on August 24, 2016, commencing at 9:00 a.m., local time, for the following purposes:

1. to consider and vote on a proposal to approve the merger of Arrow Merger Sub, Inc., a wholly owned subsidiary of Apollo Commercial Real Estate Finance, Inc., a Maryland corporation, which we refer to as ARI, with and into AMTG (the First Merger) pursuant to the Agreement and Plan of Merger, dated February 26, 2016, as it may be amended from time to time, which we refer to as the merger agreement, by and among ARI, AMTG and Arrow Merger Sub, Inc. (a copy of the merger agreement is attached as Annex A to the proxy statement/prospectus accompanying this notice), and the other transactions contemplated by the merger agreement;

2. to consider and vote on a proposal to adjourn the AMTG special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement; and

3. to consider and vote on a proposal to approve, on a non-binding, advisory basis, the merger-related compensation of AMTG s named executive officers (the Merger-Related Named Executive Officer Compensation Proposal) as disclosed under the heading *Merger-Related Named Executive Officer Compensation Proposal* beginning on page 126 of this proxy statement/prospectus.

We do not expect to transact any other business at the AMTG special meeting. The board of directors of AMTG, which we refer to as the AMTG Board, has fixed the close of business on July 12, 2016 as the record date for determination of AMTG common stockholders entitled to receive notice of, and to vote at, the AMTG special meeting and any postponement or adjournment of the AMTG special meeting. Only holders of record of AMTG common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the AMTG special meeting. Holders of record of AMTG Series A Preferred Stock at the close of business on the record date are entitled to notice of, but may not vote at, the AMTG special meeting. This notice to holders of record of AMTG Series A Preferred Stock also constitutes notice of the Second Merger (as defined below).

Approval of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of AMTG common stock. In addition, the closing of the mergers is conditioned upon the holders of at least a majority of the outstanding shares of AMTG common stock that are beneficially owned by persons unaffiliated with Apollo Global Management, LLC approving the proposal to approve the First Merger and the other transactions contemplated by the merger agreement. Approval of the proposal to adjourn the AMTG special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement each requires the affirmative vote of a majority of the votes cast on such proposal. Approval of the Merger-Related Named Executive Officer Compensation Proposal requires the affirmative vote of a majority of the votes cast on such proposal. The AMTG stockholders vote regarding the Merger-Related Named Executive Officer Compensation Proposal is an advisory vote and therefore is not binding on AMTG or the AMTG Board or the AMTG Special Committee.

Promptly after the completion of the First Merger, AMTG will merge with and into ARI, with ARI as the surviving entity in the merger (the Second Merger and, together with the First Merger, the mergers).

The AMTG Board, acting upon the unanimous recommendation of the special committee of the AMTG Board, has unanimously, with the exception of Mark C. Biderman, who recused himself from deliberations relating to the mergers, (i) determined that the merger agreement, the mergers and the other transactions contemplated thereby are advisable and in the best interests of AMTG and its stockholders, and (ii) approved the merger agreement, the mergers and the other transactions contemplated thereby. The AMTG Board, acting upon the unanimous recommendation of the special committee of the AMTG Board, unanimously, with the exception of Mark C. Biderman, who recused himself from deliberations relating to the mergers, recommends that AMTG common stockholders vote FOR the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, and FOR the Merger-Related Named Executive Officer Compensation Proposal.

YOUR VOTE IS IMPORTANT

Whether or not you plan to attend the AMTG special meeting, please authorize a proxy to vote your shares as promptly as possible. If you hold your shares of AMTG common stock of record in your own name on the books of AMTG, then in order to authorize a proxy, complete, sign, date and mail your proxy card in the preaddressed postage-paid envelope provided or, if the option is available to you, call the toll-free telephone number listed on your proxy card or use the Internet as described in the instructions on the enclosed proxy card. Authorizing a proxy to vote your shares will assure that your vote is counted at the AMTG special meeting if you do not attend in person. If you hold your shares of AMTG common stock in street name through your broker or other nominee, only your broker or other nominee is entitled to vote your shares of AMTG common stock and the vote cannot be cast unless you provide instructions to your broker or other nominee on how to vote. In this regard, you should consult the voting instruction card provided by your broker or other nominee. Alternatively, you may obtain a legal proxy from your broker or other nominee and vote your shares in person at the AMTG special meeting, a process that may take several days. You should follow the directions provided by your broker or other nominee regarding how to instruct your broker or other nominee to vote your shares of AMTG common stock. You may revoke your proxy at any time before it is exercised at the AMTG special meeting. Please review the proxy statement/prospectus accompanying this notice for more complete information regarding the mergers and the AMTG special meeting.

By Order of the Board of Directors of AMTG

/s/ Gregory W. Hunt

Chief Financial Officer, Treasurer and Secretary

New York, New York

July 27, 2016

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ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates by reference important business and financial information about ARI and AMTG from documents previously filed with the Securities and Exchange Commission (SEC) that are not included in or delivered with this proxy statement/prospectus. For a listing of the documents incorporated by reference into this proxy statement/prospectus, see *Where You Can Find More Information; Incorporation by Reference* on page 233. This information is available for you to review at the SEC s Public Reference Room located at 100 F Street, N.E., Room 1580, Washington, DC 20549. You may obtain these documents through the SEC website at http://www.sec.gov. Investors may also consult ARI s or AMTG s website for more information about ARI or AMTG, respectively. ARI s website is *www.apolloreit.com*. AMTG s website is *www.apolloresidentialmortgage.com*. Information included on these websites is not incorporated by reference into this proxy statement/prospectus.

You may also obtain these documents at no charge by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Apollo Commercial Real Estate Finance, Inc.

Attention: Secretary

c/o Apollo Global Management, LLC

9 W. 57th Street, 43rd Floor

New York, NY 10019

Telephone: (212) 515-3200

Apollo Residential Mortgage, Inc.

Attention: Secretary

c/o Apollo Global Management, LLC

9 West 57th Street, 43rd Floor

New York, New York 10019

Telephone: (212) 515-3200

You may also obtain these documents at no charge by requesting them in writing or by telephone from AMTG s proxy solicitor, Alliance Advisors, LLC at the address and telephone number below.

If you have questions or need assistance voting your shares please contact:

Alliance Advisors, LLC

200 Broadacres Drive, 3rd Floor

Bloomfield, NJ 07003

Toll-Free: 855-928-4478

Apollo@allianceadvisorsllc.com

To receive timely delivery of the requested documents in advance of the AMTG special meeting, you should make your request no later than August 16, 2016.

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ABOUT THIS DOCUMENT

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed by ARI with the SEC, constitutes a prospectus of ARI for purposes of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the ARI securities to be issued to holders of AMTG common stock and AMTG Series A Preferred Stock in connection with the mergers. This proxy statement/prospectus also constitutes a proxy statement of AMTG for purposes of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and a notice of meeting with respect to the AMTG special meeting.

Information contained in this proxy statement/prospectus regarding ARI has been provided by ARI, and information contained in this proxy statement/prospectus regarding AMTG has been provided by AMTG.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in or incorporated by reference into this proxy statement/prospectus. This proxy statement/prospectus is dated July 27, 2016. You should not assume that information contained in this proxy statement/prospectus is accurate as of any other date, nor should you assume that the information incorporated by reference into this proxy statement/prospectus is accurate as of any date other than the date of such incorporated document. Neither the mailing of this proxy statement/prospectus to AMTG stockholders nor the issuance by ARI of securities will create an implication to the contrary.

This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

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QUESTIONS AND ANSWERS ABOUT THE MERGERS AND THE SPECIAL MEETING

The following are answers to some questions that you may have regarding AMTG, ARI, the merger agreement, the mergers and other transactions contemplated by the merger agreement and the AMTG special meeting. ARI and AMTG urge you to read carefully this entire proxy statement/prospectus, including the Annexes, and the other documents to which this proxy statement/prospectus refers or incorporates by reference because the information in this section does not provide all the information that might be important to you. Unless stated otherwise, all references in this proxy statement/prospectus to ARI are to Apollo Commercial Real Estate Finance, Inc., a Maryland corporation; all references to AMTG are to Apollo Residential Mortgage, Inc., a Maryland corporation; and all references to Merger Sub are to Arrow Merger Sub, Inc., a Maryland corporation and a wholly owned subsidiary of ARI.

Q: What is the proposed transaction?

A: ARI and AMTG have entered into a merger agreement pursuant to which (i) Merger Sub will merge with and into AMTG, with AMTG as the surviving entity in such merger (the First Merger), and (ii) promptly thereafter, AMTG will merge with and into ARI, with ARI as the surviving entity in such merger (the Second Merger and, together with the First Merger, the mergers).

The consideration payable to the AMTG common stockholders will consist of a combination of cash and ARI common stock, par value $0.01 per share (ARI common stock). Each share of AMTG common stock, par value $0.01 per share (AMTG common stock) outstanding as of immediately prior to the effective time of the First Merger will be converted into the right to receive (i) 0.417571 shares of ARI common stock (the Per Share Stock Consideration) and (ii) an amount of cash (the Per Share Cash Consideration) equal to (A) $6.86 per share less (B) the per share amount of any dividend declared or paid by AMTG between July 22, 2016 (the Pricing Date) and the consummation of the mergers, plus (C) in the event the consummation of the mergers does not occur by September 5, 2016, an amount of cash equal to $0.001283 per share per day from and including September 5, 2016, to but excluding the last business day before the consummation of the mergers. The Per Share Stock Consideration and the Per Share Cash Consideration are collectively referred to as the Per Common Share Merger Consideration.

Each outstanding share of 8.00% Series A Cumulative Redeemable Perpetual Preferred Stock of AMTG, par value $0.01 per share (AMTG Series A Preferred Stock) will remain issued and outstanding as a result of the First Merger, and at the effective time of the Second Merger, will automatically be converted into the right to receive one newly issued share of 8.00% Series C Cumulative Redeemable Perpetual Preferred Stock of ARI, par value $0.01 per share (ARI Series C Preferred Stock).

Immediately prior to the consummation of the First Merger, each outstanding share of restricted stock or restricted stock unit that settles for shares of AMTG common stock (collectively, the AMTG Restricted Shares) which was not then vested shall vest and be converted into the right to receive, with respect to the share of the AMTG common stock underlying such AMTG Restricted Share, the Per Common Share Merger Consideration.

Because the Per Share Stock Consideration consists of a fixed number of shares of ARI common stock, AMTG common stockholders will be adversely affected by any decrease in the trading price of shares of ARI common stock between the Pricing Date and the completion of the mergers, which would not have been the case had ARI been obligated to issue a number of shares of ARI common stock equal to an agreed-upon aggregate market value. AMTG is not permitted to terminate the merger agreement solely because of changes in the market price of shares of ARI common stock.

To review the description of the transaction in greater detail, see *The Mergers and Related Transactions The Mergers* beginning on page 128.

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Q: Why are ARI and AMTG proposing the mergers?

A: The residential mortgage REIT sector has faced significant headwinds in recent years for a variety of reasons, including volatility in the fixed income markets, significant uncertainty regarding the outlook for interest rates and, more recently, widening spreads on RMBS.

Since 2013, AMTG common stock has traded at a substantial discount to AMTG s net asset value per share (book value), which has both resulted in unsatisfactory returns to AMTG s long-term common stockholders and limited AMTG s ability to grow. This discount has widened since the first quarter of 2015.

In the last several years, AMTG explored a number of potential acquisitions and joint ventures to increase its size and scope which did not occur, in part, given that shares of AMTG common stock were trading at a discount to book value.

Over a similar period, ARI has had stronger financial performance and has grown significantly, reaching a total equity capitalization of $1.4 billion as of December 31, 2015.

As a result of these trends and the relative trading prices of AMTG common stock and ARI common stock, the board of directors of AMTG (the AMTG Board) believed that a combination with ARI was in the best interests of AMTG stockholders given, in part, that (i) the value received for AMTG common stock would likely represent a substantially higher percentage of book value than the trading price of AMTG s common stock on February 25, 2016 (the last trading day prior to announcement of the transaction), when considering that the closing price of AMTG common stock of $10.14 on that day represented only 61.83% of the book value per share of $16.40 reported on December 31, 2015 (the last reported book value prior to the announcement of the Proposed Transaction) as compared to the value in the Proposed Transaction of 89.75% of book value as of the Pricing Date, (ii) the value received by the AMTG common stockholders would likely represent a premium to the trading price of AMTG common stock on February 25, 2016 and (iii) the stock portion of the Per Common Share Merger Consideration would provide AMTG common stockholders with an opportunity to participate in the future prospects of the Combined Company.

As of the Pricing Date, the Per Common Share Merger Consideration represented an implied premium of approximately 36.3% to the closing price of AMTG common stock of $10.14 per share on February 25, 2016 (the last trading day prior to announcement of the transaction) and using the closing price of $16.68 per share of the ARI common stock on July 22, 2016.

The Combined Company is expected to have increased liquidity and scale and will focus on investing in the commercial mortgage sector, which has performed significantly better than the residential mortgage sector. To review the reasons of the special committee of independent directors (the ARI Special Committee) of the board of directors of ARI (the ARI Board) and the special committee of independent directors (the AMTG Special Committee) of the AMTG Board in greater detail, see *Special Factors AMTG s Reasons for the Transactions and Recommendation of AMTG s Board of Directors* beginning on page 39 and *Special Factors ARI s Reasons for the Transaction*s beginning on page 42.

Q: Why am I receiving this proxy statement/prospectus?

A:

The AMTG Board is using this proxy statement/prospectus to solicit proxies of holders of AMTG common stock in connection with the merger agreement and the mergers and to provide notice to holders of AMTG Series A Preferred Stock of the mergers though such holders are not entitled to vote on the mergers. In addition, ARI is using this proxy statement/prospectus as the prospectus by which ARI will register the ARI common stock and ARI Series C Preferred Stock to be issued to AMTG stockholders in the mergers.

In order to complete the mergers, holders of AMTG common stock must vote to approve the First Merger and the other transactions contemplated by the merger agreement.

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AMTG will hold the AMTG special meeting to obtain this approval. This proxy statement/prospectus contains important information about the mergers and the AMTG special meeting, and you should read it carefully. The enclosed materials allow holders of AMTG common stock to have their shares voted at the AMTG special meeting.

We encourage you to authorize a proxy to vote your shares of AMTG common stock as promptly as possible.

Q: When and where will the AMTG special meeting be held?

A: The AMTG special meeting will be held at the offices of Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022, on August 24, 2016, commencing at 9:00 a.m., local time.

Q: Who is entitled to vote at the AMTG special meeting?

A: All holders of AMTG common stock of record (or their duly authorized proxy) as of the close of business on July 12, 2016 (the Record Date) the record date for determining stockholders entitled to notice of and to vote at the AMTG special meeting, are entitled to receive notice of and to vote at the AMTG special meeting. As of the record date, there were 31,895,226 shares of AMTG common stock outstanding and entitled to vote at the AMTG special meeting, held by approximately 174 holders of record. Each share of AMTG common stock is entitled to one vote on each proposal presented at the AMTG special meeting.

As of the record date, there were 6,900,000 shares of AMTG Series A Preferred Stock outstanding, held by 1 holder of record. Holders of record of AMTG Series A Preferred Stock at the close of business on the record date are entitled to notice of, but may not vote at, the AMTG special meeting as well as notice of the Second Merger though they will not be entitled to vote in connection with the Second Merger.

Q: What constitutes a quorum?

A: AMTG s bylaws provide that the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast constitutes a quorum at a meeting of its stockholders.

Shares that are voted and shares abstaining from voting are treated as being present at the AMTG special meeting for purposes of determining whether a quorum is present.

Q: What vote is required to approve the proposals at the AMTG special meeting?

A: Approval of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of AMTG common stock. In addition, the closing of the mergers is conditioned upon the holders of at least a majority of the outstanding shares of AMTG common stock that are beneficially owned by persons unaffiliated with Apollo

Global Management, LLC (Apollo) approving the proposal to approve the First Merger and the other transactions contemplated by the merger agreement.

Approval of the proposal to adjourn the AMTG special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement requires the affirmative vote of a majority of the votes cast on such proposal.

Approval of the Merger-Related Named Executive Officer Compensation Proposal requires the affirmative vote of a majority of the votes cast on such proposal. The AMTG stockholders vote regarding the Merger-Related Named Executive Officer Compensation Proposal is an advisory vote only and therefore is not binding on AMTG or the AMTG Board or the AMTG Special Committee.

Your vote is important. We encourage you to authorize a proxy as promptly as possible.

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Q: If my shares of AMTG common stock are held in street name by my broker or other nominee, will my broker or other nominee vote my shares of AMTG common stock for me?

A: Under Rule 452 of the New York Stock Exchange (the NYSE), brokers and other nominees are not permitted to vote on non-routine matters without instructions. The only proposals to be voted on at the AMTG special meeting are non-routine under Rule 452 of the NYSE and, accordingly, unless you instruct your broker or other nominee how to vote your shares of AMTG common stock, as applicable, your shares will NOT be voted. If you hold your shares in a stock brokerage account or if your shares are held by a bank or other nominee (that is, in street name), you must provide your broker or other nominee with instructions on how to vote your shares. Please follow the voting instructions provided by your broker or other nominee on the enclosed voting instruction card. You should also be aware that you may not vote shares of AMTG common stock held in street name by returning a proxy card directly to AMTG or by voting in person at the AMTG special meetings unless you provide a legal proxy, which you must obtain from your broker or other nominee.

Q: What happens if I do not vote for a proposal?

A: Abstentions will have the same effect as votes cast AGAINST the proposal to approve the First Merger and the other transactions contemplated by the merger agreement but will have no effect on the proposal to adjourn the AMTG special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement or on the Merger-Related Named Executive Officer Compensation Proposal. Abstentions will be counted in determining the presence of a quorum.

There can be no broker non-votes at the AMTG special meeting, so failure to provide instructions to your broker or other nominee on how to vote will result in your shares not being counted as present at the AMTG special meeting and will have the same effect as votes cast AGAINST the proposal to approve the First Merger and the other transactions contemplated by the merger agreement but will have no effect on the proposal to adjourn the AMTG special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement or on the Merger-Related Named Executive Officer Compensation Proposal. A broker non-vote is a vote that is not cast on a non-routine matter because the shares entitled to cast the vote are held in street name, the broker lacks discretionary authority to vote the shares and the broker has not received voting instructions from the beneficial owner.

Q: If I am an AMTG common stockholder, should I send in my stock certificates with my proxy card?

A: **NO**. Please **DO NOT** send your AMTG stock certificates with your proxy card. If the First Merger and the other transactions contemplated by the merger agreement are approved, you will be sent written instructions for exchanging your stock certificates.

Q: What are the anticipated U.S. federal income tax consequences to me of the proposed mergers?

A: AMTG stockholders should read the discussion under the heading *The Mergers and Related Transactions Material U.S. Federal Income Tax Considerations* beginning on page 129 of this proxy statement/prospectus and consult their tax advisors as to the U.S. federal income tax consequences of the mergers and of the acquisition, holding and disposition of ARI common stock and ARI Series C Preferred Stock received in the mergers, as well as the effects of state, local and non-U.S. tax laws.

Q: Will I continue to receive distributions on my AMTG common stock?

A: From the Pricing Date until the closing of the mergers (or termination of the merger agreement), AMTG generally is prohibited by the merger agreement from paying dividends or other distributions to its common stockholders without the prior written consent of ARI. However, the merger agreement provides that AMTG may continue to pay dividends as necessary to maintain its qualification as a real estate investment trust (REIT) and avoid incurring certain taxes under the Internal Revenue Code of 1986, as amended (the Internal Revenue Code). The Per Share Cash Consideration will be reduced to the extent a dividend or other distribution to AMTG stockholders is declared or paid at any time following the Pricing Date but with a record date prior to the closing of the mergers.

Q: Are AMTG stockholders entitled to appraisal rights?

A: No. AMTG s charter provides that AMTG s stockholders shall not be entitled to exercise any rights of an objecting stockholder provided for under the Maryland General Corporation Law (the MGCL) unless the AMTG Board, upon the affirmative vote of a majority of the AMTG Board, determines that such rights apply. The AMTG Board has not made (and is not permitted to make under the terms of the merger agreement) such determination.

Q: How do the AMTG Special Committee and the AMTG Board recommend that AMTG common stockholders vote?

A: AMTG delegated authority to the AMTG Special Committee to consider, analyze, review, evaluate, determine and recommend whether to pursue the mergers and related matters and if a determination to pursue the mergers and related matters was made, to negotiate the terms and conditions of such mergers and related matters.

The AMTG Board, acting upon the unanimous recommendation of the AMTG Special Committee, has unanimously, with the exception of Mark C. Biderman, who recused himself from deliberations relating to the mergers, (i) determined that the merger agreement, the mergers and the other transactions contemplated thereby are advisable and in the best interests of AMTG and its stockholders, and (ii) approved the merger agreement, the mergers and the other transactions contemplated by the merger agreement.

The AMTG Board, acting upon the unanimous recommendation of the AMTG Special Committee, unanimously, with the exception of Mark C. Biderman, who recused himself from deliberations relating to the mergers, recommends that AMTG common stockholders vote FOR the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, FOR the proposal to adjourn the AMTG special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, and FOR the Merger-Related Named Executive Officer Compensation Proposal. For a more complete description of the recommendation of the AMTG Special Committee and the AMTG Board, see *Special Factors AMTG s Reasons for the Transactions and Recommendation of AMTG s Board of Directors* beginning on page 39.

Q: Do any of AMTG s executive officers or directors have interests in the mergers that may differ from those of AMTG stockholders?

A: Yes. AMTG s executive officers and directors have interests in the mergers that are different from, or in addition to, their interests as AMTG stockholders. The members of the AMTG Special Committee and the AMTG Board were aware of and considered these interests, among other matters, in evaluating the merger agreement and the mergers, and in recommending that AMTG common stockholders vote FOR the proposal to approve the First Merger and the other transactions contemplated by the merger agreement.

AMTG is managed by ARM Manager, LLC (the AMTG Manager), an indirect subsidiary of Apollo. Certain of the members of the AMTG Board have relationships with Apollo as set forth below:

Michael A. Commaroto is the president and chief executive officer of the AMTG Manager, an affiliate of Apollo, and has been an officer of Vantium Management, L.P., a portfolio company of a fund managed by an affiliate of Apollo;

James E. Galowski is an employee of an entity affiliated with Apollo; and

Frederick N. Khedouri is an employee of an entity affiliated with Apollo.

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In addition, (i) Mark C. Biderman is a member of both the AMTG Board and the ARI Board and has recused himself from all deliberations relating to the mergers and (ii) Hope S. Taitz is a member of both the AMTG Board and the board of directors of Athene Holding Ltd. (together with its subsidiaries, Athene), an affiliate of Apollo and the parent company of Athene USA Corporation (Athene USA). Ms. Taitz is also a member of the conflicts committee of the board of directors of Athene Holding Ltd., but she was not a member of the special sub-committee of the conflicts committee that considered the transactions between ARI and Athene.

For a description of these interests, refer to the section entitled *Special Factors Interests of AMTG s Directors and Officers in the Transaction* beginning on page 84.

Q: What happens to AMTG s management agreement with the AMTG Manager if the mergers are consummated?

A: AMTG s management agreement with AMTG Manager will continue in full force and effect until the consummation of the mergers, at which point the AMTG management agreement will be assigned to ARI. If the mergers are consummated, ACREFI Management, LLC (the ARI Manager) has agreed, pursuant to a letter agreement between ARI and the ARI Manager, that any management fees paid by ARI to the AMTG Manager pursuant to the AMTG management agreement will offset, and therefore reduce (but not below zero), ARI s obligation to pay corresponding management fees to the ARI Manager under ARI s management agreement.

In addition, AMTG has entered into a letter agreement with the AMTG Manager, pursuant to which the AMTG Manager has agreed to perform such services as may be necessary to enable AMTG to consummate the mergers and other transactions contemplated by the merger agreement in accordance with the terms thereof, including assisting AMTG and its subsidiaries in performing and complying with AMTG s obligations under the merger agreement.

Q: What do I need to do now?

A: After you have carefully read this proxy statement/prospectus, please respond by completing, signing and dating your proxy card or voting instruction card and returning it in the enclosed preaddressed postage-paid envelope or, if available, by authorizing a proxy by one of the other methods specified in your proxy card or voting instruction card as promptly as possible so that your shares of AMTG common stock will be represented and voted at the AMTG special meeting.

Please refer to your proxy card or voting instruction card forwarded by your broker or other nominee to see which voting options are available to you.

The method by which you authorize a proxy will in no way limit your right to vote at the AMTG special meeting if you later decide to attend the meeting in person. However, if your shares of AMTG common stock are held in the name of a broker or other nominee, you must obtain a legal proxy, executed in your favor, from your broker or other nominee, to be able to vote in person at the AMTG special meeting.

Q: How will my proxy be voted?

A: All shares of AMTG common stock entitled to vote and represented by properly completed proxies received prior to the AMTG special meeting, and not revoked, will be voted at the AMTG special meeting as instructed on the proxies. If you properly sign, date and return a proxy card, but do not indicate how your shares of AMTG common stock should be voted on a matter, the shares of AMTG common stock represented by your proxy will be voted as the AMTG Board recommends and therefore FOR the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, FOR the proposal to adjourn the AMTG special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger

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agreement, and FOR the Merger-Related Named Executive Officer Compensation Proposal. If you do not provide voting instructions to your broker or other nominee, your shares of AMTG common stock will NOT be voted at the meeting and will be considered broker non-votes.

Q: May I revoke my proxy or change my vote after I have delivered my proxy?

A: Yes. You may revoke your proxy or change your vote at any time before your proxy is exercised at the AMTG special meeting, as applicable. If you are a holder of record of AMTG common stock as of the close of business on the record date, you may do this in any of the three following ways:

- by sending a written notice to the Secretary of AMTG at the address set forth below in time to be received before the AMTG special meeting stating that you are revoking your proxy;
- by completing, signing and dating another proxy card and returning it by mail in time to be received before the AMTG special meeting or by authorizing a later dated proxy by the Internet or telephone in which case your later-dated proxy will be recorded and your earlier proxy revoked; or
- by attending the AMTG special meeting and voting in person. Simply attending the AMTG special meeting without voting will not revoke your proxy or change your vote.

If your shares of AMTG common stock are held in an account at a broker or other nominee and you desire to change your vote or vote in person, you should contact your broker or other nominee for instructions on how to do so.

Q: What happens if I sell my shares of AMTG common stock after the record date but before the AMTG special meeting?

A. The record date for the AMTG special meeting (the close of business on July 12, 2016) is earlier than the date of the AMTG special meeting and the date that the mergers are expected to be completed. If you sell or otherwise transfer your shares of AMTG common stock after the record date but before the date of the AMTG special meeting, you will retain your right to vote at the AMTG special meeting (unless otherwise agreed between you and the transferee). However, you will not have the right to receive the merger consideration to be received by AMTG s common stockholders in the First Merger. In order to receive the merger consideration, you must hold your shares of AMTG common stock through completion of the First Merger.

Q: What should I do if I receive more than one set of voting materials for the AMTG special meeting?

A: You may receive more than one set of voting materials for the AMTG special meeting, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your shares of AMTG common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares of AMTG common stock. If you are a holder of record and your shares of AMTG common stock are registered in more than one name, you may receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive or, if available, please authorize your proxy by telephone or over the Internet.

Q: Is completion of the mergers subject to any conditions?

A. Yes. In addition to the approval of the First Merger and the other transactions contemplated by the merger agreement by the requisite holders of AMTG common stock, completion of the mergers requires the satisfaction or, to the extent permitted by applicable law, waiver of the other conditions specified in the merger agreement. For a more complete summary of the conditions that must be satisfied (or, to the extent permitted by applicable law, waived) prior to completion of the mergers, see *The Agreements Description of the Merger Agreement Conditions to Completion of the First Merger* beginning on page 175 of this proxy statement/prospectus.

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Q: When are the proposed mergers expected to be completed?

A: AMTG and ARI are working towards completing the mergers promptly. AMTG and ARI currently expect to complete the mergers in the second half of 2016, subject to receipt of AMTG common stockholder approval and satisfaction of the other closing conditions. However, no assurance can be given as to when, or if, the mergers will occur.

Q: What happens if the mergers are not completed?

A: If the First Merger and the other transactions contemplated by the merger agreement are not approved by the AMTG common stockholders or if the mergers are not completed for any other reason, you will not receive any form of consideration in connection with the mergers. Instead, AMTG will remain an independent public company and its shares of common stock and AMTG Series A Preferred Stock will continue to be listed and traded on the NYSE. If the merger agreement is terminated under certain circumstances, AMTG may be required to pay ARI a termination payment of $12,000,000 (or in certain circumstances, $7,500,000) or to reimburse ARI in respect of certain expenses related to the mergers, as described under *The Agreements Description of the Merger Agreement Termination of the Merger Agreement* beginning on page 177.

Q: Does AMTG expect to hold its regularly scheduled 2016 annual meeting of stockholders?

A. If the mergers are consummated, AMTG will not hold its 2016 annual meeting of stockholders. If, however, the mergers are not consummated as contemplated by the merger agreement, AMTG will determine at a later date the time and place for its 2016 annual meeting of stockholders for, among other things, the election of directors.

Q: Who can answer my questions?

A: If you have any questions about the mergers or how to authorize a proxy to vote your shares or need additional copies of this proxy statement/prospectus, the enclosed proxy card or voting instructions, you should contact:

Apollo Residential Mortgage, Inc.

Attention: Secretary

9 West 57th Street, 43rd Floor

New York, New York 10019

(212) 515-3200

www. apolloresidentialmortgage.com

Proxy Solicitor:

Alliance Advisors, LLC

200 Broadacres Drive, 3rd Floor

Bloomfield, NJ 07003

Toll-Free: 855-928-4478

Apollo@allianceadvisorsllc.com

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SUMMARY

The following summary highlights only selected information contained elsewhere in this proxy statement/prospectus and may not contain all the information that is important to you. Accordingly, you are encouraged to read this proxy statement/prospectus carefully and in its entirety, including its Annexes and the documents incorporated by reference into this proxy statement/prospectus. See the section entitled Where You Can Find More Information; Incorporation by Reference beginning on page 233.

References to AMTG or the Company are references to Apollo Residential Mortgage, Inc., a Maryland corporation. References to ARI are references to Apollo Commercial Real Estate Finance, Inc., a Maryland corporation. References to we or our and other first person references in this proxy statement/prospectus refer to both AMTG and ARI, before completion of the mergers. We sometimes refer to ARI following the closing of the mergers as the Combined Company.

Parties to the Transaction

Apollo Commercial Real Estate Finance, Inc. (See page 90)

ARI is a Maryland corporation that was incorporated in 2009 and that has elected to be taxed as a REIT for U.S. federal income tax purposes. ARI generally is not subject to U.S. federal income taxes on its net taxable income to the extent that it annually distributes its net taxable income to stockholders and maintains its qualification as a REIT. ARI also operates its business in a manner intended to allow it to remain excluded from registration as an investment company under the Investment Company Act of 1940, as amended (the 1940 Act). ARI primarily originates, acquires, invests in and manages performing first mortgage loans, subordinate financings, commercial mortgage-backed securities (CMBS) and other commercial real estate-related debt investments. These asset classes are referred to as ARI s target assets.

ARI is externally managed and advised by ACREFI Management, LLC (the ARI Manager), an indirect subsidiary of Apollo, which together with its subsidiaries, is a leading global alternative investment manager with a contrarian and value oriented investment approach in private equity, credit and real estate. The ARI Manager is led by an experienced team of senior real estate professionals who have significant experience in underwriting and structuring commercial real estate financing transactions. ARI benefits from Apollo s global infrastructure and operating platform, through which ARI is able to source, evaluate and manage potential investments in ARI s target assets. ARI does not have any employees; all of its officers are employees of the ARI Manager or one of its affiliates.

ARI s principal business objective is to make investments in its target assets in order to provide attractive risk adjusted returns to its stockholders over the long term, primarily through dividends and secondarily through capital appreciation.

Arrow Merger Sub, Inc. (See page 91)

Arrow Merger Sub, Inc., or Merger Sub , a direct wholly owned subsidiary of ARI, is a Maryland corporation formed on February 22, 2016 for the purpose of entering into the merger agreement. Pursuant to the First Merger (described below), Merger Sub will be merged with and into AMTG, with AMTG surviving as a subsidiary of ARI. Merger Sub has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement.

Apollo Residential Mortgage, Inc. (See page 91)

AMTG was incorporated in Maryland on March 15, 2011 and commenced operations on July 27, 2011. AMTG is structured as a holding company and conducts its business primarily through ARM Operating, LLC and its other

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operating subsidiaries. AMTG has elected to be taxed as a REIT for U.S. federal income tax purposes. AMTG generally is not subject to U.S. federal income taxes on its net taxable income to the extent that it annually distributes its net taxable income to stockholders and maintains its qualification as a REIT. AMTG also operates its business in a manner that it believes will allow it to remain excluded from registration as an investment company under the 1940 Act. AMTG is externally managed and advised by ARM Manager, LLC (the AMTG Manager and, together with the ARI Manager, the Managers), an indirect subsidiary of Apollo. AMTG does not have any employees; all of its officers are employees of the AMTG Manager.

At March 31, 2016, AMTG s portfolio was comprised of approximately $3.1 billion of Agency RMBS (comprised of pass-through and interest-only (IO) securities), non-Agency RMBS, securitized mortgage loans, and other mortgage and mortgage related investment securities and other mortgage related investments. Agency when used herein refers to a federally chartered corporation, such as Fannie Mae or Freddie Mac, or an agency of the United States (or, U.S.) Government, such as Ginnie Mae or the U.S. Small Business Administration.

The Mergers

ARI and AMTG have entered into a merger agreement pursuant to which (i) Merger Sub will merge with and into AMTG, with AMTG as the surviving entity in such merger, and (ii) promptly thereafter, AMTG will merge with and into ARI, with ARI as the surviving entity in such merger.

The consideration payable to the holders of AMTG common stock consists of a combination of cash and ARI common stock. Each share of AMTG common stock outstanding as of immediately prior to the effective time of the First Merger will be converted into the right to receive (i) the Per Share Stock Consideration and (ii) an amount of cash equal to (A) $6.86 per share less (B) the per share amount of any dividend declared or paid by AMTG in respect of the AMTG common stock between the Pricing Date and the consummation of the transaction, plus (C) in the event the consummation of the mergers does not occur by the date that is 45 days after the Pricing Date, an amount of cash equal to $0.001283 per share per day from and including September 5, 2016, to but excluding the last business day before the consummation of the mergers.

Each outstanding share of AMTG Series A Preferred Stock will remain issued and outstanding as a result of the First Merger, and at the effective time of the Second Merger, will automatically be converted into the right to receive one newly issued share of ARI Series C Preferred Stock, having preferences, rights and privileges substantially similar to the preferences, rights and privileges of the AMTG Series A Preferred Stock.

Immediately prior to the consummation of the First Merger, each outstanding AMTG Restricted Share which was not then vested shall vest and be converted into the right to receive, with respect to the share of the AMTG common stock underlying such AMTG Restricted Share, the Per Common Share Merger Consideration.

As of the Pricing Date, the Per Common Share Merger Consideration represented an implied premium of approximately 36.3% to the closing price of AMTG common stock of $10.14 per share on February 25, 2016 (the last trading day prior to announcement of the transaction) and using the closing price of $16.68 per share of ARI common stock on July 22, 2016.

Board Reasons & Recommendation

The residential mortgage REIT sector has faced significant headwinds in recent years for a variety of reasons, including volatility in the fixed income markets, significant uncertainty regarding the outlook for interest rates and, more recently, widening spreads on RMBS.

Since 2013, AMTG common stock has traded at a substantial discount to AMTG s net asset value per share (book value), which has both resulted in unsatisfactory returns to AMTG s long-term common stockholders and limited AMTG s ability to grow. This discount has widened since the first quarter of 2015.

In the last several years, AMTG explored a number of potential acquisitions and joint ventures to increase its size and scope which did not occur, in part, given that shares of AMTG common stock were trading at a discount to book value.

Over a similar period, ARI has had stronger financial performance and has grown significantly, reaching a total equity capitalization of $1.4 billion as of December 31, 2015.

As a result of these trends and the relative trading prices of AMTG common stock and ARI common stock, the AMTG Board believed that a combination with ARI was in the best interests of AMTG stockholders given, in part, that (i) the value received for AMTG common stock would likely represent a substantially higher percentage of book value than the trading price of AMTG s common stock on February 25, 2016 (the last trading day prior to announcement of the transaction), when considering that the closing price of AMTG common stock of $10.14 on that day represented only 61.83% of the book value per share of $16.40 reported on December 31, 2015 (the last reported book value prior to the announcement of the Proposed Transaction) as compared to the value in the Proposed Transaction of 89.75% of book value as of the Pricing Date, (ii) the value received by the AMTG common stockholders would likely represent a premium to the trading price of AMTG common stock on February 25, 2016 and (iii) the stock portion of the Per Common Share Merger Consideration would provide AMTG common stockholders with an opportunity to participate in the future prospects of the Combined Company.

AMTG Board Reasons & Recommendation

The AMTG Board, acting upon the unanimous recommendation of the AMTG Special Committee, has unanimously, with the exception of Mark C. Biderman, who recused himself from all deliberations relating to the mergers, (i) determined that the merger agreement, the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of AMTG and its stockholders, and (ii) approved the merger agreement, the mergers and the other transactions contemplated thereby.

The AMTG Board, acting upon the unanimous recommendation of the AMTG Special Committee, unanimously, with the exception of Mark C. Biderman, who recused himself from all deliberations relating to the mergers, recommends that AMTG common stockholders vote FOR the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement and FOR the Merger-Related Named Executive Officer Compensation Proposal.

The AMTG Special Committee and the AMTG Board consulted with their respective advisors and considered many factors in making their respective determinations that it is in the best interests of AMTG and its stockholders for AMTG to enter into the mergers and the other transactions contemplated by the merger agreement at this time, including the fact that, based on the relative trading prices of AMTG common stock and ARI common stock, the AMTG Special Committee and the AMTG Board believed that a combination with ARI was in the best interests of AMTG stockholders given, in part, that (i) the value received by the AMTG common stockholders for AMTG common stock would likely represent a substantially higher percentage of book value than the trading price of AMTG s common stock on February 25, 2016 (the last trading day prior to announcement of the Proposed Transaction), when considering that the closing price of AMTG common stock of $10.14 on that day represented only 61.83% of the book value per share of $16.40 reported on December 31, 2015 (the last reported book value prior to the announcement of the Proposed Transaction) as compared to the value for AMTG common stock in the Proposed Transaction of 89.75% of the book value per share as of the Pricing Date, (ii) the value received by the AMTG common stockholders would likely represent a premium to

the trading price of AMTG common stock on February 25, 2016 in light of historical levels of changes to AMTG s book value, offset in part by the possibility there would be no or a negative premium if AMTG s book value decreased at a

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greater rate than historically and (iii) the stock portion of the Per Common Share Merger Consideration would provide AMTG common stockholders with an opportunity to participate in the future prospects of the Combined Company. Although some of these factors were present for a period of time prior to the decision to enter into the Proposed Transaction, the AMTG Special Committee and the AMTG Board believed that the relative book values of ARI and AMTG as compared to their trading prices on February 25, 2016, when considered in light of the foregoing factors, provided a situation that in the view of the AMTG Special Committee and the AMTG Board was in the best interests of the common stockholders of AMTG at that time. For a discussion of these factors, see ***Special Factors AMTG s Reasons for the Transactions and Recommendation of AMTG s Board of Directors*** **beginning on page 39 of this proxy statement/prospectus.**

ARI Board Reasons

The ARI Board, acting upon the unanimous recommendation of the ARI Special Committee, unanimously, with the exception of Mark C. Biderman, who recused himself from all deliberations relating to the mergers, determined that the merger agreement, the mergers and the other transactions contemplated by the merger agreement, including the issuance of shares of ARI stock to AMTG stockholders in the mergers, are advisable and in the best interests of ARI and its stockholders.

In evaluating the mergers and the other transactions contemplated by the merger agreement, the ARI Special Committee and the ARI Board consulted with their respective advisors and considered many factors in making its determination that it is in the best interests of ARI and its stockholders to enter into the mergers and the other transactions contemplated by the merger agreement at this time. For a discussion of these factors, see *Special Factors ARI s Reasons for the Transaction*s beginning on page 42 of this proxy statement/prospectus.

Opinion of the Financial Advisor to the AMTG Special Committee

Morgan Stanley & Co. LLC, which is referred to as Morgan Stanley, was retained by the AMTG Special Committee to act as its financial advisor in connection with the mergers. On February 25, 2016, Morgan Stanley rendered its oral opinion, which was subsequently confirmed in writing, to the AMTG Special Committee to the effect that, as of that date and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth in the written opinion, the merger consideration to be received by the holders of shares of AMTG common stock (excluding shares of AMTG common stock (i) held by ARI or Merger Sub or (ii) held by any subsidiary of ARI, Merger Sub or AMTG) pursuant to the merger agreement was fair from a financial point of view to the holders of shares of AMTG common stock.

The full text of the written opinion of Morgan Stanley, dated February 25, 2016, is attached as Annex G and is incorporated by reference into this proxy statement/prospectus in its entirety. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. The summary of the opinion of Morgan Stanley in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. You are encouraged to, and should, read Morgan Stanley s opinion and the section below captioned ***Special Factors Opinion of the Financial Advisor to the AMTG Special Committee*** **summarizing Morgan Stanley s opinion carefully and in their entirety. Morgan Stanley s opinion was directed to the AMTG Special Committee, in its capacity as such, and addresses only the fairness from a financial point of view of the merger consideration to be received by the holders of shares of AMTG common stock (excluding shares of AMTG common stock (i) held by ARI or Merger Sub or (ii) held by any subsidiary of ARI, Merger Sub or AMTG) pursuant to the merger agreement, as of the date of the opinion, and does not address any other aspects or implications of the mergers. It was not intended to, and does not, constitute advice or a recommendation to any**

stockholder of AMTG as to how to vote at any stockholders meeting to be held in connection with the mergers or whether to take any other action with respect to the mergers.

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Opinion of the Financial Advisor to the ARI Special Committee

On February 25, 2016, Houlihan Lokey Capital, Inc., which we refer to as Houlihan Lokey, orally rendered its opinion to the ARI Special Committee (which was confirmed by delivery of Houlihan Lokey s written opinion, dated February 25, 2016, to the ARI Special Committee) as to the fairness, from a financial point of view and as of such date, to ARI of the Per Common Share Merger Consideration to be paid by ARI in the First Merger, which opinion was based on and subject to the procedures followed, assumptions made and limitations and qualifications on the review undertaken and other matters considered by Houlihan Lokey in connection with its opinion. For purposes of Houlihan Lokey s opinion, the term Per Common Share Merger Consideration refers to a pro rata portion of consideration consisting of cash and ARI common stock equal to 89.25% of the common equity book value of AMTG determined in accordance with the methodologies and a pricing date contemplated by the merger agreement.

Houlihan Lokey s opinion was directed to the ARI Special Committee (in its capacity as such), only addressed the fairness, from a financial point of view and as of February 25, 2016, to ARI of the Per Common Share Merger Consideration to be paid by ARI in the First Merger and did not address any other portion, aspect or implication of the First Merger, the related transactions or otherwise or any other agreement, arrangement or understanding. The summary of Houlihan Lokey s opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of its written opinion, which is attached as Annex H to this proxy statement/prospectus and describes the procedures followed, assumptions made and limitations and qualifications on the review undertaken and other matters considered by Houlihan Lokey in connection with its opinion. However, neither Houlihan Lokey s opinion nor the summary of its opinion and the related analyses set forth in this proxy statement/prospectus are intended to be, and do not constitute, advice or a recommendation to the ARI Special Committee, the ARI Board, any security holder or any other party as to how to act or vote with respect to any matter relating to the First Merger, any related transactions or otherwise. See *Special Factors Opinion of the Financial Advisor to the ARI Special Committee.*

Key Terms of the Merger Agreement

Conditions to Closing of the Mergers (See page 175)

The mergers cannot be consummated unless and until a number of customary conditions have been satisfied or waived, where legally permissible. These conditions include, among others:

- approval of the First Merger and the other transactions contemplated by the merger agreement by the holders of a majority of the outstanding shares of AMTG common stock, including a majority of those shares that are beneficially owned by persons who are not affiliates of Apollo;

- the Form S-4 registration statement, of which this proxy statement/prospectus is a part, having been declared effective and no stop order suspending the effectiveness of such Form S-4 having been issued and no proceeding to that effect having been commenced or threatened by the SEC;

- the absence of any law, order or injunction issued by any governmental entity of competent jurisdiction or other legal restraint preventing, prohibiting or making illegal the consummation of the mergers or the other transactions contemplated by the merger agreement;

the accuracy of each party s representations and warranties in the merger agreement (subject to materiality standards);

performance by each party in all material respects of all obligations required to be performed or complied with by it under the merger agreement;

no material adverse effect with respect to either party shall have occurred;

- the receipt by each party of a tax opinion from such other party s counsel regarding such other party s qualification as a REIT;

- ARI s receipt of good standing certificates in respect of AMTG and each of its subsidiaries; and

- the shares of ARI common stock and ARI Series C Preferred Stock to be issued to AMTG stockholders in the mergers having been approved for listing on the NYSE, subject to official notice of issuance at or prior to the closing of the mergers, and the articles supplementary (the Articles Supplementary) classifying the ARI Series C Preferred Stock to be issued in the mergers will have been filed with and accepted for record by the State Department of Assessments and Taxation of Maryland.

Neither AMTG nor ARI can give any assurance as to when or if all the conditions to the consummation of the mergers will be satisfied or waived or that the mergers will occur.

For more information regarding the conditions to the consummation of the mergers and a complete list of such conditions, see *The Agreements Description of the Merger Agreement Conditions to Completion of the First Merger* beginning on page 175.

Go-Shop Period; No Shop Period; Change in Recommendation (See page 166)

From the date of the merger agreement until 11:59 p.m. (Eastern Time) on April 1, 2016, which period we refer to as the go-shop period, AMTG and its subsidiaries and their respective representatives had the right to:

- initiate, solicit, facilitate and encourage (publicly or otherwise) any inquiry or the making of any proposals or offers relating to certain acquisition proposals, including by providing access to non-public information relating to AMTG and its subsidiaries to any person or entity and their representatives pursuant to an acceptable confidentiality agreement with such person or entity, as long as AMTG promptly made available the same non-public information to ARI if such information was not previously made available to ARI; and

- engage or enter into, continue or otherwise participate in discussions or negotiations with any person or entity and their representatives with respect to certain acquisition proposals or otherwise cooperate with or assist or participate in, or facilitate any such inquiries, proposals, discussions or negotiations or any effort or attempt to make any such acquisition proposals.

Upon the conclusion of the go-shop period, AMTG and its subsidiaries and their respective representatives were required to (i) immediately cease any solicitation activity with respect to any acquisition proposals or any discussions or negotiations with any person or entity (other than an excluded party (as defined in *The Agreements Description of the Merger Agreement Covenants and Agreements* beginning on page 163)) with respect to any acquisition proposals and (ii) request that each person or entity (other than an excluded party) promptly return to AMTG or its representatives any non-public information previously furnished to such person or entity by AMTG or its representatives and terminate access of any person or entity (other than an excluded party) to any electronic data room maintained by AMTG with respect to the mergers and the other transactions contemplated by the merger agreement.

As promptly as reasonably practicable, and in any event within three business days following the end of the go-shop period, AMTG was required to provide ARI with a written list identifying each excluded party, if any. Following the end of the go-shop period, the AMTG Special Committee confirmed to the ARI Special Committee that there were no excluded parties.

From and after 12:01 a.m. on April 2, 2016, AMTG is prohibited from furnishing non-public information to, engaging in discussions or negotiations with, or otherwise initiating or soliciting an Acquisition Proposal (as defined in *The Agreements Description of the Merger Agreement Covenants and Agreements* beginning on page 163) from, any person, in each case subject to certain limited exceptions necessary to comply with the

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duties of the AMTG Board. Prior to receiving AMTG common stockholder approval of the First Merger and the other transactions contemplated by the merger agreement, in the event that AMTG receives an unsolicited Acquisition Proposal not resulting from a violation of the merger agreement, AMTG may:

- contact the person making such Acquisition Proposal solely to clarify the terms and conditions of the proposal;

- provide non-public information and data concerning AMTG and its subsidiaries to the person making such proposal and such person s representatives and potential financing sources (subject to such person s execution of a confidentiality agreement prior to being provided with any such information); provided that AMTG makes all such non-public information and data available to ARI within twenty-four hours of providing it to such person; and

- engage or participate in discussions or negotiations with such person, if the AMTG Board (or any committee thereof) has determined in good faith, after consulting with outside legal counsel and a nationally recognized third party financial advisor, that such proposal constitutes a Superior Proposal to the contemplated transaction or that such proposal would reasonably be likely to result in a Superior Proposal.

The merger agreement provides that the AMTG Board will not withdraw, withhold, qualify, amend or modify, in any manner adverse to ARI, the AMTG Board s recommendation that AMTG common stockholders approve the First Merger and the transactions contemplated by the merger agreement, or authorize, adopt, approve, recommend or otherwise declare advisable, or propose publicly to approve or recommend or enter into any alternative Acquisition Proposal.

Notwithstanding the above, subject to certain procedural requirements and limitations as provided for in the merger agreement and described under *The Agreements Description of the Merger Agreement Covenants and Agreements* beginning on page 163 of this proxy statement/prospectus, if AMTG receives a written unsolicited bona fide Acquisition Proposal or in response to an intervening event, the AMTG Board may effect a change of recommendation under certain circumstances.

For more information regarding the limitations on AMTG and the AMTG Board to consider other competing proposals and its ability to withdraw the AMTG Board recommendation, see *The Agreements Description of the Merger Agreement Covenants and Agreements* beginning on page 163.

Termination of the Merger Agreement (See page 177)

The merger agreement may be terminated at any time before the effective time of the First Merger by the mutual consent of ARI and AMTG in a written instrument, even after approval by AMTG common stockholders.

In addition, the merger agreement may also be terminated prior to the effective time of the First Merger by either AMTG or ARI under the following circumstances, each subject to certain exceptions:

the First Merger has not been consummated on or before September 9, 2016 (which may be extended to October 26, 2016 upon written notice by either AMTG or ARI, in the event that all of the conditions for the closing of the mergers have been satisfied or waived but a governmental entity of competent jurisdiction has issued a law, order or injunction which prevents or prohibits the consummation of the mergers or the other transactions contemplated by the merger agreement);

the requisite stockholders of AMTG fail to approve the First Merger and the other transactions contemplated by the merger agreement at a duly convened special meeting;

a governmental entity of competent jurisdiction has issued a final, non-appealable law, order or injunction permanently restraining, enjoining or otherwise prohibiting the mergers (whether before or after the stockholders of AMTG approve the First Merger and the other transactions contemplated by the merger agreement); or there has been a breach by the other party of any of the covenants or agreements or any inaccuracy in any of the representations or warranties set forth in the merger agreement on the part of such other party, which breach cannot be or is not cured prior to the earlier of 30 days after written notice of the breach is given by the terminating party and the Outside Date.

The merger agreement may also be terminated by ARI prior to the approval of the First Merger by AMTG common stockholders, (i) if the AMTG Board has withdrawn or modified its recommendation to the AMTG common stockholders with respect to the First Merger, (ii) if the AMTG Board fails to reaffirm its recommendation to the AMTG common stockholders within 10 business days after (x) a competing proposal has been made public and (y) ARI has requested that the AMTG Board reaffirm its recommendation, or (iii) if AMTG has materially breached its obligations under non-solicitation provisions of the merger agreement.

The merger agreement may also be terminated by AMTG (i) at any time prior to the approval of the First Merger by AMTG common stockholders, in order to enter into an alternative acquisition agreement with respect to a competing proposal that the AMTG Board determines is more favorable to AMTG stockholders than the mergers; provided, that AMTG must substantially concurrently pay ARI the termination fee (described below) or (ii) if (x) all of the conditions to ARI s obligation to consummate the First Merger have been satisfied or waived, (y) AMTG has confirmed in writing to ARI that it is ready, willing and able to consummate the First Merger and (z) ARI fails to consummate the First Merger within four business days of the date the consummation of the First Merger otherwise should have occurred under the merger agreement.

For more information regarding the termination rights of ARI and AMTG to terminate the merger agreement, see *The Agreements Description of the Merger Agreement Termination of the Merger Agreement* beginning on page 177.

Termination Fees and Expenses (See page 178)

Generally, all fees and expenses incurred in connection with the mergers and the transactions contemplated by the merger agreement will be paid by the party incurring those fees and expenses; however, ARI and AMTG will share equally all expenses relating to the printing, filing and mailing of this proxy statement/prospectus and the registration statement on Form S-4 of which this forms a part and certain transfer taxes and other similar expenses.

In addition, if the merger agreement is terminated by AMTG in order to enter into an agreement with respect to a Superior Proposal (as defined in *The Agreements Description of the Merger Agreement Termination Fee and Expenses Payable by AMTG to ARI* beginning on page 178) or by ARI because AMTG makes an adverse change in recommendation, AMTG may be obligated to pay ARI a termination fee of up to $12.0 million. In certain circumstances, if the AMTG common stockholders approve the First Merger at the AMTG special meeting, AMTG will reimburse ARI s out-of-pocket fees and expenses up to a maximum of $6.0 million. For more information regarding payment of the termination fee and expenses payable by AMTG to ARI see *The Agreements Description of the Merger Agreement Termination Fee and Expenses Payable by AMTG to ARI* beginning on page 178.

Listing of Newly Issued ARI Common Stock

ARI is required to list the shares of ARI common stock that will be issued to holders of AMTG common stock in the First Merger on the NYSE, subject to official notice of issuance. For additional information on the listing of the shares of ARI common stock, see *The Mergers and Related Transactions Listing of Newly Issued ARI Common Stock* beginning on page 128.

Listing of Newly Issued ARI Series C Preferred Stock

ARI is required to list the shares of ARI Series C Preferred Stock that will be issued to holders of AMTG Series A Preferred Stock in connection with the Second Merger on the NYSE, subject to official notice of issuance. For additional information on the listing of the shares of ARI Series C Preferred Stock, see *The Mergers and Related Transactions Listing of Newly Issued ARI Series C Preferred Stock* beginning on page 129.

Delisting and Deregistration of AMTG Stock

After the mergers are completed, AMTG common stock and AMTG Series A Preferred Stock will be delisted from the NYSE and deregistered under the Exchange Act, and AMTG will no longer file periodic reports with the SEC. For additional information on the delisting and deregistering of the AMTG common stock and AMTG Series A Preferred Stock, see *The Mergers and Related Transactions Delisting and Deregistration of AMTG Capital Stock* beginning on page 129.

Restriction on Sales of ARI Common Stock and ARI Series C Preferred Stock

The shares of ARI common stock and ARI Series C Preferred Stock issued in the mergers will not be subject to any restrictions on transfers arising under the Securities Act, except for those shares issued to any holder of AMTG common stock or AMTG Series A Preferred Stock who may be deemed an affiliate of ARI after the completion of the mergers. The shares of ARI common stock and ARI Series C Preferred Stock issued in the mergers will be subject to restrictions on ownership and transfers set forth in ARI s charter, including the Articles Supplementary. For additional information on the restrictions on the ARI common stock and ARI preferred stock, see *The Mergers and Related Transactions Restriction on Sales of ARI Common Stock and Preferred Stock* beginning on page 129.

Material U.S. Federal Income Tax Consequences

The receipt of the merger consideration in exchange for AMTG common stock or AMTG Series A Preferred Stock, as applicable, pursuant to the mergers will be a taxable transaction for U.S. federal income tax purposes. Generally, an AMTG common stockholder will recognize gain or loss for U.S. federal income tax purposes measured by the difference, if any, between (1) the amount of cash received and the fair market value of the ARI common stock received on the effective date of the First Merger and (2) such stockholder s adjusted tax basis in its AMTG common stock exchanged for such merger consideration. Generally, a holder of AMTG Series A Preferred Stock will recognize gain or loss for U.S. federal income tax purposes measured by the difference, if any, between (1) the fair market value of the ARI Series C Preferred Stock received on the effective date of the Second Merger and (2) such holder s adjusted tax basis in its AMTG Series A Preferred Stock exchanged for such merger consideration.

AMTG stockholders should read *The Mergers and Related Transactions Material U.S. Federal Income Tax Considerations* beginning on page 129 for a more complete discussion of the U.S. federal income tax consequences of the mergers and of the acquisition, holding and disposition of ARI common stock and ARI Series C Preferred Stock received in the mergers. Tax matters can be complicated and the tax consequences of the mergers to an AMTG stockholder will depend on such holder s particular circumstances. AMTG stockholders should consult their tax advisors to determine the particular tax consequences to them (including the application and effect of any state, local or non-U.S. income and other tax laws, and applicable reporting requirements) of the mergers.

Management and Board of the Combined Company

The ARI Board immediately prior to the effective time of the Second Merger will serve as the board of directors of the Combined Company following the mergers, with Jeffrey M. Gault continuing to serve as the Chairman.

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The executive officers of ARI immediately prior to the effective time of the Second Merger will serve as the executive officers of the Combined Company, with Stuart A. Rothstein continuing to serve as President and Chief Executive Officer.

Interests of AMTG s Directors and Officers in the Transaction

Certain of AMTG s executive officers and directors may have interests in the transaction that are different from, or in addition to, those of AMTG s and ARI s stockholders generally. These interests may present such executive officers and directors with actual or potential conflicts of interest. The AMTG Board was aware of these interests during its deliberations on the merits of the transaction and in deciding to approve the merger agreement and the transactions contemplated thereby. For additional information on the interests of AMTG s directors and officers in the transaction, see *Special Factors Interests of AMTG s Directors and Officers in the Transaction* beginning on page 84.

Conversion of Outstanding Shares Pursuant to the First Merger

Shares of AMTG common stock owned by executive officers and directors of AMTG will be converted into the right to receive the Per Common Share Merger Consideration on the same terms and conditions as the other stockholders of AMTG. As of the Record Date, the executive officers and directors of AMTG beneficially owned, in the aggregate, 274,284 shares of AMTG common stock, excluding outstanding AMTG Restricted Shares. If all of the shares of AMTG common stock beneficially owned by the executive officers and directors of AMTG as of the Record Date (other than AMTG Restricted Shares) were converted into the right to receive the Per Common Share Merger Consideration in the First Merger, then the executive officers and directors would receive, based on the closing price of ARI common stock on July 22, 2016, total consideration with an aggregate value of $3,792,132.

Treatment of AMTG Restricted Shares

Under the merger agreement, immediately prior to the First Merger, each outstanding AMTG Restricted Share which was not then vested will vest and, upon consummation of the First Merger, will be converted into the right to receive the Per Common Share Merger Consideration, less applicable tax withholdings.

As a result of the transactions contemplated under the merger agreement, AMTG s directors and executive officers who hold AMTG Restricted Shares would receive the following consideration in connection with the accelerated vesting prior to the First Merger:

Name	AMTG Restricted Shares (#)	Cash Consideration ($)	ARI Shares (#)	Aggregate Consideration ($)[1]
Mark C. Biderman	8,673	$59,507	3,621	$119,905
Thomas D. Christopoul	8,673	$59,507	3,621	$119,905
Frederick N. Khedouri	4,151	$28,482	1,733	$57,388
Frederick J. Kleisner	8,673	$59,507	3,621	$119,905
Hope S. Taitz	8,673	$59,507	3,621	$119,905
Michael A. Commaroto[2]	94,900	$651,024	39,627	$1,312,002

(1)

Aggregate consideration determined by adding the cash consideration to the value of the shares of ARI common stock using the closing price of ARI common stock on July 22, 2016.

(2) This amount includes 72,380 AMTG Restricted Shares which were granted to Mr. Commaroto following the execution of the merger agreement (on March 17, 2016). Consistent with the treatment of AMTG Restricted Shares described above, these AMTG Restricted Shares will vest and be converted into the Per Common Share Merger Consideration upon the consummation of the First Merger.

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Other Compensation Arrangements

It is anticipated that Mr. Commaroto will enter into arrangements with the AMTG Manager that will provide for a retention bonus in the amount of $400,000, plus an additional bonus in the amount of $66,667 for each full month Mr. Commaroto s employment continues after July 1, 2016 (subject to proration for any partial month) and severance in the amount of $500,000 in connection with his continuing to provide services for a specified period following the closing of the mergers and his anticipated termination of employment thereafter. The payments will be made by the AMTG Manager or one or more of its affiliates and, other than with respect to liabilities relating to AMTG Restricted Shares, AMTG will have no liability with respect to these arrangements. In addition, at the time of the execution of the merger agreement, Mr. Commaroto was granted ARI restricted stock units with respect to 30,900 shares of ARI common stock that vest based upon the achievement of certain conditions.

Section 16 Matters

Pursuant to the merger agreement, AMTG is permitted to take all steps as may be required to cause to be exempt under Rule 16b-3 under the Exchange Act any dispositions of shares of AMTG common stock (including derivative securities with respect to such shares) that are treated as dispositions under Rule 16b-3 and result from the transactions contemplated under the merger agreement by each officer or director of AMTG who is or will be subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to AMTG.

Indemnification and Insurance

For a period of 10 years after the effective time of the mergers, pursuant to the terms of the merger agreement and subject to certain limitations, the surviving entity will indemnify, defend and hold harmless among others, each individual covered by the AMTG governing documents or any indemnification or similar agreements, for actions at or prior to the effective time of the mergers, including with respect to the transactions contemplated by the merger agreement. In addition, pursuant to the terms of the merger agreement and subject to certain limitations, prior to the effective time of the mergers, AMTG may obtain and pay for a directors and officers liability insurance tail or runoff insurance program for a period of ten years after the closing date with respect to wrongful acts and/or omissions committed or allegedly committed at or prior to the time of the First Merger (such coverage shall have an aggregate coverage limit over the term of such policy in an amount not to exceed the annual aggregate coverage limit under AMTG s existing directors and officers liability policy, and in all other respects shall be comparable to such existing coverage); provided, however, that the annual cost of such program may not exceed 250% of the annual premiums paid as of the date of the merger agreement by AMTG for directors and officers liability insurance (such 250% amount, the Base Premium); provided, further, if such insurance coverage cannot be obtained at all, or can only be obtained at an annual cost in excess of the Base Premium, AMTG may purchase the most advantageous policies of tail or run-off directors and officers insurance obtainable for an annual cost equal to the Base Premium. If AMTG obtains such insurance policy prior to the effective time of the First Merger, ARI shall cause such policy to be maintained in full force and effect, for its full term, and shall honor its obligations thereunder. Some of the directors and executive officers of AMTG are entitled to certain contractual payments, benefits and incentive awards in connection with the mergers, as described below.

For a description of these interests in greater detail, refer to the section entitled *Special Factors Interests of AMTG s Directors and Officers in the Transaction* beginning on page 84.

Interests of ARI s Directors and Officers in the Transaction

Certain of ARI s executive officers and directors may have interests in the transaction that are different from, or in addition to, those of AMTG s and ARI s stockholders generally. These interests may present such executive officers and directors with actual or potential conflicts of interest. The ARI Board was aware of these interests during its deliberations on the merits of the transaction and in deciding to approve the merger agreement and the other transactions contemplated thereby. For additional information on the interests of ARI s directors and officers in the transaction, see *Special Factors Interests of ARI s Directors and Officers in the Transaction* beginning on page 89.

Accounting Treatment of the Transaction

ARI prepares its financial statements in accordance with U.S. generally accepted accounting principles, which we refer to as GAAP. The mergers will be accounted for by applying the acquisition method. See *The Mergers and Related Transactions Accounting Treatment of the Transaction* beginning on page 128.

Voting by AMTG s Directors and Officers

AMTG is making the statements included in this section solely for the purpose of complying with the disclosure requirements of Rule 13e-3 and related rules under the Exchange Act.

Under SEC rules, AMTG is required, to the extent known to AMTG after making reasonable inquiry, to state how any executive officer, director or affiliate of AMTG currently intends to vote its subject securities, within the meaning of Rule 13e-3, including any securities the person has proxy authority for and to state the reasons for such intended actions. Currently, there are no formal arrangements between AMTG and any of its executive officers, directors or affiliates relating to the manner in which such individuals in their capacity as AMTG common stockholders will vote for the First Merger and the other transactions contemplated by the merger agreement. After reasonable inquiry, AMTG has concluded that each executive officer, director or affiliate currently intends to vote its shares of AMTG common stock for (i) the approval of the First Merger and the transactions contemplated by the merger agreement, (ii) the proposal to approve one or more adjournments of the AMTG special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, and (iii) the Merger-Related Named Executive Officer Compensation Proposal, based on the factors considered by, and the analysis, discussion and resulting conclusions of, the AMTG Special Committee and the AMTG Board described in the section entitled *Special Factors AMTG s Reasons for the Transactions and Recommendation of AMTG s Board of Directors* beginning on page 39 of this proxy statement/prospectus. In particular, the executive officers, directors or affiliates have based their consideration on the following factors, among others:

- the fact that the merger agreement and the transactions contemplated thereby, including the mergers, were negotiated, determined to be advisable and in the best interests of AMTG and its stockholders, and approved by the AMTG Special Committee and the AMTG Board;

- the fact that, based on the relative trading prices of AMTG common stock and ARI common stock, the AMTG Board believed that a combination with ARI was in the best interests of AMTG stockholders given, in part, that (i) the value received for AMTG common stock would likely represent a substantially higher percentage of book value than the trading price of AMTG s common stock on February 25, 2016 (the last trading day prior to announcement of the transaction), when considering that the closing price of AMTG common stock of $10.14 on that day represented only 61.83% of the book value per share of $16.40 reported on December 31, 2015 (the last reported book value prior to the announcement of the Proposed Transaction) as compared to the value in the Proposed Transaction of 89.75% of book value as of the Pricing Date, (ii) the value received by the AMTG common stockholders would likely represent a premium to the trading price of

AMTG common stock on February 25, 2016 and (iii) the stock portion of the Per Common Share Merger Consideration would provide AMTG common stockholders with an opportunity to participate in the future prospects of the Combined Company;

the fact that the Per Common Share Merger Consideration and the other terms and conditions of the merger agreement were negotiated on an arm s-length basis under Maryland Law between the ARI Special Committee and the AMTG Special Committee;

the fact that the merger agreement permitted AMTG, subject to specific limitations and requirements set forth therein, to actively solicit alternative acquisition proposals from third parties, and to furnish confidential information to, and engage in discussions or negotiations with, the person or parties making such acquisition proposal through April 1, 2016, and thereafter AMTG may consider and respond to an unsolicited third-party acquisition proposal, and continue to furnish confidential information to, and engage in discussions or negotiations with, the person or parties making such acquisition proposal prior to the time AMTG s common stockholders approve the proposal to approve the First Merger and the other transactions contemplated by the merger agreement;

the fact that the merger agreement permits the AMTG Board, subject to specific limitations and requirements set forth therein, to withdraw or change its recommendation that AMTG s common stockholders vote in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement and to terminate the merger agreement and accept a superior proposal, in each case prior to the time AMTG s common stockholders approve the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, subject to AMTG paying ARI a termination fee of $7.5 million or, in certain circumstances, $12.0 million; and

the fact that the First Merger is conditioned upon, among other matters, the AMTG stockholders approval of the First Merger and the other transactions contemplated by the merger agreement by the affirmative vote of the holders of at least a majority of the outstanding shares of AMTG common stock entitled to vote on the First Merger, including the affirmative vote of the holders of at least a majority of the then outstanding shares of AMTG common stock that are beneficially owned by persons who are not affiliates of Apollo.

The foregoing discussion of the factors considered by executive officers, directors and affiliates of AMTG is not intended to be exhaustive but is believed to include all material factors considered by such holders of AMTG common stock in making a determination regarding whether to vote for (i) the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, (ii) the proposal to approve one or more adjournments of the AMTG special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, and (iii) the Merger-Related Named Executive Officer Compensation Proposal, for the purpose of complying with the requirements of Rule 13e-3 and the related rules under the Exchange Act. Such executive officers, directors and affiliates did not find it practicable to, and did not, quantify or otherwise attach relative weights to the foregoing factors in reaching their position as to whether to vote in favor of the mergers. Rather, such executive officers, directors and affiliates made their decision whether to vote in favor of the mergers after considering all of the factors as a whole.

Approval of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of AMTG common stock. In addition, the closing of the mergers is conditioned upon the holders of at least a majority of the outstanding shares of AMTG common stock that are beneficially owned by persons unaffiliated with Apollo approving the proposal to approve the First Merger and the other transactions contemplated by the merger agreement. The executive officers, directors and affiliates discussed in this *Voting by AMTG s Directors and Officers* section will be not be entitled to vote as holders of outstanding shares of AMTG common stock that are beneficially owned by persons unaffiliated with Apollo.

Voting by Apollo Participants and ARI s Directors and Officers

Certain of the Apollo Participants and certain of the directors and officers of ARI hold and are entitled to vote shares of the AMTG common stock at the AMTG special meeting. We believe that the Apollo Participants and such directors and officers of ARI intend to vote all of their shares of AMTG common stock FOR the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, FOR the proposal to approve one or more adjournments of the AMTG special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, and FOR the Merger-Related Named Executive Officer Compensation Proposal. Notwithstanding the foregoing, the First Merger is conditioned upon, among other things, the affirmative vote of the holders of at least a majority of the outstanding shares of AMTG common stock. In addition, the closing of the First Merger is conditioned upon the holders of at least a majority of the outstanding shares of AMTG common stock that are beneficially owned by persons unaffiliated with Apollo approving the proposal to approve the First Merger and the other transactions contemplated by the merger agreement. For additional information on the intended voting by the Apollo Participants and the directors and officers of ARI and the conditions to the First Merger, see *Special Factors Voting by Apollo Participants and ARI s Directors and Officers* beginning on page 122 and *The Agreements Description of the Merger Agreement Conditions to Completion of the First Merger* beginning on page 175.

Stockholder Appraisal Rights in the Mergers

Holders of AMTG common stock and AMTG Series A Preferred Stock are not entitled to exercise appraisal, dissenters or similar rights in connection with the mergers or the other transactions contemplated by the merger agreement. See *No Appraisal Rights* on page 232.

Comparison of Rights of AMTG Stockholders and ARI Stockholders

If the mergers are consummated, stockholders of AMTG will become stockholders of the Combined Company. As a result, the rights of the former AMTG stockholders will be governed by the MGCL and the charter and bylaws of ARI, rather than the charter and bylaws of AMTG. For a summary of certain differences between the rights of AMTG stockholders and ARI stockholders, see *Comparison of Stockholder Rights* beginning on page 228.

Financing of the Mergers

ARI s obligation to consummate the mergers is not conditioned upon ARI having received any financing. In connection with the merger agreement and the transactions contemplated thereby, ARI entered into a commitment letter (the Bridge Loan Commitment Letter) with Athene s subsidiary, Athene USA, dated February 26, 2016, pursuant to which Athene USA agreed to provide a senior secured term loan in an aggregate amount of up to $200.0 million subject to certain adjustments (the Bridge Loan). At or prior to the consummation of the mergers, ARI expects to enter into definitive documentation for the Bridge Loan. ARI will have the option to draw on the bridge loan facility to fund a portion of the cash component of the merger consideration and to pay fees and expenses incurred in connection with the mergers. The amount drawn will depend on a number of factors. The Bridge Loan s stated maturity date will be the 364th day following the day on which the First Merger occurs. ARI will be required to use the net cash proceeds of the sale of assets under the asset purchase agreement (as defined in *Key Terms of the Asset Purchase Agreement* below) to repay the Bridge Loan. This requirement is anticipated to result in the entire repayment of the Bridge Loan prior to its stated maturity date.

For more information regarding the financing of the mergers, see *The Agreements Description of the Bridge Loan Commitment* beginning on page 184. We encourage you to carefully read the Bridge Loan Commitment Letter, a copy of which is attached as Annex C to this proxy statement/prospectus, in its entirety because it is the legal document governing the transactions contemplated thereby.

Key Terms of the Asset Purchase Agreement

In connection with ARI s entry into the merger agreement, on February 26, 2016 ARI entered into an asset purchase and sale agreement (the asset purchase agreement) with Athene USA subsidiaries Athene Annuity & Life Assurance Company and Athene Annuity and Life Company (collectively, Athene Annuity), pursuant to

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which Athene Annuity has agreed to buy approximately $1.2 billion of certain assets of AMTG, primarily consisting of non-Agency residential mortgage backed securities, immediately following the effectiveness of the First Merger, which we refer to as the asset sale transaction. In order to consummate the asset sale transaction, Athene Annuity is required to obtain certain approvals from its applicable state insurance regulators. A copy of the asset purchase agreement is attached as Annex B to this proxy statement/prospectus and incorporated herein by reference. For a summary of the material provisions of the asset purchase agreement, see *The Agreements Description of the Asset Purchase Agreement* beginning on page 180. We encourage you to carefully read the asset purchase agreement, a copy of which is attached as Annex B to this proxy statement/prospectus, in its entirety because it is the legal document governing the transactions contemplated thereby.

Key Terms of the Stock Purchase Agreement

On February 26, 2016 ARI also entered into a stock purchase agreement (referred to herein as the stock purchase agreement) with Athene USA. Under the stock purchase agreement, during the first 30 trading days following the closing of the mergers (or, under certain circumstances, a later date as set forth in the stock purchase agreement), Athene USA agreed to purchase (or cause one or more of its subsidiaries to purchase) up to $20 million (subject to reduction in certain circumstances) of shares of ARI common stock in the open market at the then-current market price if the quoted price per share of ARI common stock on the NYSE at any time during the 30-trading-day period is less than the per share value of the shares of ARI common stock issued to holders of AMTG common stock in the First Merger (which is fixed at $16.75) and hold such shares for 180 days thereafter. Athene USA s commitment to purchase shares of ARI common stock is subject to certain limitations, restrictions and conditions, including that all purchases will be made only pursuant to a Rule 10b5-1 plan and in accordance with Rule 10b-18 under the Exchange Act and other restrictions imposed by applicable law. A copy of the stock purchase agreement is attached as Annex C to this proxy statement/prospectus and incorporated herein by reference. For a summary of the material provisions of the stock purchase agreement, see *The Agreements Description of the Stock Purchase Agreement* beginning on page 185. We encourage you to carefully read the stock purchase agreement, a copy of which is attached as C to this proxy statement/prospectus, in its entirety because it is the legal document governing the transactions contemplated thereby.

Letter Agreements with the ARI Manager and the AMTG Manager

On February 26, 2016, ARI entered into a letter agreement (referred herein as the ARI Manager letter agreement) with the ARI Manager and ACREFI Operating, LLC, pursuant to which the ARI Manager agreed to perform such services and activities as may be necessary to enable ARI to consummate the mergers and the other transactions contemplated by the merger agreement in exchange for certain payments from ARI. On February 26, 2016, AMTG entered into a letter agreement (referred herein as the AMTG Manager letter agreement) with the AMTG Manager and ARM Operating, LLC, pursuant to which the AMTG Manager agreed to perform such services and activities as may be necessary to enable AMTG to consummate the mergers and the other transactions contemplated by the merger agreement. The AMTG Manager letter agreement also contains provisions that will reduce the aggregate amounts of management fees that otherwise would be payable to the AMTG Manager and the ARI Manager after the consummation of the mergers. Copies of the ARI Manager letter agreement and the AMTG Manager letter agreement are attached as Annexes E and F, respectively, to this proxy statement/prospectus and incorporated herein by reference. For a summary of the material provisions of the ARI Manager letter agreement and the AMTG Manager letter agreement, see *The Agreements Description of Letter Agreements with the Managers* beginning on page 186.

Relationships among Apollo, AMTG, ARI and Athene

The ARI Manager and the AMTG Manager are the external managers of ARI and AMTG, respectively, pursuant to management agreements that provide for investment advisory services to be rendered to ARI and AMTG subject to the supervision of the respective boards of directors of ARI and AMTG. Each of the ARI Manager and

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the AMTG Manager is an indirect subsidiary of Apollo. As of June 2, 2016, certain affiliates of Apollo and the Apollo-affiliated directors and officers of ARI and AMTG collectively held approximately 2.3% of the outstanding shares of ARI common stock and approximately 1.8% of the outstanding shares of AMTG common stock (excluding from such percentages 94,900 AMTG restricted stock units held by Michael Commaroto and 30,900 and 146,667 ARI restricted stock units held by Michael Commaroto and Stuart Rothstein, respectively, in each case that have not yet settled in the form of common stock of AMTG and ARI as applicable).

Certain of the members of the AMTG Board have relationships with Apollo as set forth below:

- Michael A. Commaroto is the president and chief executive officer of the AMTG Manager, an affiliate of Apollo, and has been an officer of Vantium Management, L.P., a portfolio company of a fund managed by an affiliate of Apollo;

- James E. Galowski is an employee of an entity affiliated with Apollo; and

- Frederick N. Khedouri is an employee of an entity affiliated with Apollo.

In addition, (i) Mark C. Biderman is a member of both the AMTG Board and the ARI Board and has recused himself from all deliberations relating to the mergers and (ii) Hope S. Taitz is a member of both the AMTG Board and the board of directors of Athene Holding Ltd. Ms. Taitz is also a member of the conflicts committee of the board of directors of Athene Holding Ltd., but she was not a member of the special sub-committee of the conflicts committee that considered the transactions between ARI and Athene.

AMTG does not have any employees; all of its officers are employees of the AMTG Manager. ARI does not have any employees; all of its officers are employees of the ARI Manager.

Apollo is a significant shareholder of Athene Holding Ltd., through which Apollo holds approximately 45% of the total voting power of Athene Holding Ltd. Athene s invested assets are also managed by Athene Asset Management, L.P. (AAM), which is a subsidiary of Apollo. Certain of Athene Holding Ltd. s directors are also employees of Apollo and directors of AAM, and Athene Holding Ltd. s Chief Executive Officer is the Chief Executive Officer and an equity holder of AAM.

Litigation Related to the Mergers and Related Transactions

After the announcement of the execution of the merger agreement, two putative class action lawsuits challenging the proposed First Merger, captioned *Aivasian v. Apollo Residential Mortgage, Inc., et al.*, No. 24-C-16-001532 and *Wiener v. Apollo Residential Mortgage, Inc., et al.*, No. 24-C-16-001837 were filed in the Circuit Court for Baltimore City (or, the Court). A putative class and derivative lawsuit was later filed in the same Court captioned Crago v. Apollo Residential Mortgage, Inc., No. 24-C-16-002610. Following a hearing on May 6, 2016, the Court entered orders among other things, consolidating the three actions under the caption In Re Apollo Residential Mortgage, Inc. Shareholder Litigation, Case No.: 24-C-16-002610. The plaintiffs have designated the Crago complaint as the operative complaint. The operative complaint includes both direct and derivative claims, names as defendants AMTG, the AMTG Board, ARI, Merger Sub, Apollo and Athene and alleges, among other things, that the members of the AMTG Board breached their fiduciary duties to the AMTG stockholders and that the other corporate defendants aided and abetted such fiduciary breaches. The operative complaint further alleges, among other things, that the proposed

First Merger involves inadequate consideration, was the result of an inadequate and conflicted sales process, and includes unreasonable deal protection devices that purportedly preclude competing offers. It also alleges that the transactions with Athene are unfair and that the registration statement on Form S-4 filed with the SEC on April 6, 2016 contains materially misleading disclosures and omits certain material information. The operative complaint seeks, among other things, certification of the proposed class, declaratory relief, preliminary and permanent injunctive relief, including enjoining or rescinding the First Merger, unspecified damages, and an award of other unspecified attorneys and other fees and costs. On May 6, 2016, counsel for the plaintiffs filed with the Court a stipulation seeking the appointment of interim co-lead counsel, which stipulation was approved by the court on June 9, 2016. The defendants believe that the claims asserted in the complaints are without merit and intend to vigorously defend the lawsuits. See *Litigation Related to the Mergers and Related Transactions* on page 187.

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SPECIAL FACTORS

Purposes, Alternatives, Reasons and Effects

Background of the Transactions

Since AMTG s inception, the AMTG Board periodically has reviewed possible ways of growing AMTG s equity capitalization and total assets and of increasing stockholder value. Since 2013, AMTG s ability to accomplish these objectives has been adversely impacted by market conditions and other factors. The residential mortgage REIT sector has faced significant headwinds in recent years for a variety of reasons, including volatility in the fixed income markets, significant uncertainty regarding the outlook for interest rates and, more recently, widening spreads on RMBS. Also since 2013, AMTG s shares of common stock have traded at a substantial discount to AMTG s net asset value per share, which results in unsatisfactory returns to long-term stockholders and makes any equity capital raising activity dilutive. Because of these circumstances, since 2013 AMTG has been and continues to be unable to raise growth capital on acceptable terms, and accordingly, has been unable to increase its size and scale through capital market transactions. Pursuant to its obligations under the AMTG management agreement, the AMTG Manager similarly has been focused on the various challenges faced by AMTG.

The issues faced by AMTG were rendered more acute by the fact that AMTG s net book value per share declined by 14% or $2.72 per share during 2015.

Since 2013, the AMTG Board and the AMTG Manager have considered various different approaches to addressing the challenges facing AMTG. The possible means considered by the AMTG Board and the AMTG Manager to address these challenges included changing AMTG s strategic focus; changing its investment strategy; changing its capital allocation policies; and exploring various business combination transactions, including acquisitions, dispositions and joint ventures, both with third parties and with Apollo affiliates and/or portfolio companies of funds managed by affiliates of Apollo. These various alternatives were considered by the AMTG Board and the AMTG Manager because they potentially might have improved AMTG s financial performance, helped it grow, or both.

These various strategic alternatives included the following potential transactions:

- In December 2013 through February 2014, the ARI Manager and the AMTG Manager considered the possibility of combining ARI and AMTG. No proposal was made to the ARI Board or AMTG Board at that time. The ARI Manager and the AMTG Manager concluded that, based upon the relative market values of the two companies, any combination at that time would either not be accretive to ARI or would likely provide insufficient value to AMTG stockholders.

- From late 2013 to July 2014, AMTG held discussions with an unrelated mortgage originator of non-qualified residential mortgages with respect to AMTG acquiring mortgages from, as well as an equity interest in, the third party. AMTG and the third party were unable to come to terms and ceased discussions.

- From April through August 2014, AMTG entered into negotiations to acquire an unrelated private company engaged in making residential mortgage loans to investors interested in acquiring residential real estate properties for investment purposes. Ultimately, AMTG was unable to come to acceptable terms with the sellers.

From August 2014 to January 2015, AMTG considered investing in small business and small commercial mortgage loans by starting a business to originate these assets. Ultimately AMTG determined that the expected returns from such investments did not justify the investment.

From December 2014 to October of 2015, AMTG considered acquiring assets as well as potentially an equity interest in another non-qualified residential mortgage origination business from an unrelated third party which AMTG ultimately declined to pursue in October 2015 because it determined that the business and management team were not a good fit.

From January 2015 to March 2015, AMTG explored with a fund managed by an affiliate of Apollo, the possible acquisition of an acquirer of mortgage servicing assets. This transaction was not consummated when the third party target was acquired by an unrelated party.

In February 2015, AMTG explored acquiring, together with Apollo Credit Opportunity Fund III L.P. (COF III), single family rental properties. Both AMTG, in November 2015, and COF III, in July 2015, determined not to pursue this acquisition because the assets were outside of their core investment strategies and the expected returns did not justify the investment.

At various times from 2013 to 2015, AMTG explored either investing in AmeriHome Mortgage LLC (AmeriHome), a mortgage company, acquiring mortgage servicing rights from AmeriHome or forming a joint venture with AmeriHome. Athene holds a significant investment in the investment fund that indirectly owns AmeriHome, and certain officers of Athene and AAM as well as Mr. Khedouri are on the board of AmeriHome s parent company. AMTG and AmeriHome ultimately determined not to pursue a transaction because the transaction would not have been economically accretive to AMTG s dividend yield.

In light of the continuing and increasing challenges facing AMTG, in mid- to late-2015 the AMTG Manager, on behalf of AMTG, increased its efforts to find a means of addressing these challenges in a way that would maximize value for AMTG s stockholders. These efforts included considering changes to AMTG s investment policies and strategies as well as considerations with Apollo and various Apollo affiliates and/or funds, or portfolio companies of funds, managed by affiliates of Apollo, including ARI and Athene, regarding possible business combinations and other strategic transactions.

In mid-October 2015, Apollo and the managers began exploring the possibility of combining ARI and AMTG. The ARI Manager recognized that, in the event of such a transaction, ARI may need to obtain debt financing to fund a portion of the purchase price for AMTG, to find a buyer for the AMTG assets that are not within the types of assets held by ARI and to explore ways of managing fluctuations in the market value of those assets.

At a meeting held on November 10, 2015, representatives of Apollo, the ARI Manager and the AMTG Manager determined that in their view it might be possible to combine ARI and AMTG on terms that would address AMTG s sub-scale issue, provide liquidity to AMTG s stockholders on potentially attractive terms, and afford ARI an opportunity to grow its capital base on terms attractive to ARI and its stockholders. Shortly thereafter, James Zelter, the Managing Director of Apollo s credit business, on behalf of Apollo, approached James Belardi, the Chief Executive Officer of Athene Holding Ltd. and AAM, to determine whether Athene might be interested in entering into certain transactions with ARI in connection with ARI s acquisition of AMTG, and Mr. Belardi indicated Athene might be interested in doing so. James Zelter and Stuart Rothstein, on behalf of Apollo and the ARI Manager, kept Fred Khedouri, on behalf of the AMTG Manager, informed of the progress in evaluating the feasibility of such a transaction. Although Apollo recognized a combination of ARI and AMTG would likely result in a reduction in the aggregate fees paid to the ARI Manager and the AMTG Manager pursuant to their respective management agreements, Apollo nevertheless continued to explore the merits of a combination of the two companies.

On November 11, 2015, James Zelter and Anthony Civale, the lead partner and Chief Operating Officer of Apollo s credit business on behalf of the AMTG Manager, approached Michael Commaroto, the Chief Executive Officer of AMTG, to inform him about the on-going discussions among representatives of Apollo, ARI, the ARI Manager and Athene regarding ARI s potential acquisition of AMTG (the Potential Transaction). Given his deep knowledge of AMTG s assets and the residential mortgage REIT sector, Mr. Zelter and Mr. Civale discussed with Mr. Commaroto having him assist as appropriate in the Potential Transaction and the possibility of a continuing role for

Mr. Commaroto for a transitional period following the consummation of the Potential Transaction to assist ARI in effecting a potential liquidation of AMTG s assets. No specific financial terms of any such role were discussed with Mr. Commaroto. Mr. Commaroto indicated he would assist as appropriate in the Potential Transaction and consider staying on at the Combined Company following closing to assist in the

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liquidation of AMTG s assets, all subject to reaching agreement on (i) satisfactory compensation terms; (ii) the scope of Mr. Commaroto s role during the Potential Transaction and the ensuing liquidation; and (iii) the retention and compensation of Mr. Commaroto s team to assist as appropriate in the Potential Transaction and the ensuing liquidation.

On November 19, 2015, Stuart Rothstein, on behalf of the ARI Manager, discussed with the ARI Board (other than Mark C. Biderman, who recused himself) the potential merits and considerations of the Potential Transaction, as well as Athene s possible participation in the related transactions with ARI. In light of the fact that Apollo and the ARI Manager would be subject to potential conflicts of interest in respect of any Potential Transaction, and certain of ARI s directors had relationships with Apollo, including being current and/or former employees of affiliates of Apollo and/or portfolio companies of funds managed by affiliates of Apollo, the ARI Board resolved to form the ARI Special Committee consisting of independent directors Jeffrey M. Gault and Scott S. Prince. The ARI Board resolved, among other things, not to approve any Potential Transaction without the affirmative recommendation of the ARI Special Committee. On December 2, 2015, the ARI Board approved the appointment of Robert A. Kasdin, a third independent director, to the ARI Special Committee. From November 27, 2015 to February 25, 2016, the ARI Special Committee held approximately 22 formal meetings, in addition to various calls and other correspondence, to discuss and analyze the Potential Transaction and the other transactions related thereto. All members of the ARI Special Committee were present at meetings of the ARI Special Committee described below, unless otherwise noted.

In early December, the ARI Special Committee retained Fried, Frank, Harris, Shriver & Jacobson LLP, (Fried Frank), to represent it in connection with the Potential Transaction. Prior to being retained, Fried Frank had disclosed to the ARI Special Committee that it had performed or was performing certain legal services for Apollo and current or former affiliates of Apollo and/or portfolio companies of funds managed by affiliates of Apollo and had represented counterparties to Athene Holding Ltd. As noted below, the ARI Special Committee also interviewed Latham & Watkins LLP, (Latham), during the process of engaging counsel. The ARI Special Committee later retained Hogan Lovells US LLP (Hogan Lovells) to serve as Maryland legal counsel. Also during this time, the ARI Special Committee considered and interviewed several investment banks to serve as its financial advisor. The ARI Special Committee determined to engage Houlihan Lokey to act as its financial advisor in connection with the Potential Transaction, based on, among other things, Houlihan Lokey s experience in providing financial advisory services in connection with mergers and acquisitions, financings, and financial restructurings, its familiarity with and understanding of the financial and banking industries and residential mortgage assets, and its fee proposal. Houlihan Lokey disclosed to the ARI Special Committee that during the two years prior to its engagement as financial advisor to the ARI Special Committee in connection with the Potential Transaction, it had provided certain financial advisory and financing services to, and received fees from, Apollo, Athene and certain related entities. After deliberation with its legal advisors, the ARI Special Committee determined that such relationships would not impede Houlihan Lokey s ability to provide financial advice to the ARI Special Committee in connection with its consideration of the Potential Transaction.

On December 1, 2015, the ARI Special Committee held a meeting with representatives of Fried Frank at which the ARI Special Committee authorized Stuart A. Rothstein, the Chief Executive Officer of ARI, to contact the management team of AMTG to discuss ARI s interest in the Potential Transaction. The ARI Special Committee instructed Mr. Rothstein not to discuss any financial terms of the Potential Transaction at that time.

In furtherance of the foregoing, on December 1, 2015, Mr. Rothstein called Frederick Khedouri, Chairman of the AMTG Board, to indicate ARI s interest in exploring the Potential Transaction. The executives did not discuss specific financial terms of the Potential Transaction. Mr. Khedouri then informed Mr. Commaroto that the Chief Executive Officer of ARI had called regarding ARI s potential interest. The following day, on December 2, 2015, during a special telephonic meeting of the AMTG Board, Mr. Khedouri, together with Mr. Commaroto, informed the AMTG Board about ARI s interest in exploring the Potential Transaction. The AMTG Board discussed the fact that the AMTG Manager would be subject to potential conflicts of interest in respect of the Potential Transaction, and certain of AMTG s directors may be subject to potential conflicts of interest in considering the

Potential Transaction given their connections with Apollo, including as current and/or former employees of affiliates of Apollo and/or portfolio companies of funds managed by affiliates of Apollo. In addition, the directors discussed the fact that AMTG director Mark C. Biderman was a director of both AMTG and ARI. The AMTG Board discussed its view that, if the AMTG Board determined to consider the Potential Transaction, the AMTG Board should form a special committee of independent directors. The AMTG Board resolved to form the AMTG Special Committee consisting of independent directors Thomas D. Christopoul and Frederick J. Kleisner. Ms. Taitz who was otherwise independent, recused herself from participation on the AMTG Special Committee because she was a director of Athene and Athene was a potential financing source for ARI s proposal. The AMTG Special Committee was authorized to take all actions with respect to the Potential Transaction and to undertake any review, discussion, consideration, deliberation, examination, investigation, analysis, assessment, evaluation, exploration, response, negotiation, termination, rejection, approval and/or authorization on behalf of AMTG with respect to the terms and conditions of the Potential Transaction. The AMTG Special Committee was further authorized to hire independent legal and financial advisors, to consider, evaluate and respond to any proposal that might be received from ARI regarding the Potential Transaction, to explore potential strategic alternatives that might maximize stockholder value, and to make recommendations, if any, to the AMTG Board in accordance with Maryland law. The AMTG Board also resolved not to approve any Potential Transaction without the affirmative recommendation of the AMTG Special Committee. All members of the AMTG Special Committee were present at the meetings of the AMTG Special Committee described below, unless otherwise noted.

On or about December 3, 2015, the AMTG Special Committee initiated a search for its own legal and financial advisors to assist the AMTG Special Committee in its consideration of the Potential Transaction and other strategic alternatives available to AMTG. The AMTG Special Committee considered and interviewed three legal advisor candidates. On December 4, 2015, and again on December 7, 2015, the AMTG Special Committee interviewed Latham to serve as legal counsel to the AMTG Special Committee. During the interview process, Latham informed the AMTG Special Committee that it previously had been interviewed by the ARI Special Committee to serve as legal advisor to the ARI Special Committee in connection with the Potential Transaction, and that it had performed or was performing certain legal services for Apollo and other current or former affiliates of Apollo, including Athene and portfolio companies of funds managed by affiliates of Apollo, and serving as counsel to the underwriters of securities offerings for ARI and AMTG, as well as jointly representing Mr. Commaroto, certain other members of the AMTG management team and their former employer in connection with matters related to their former employment and unrelated to the Potential Transaction, and disclosed to the AMTG Special Committee the fees it had received for such services during the past two years. The AMTG Special Committee concluded, following discussion, that such relationships were unrelated to the Potential Transaction, immaterial insofar as they constituted less than 1% of Latham s and Venable s respective revenue in each of the prior two years, and would not affect Latham s or Venable s ability to provide disinterested legal advice to the AMTG Special Committee in connection with the consideration of the Potential Transaction. In addition, the AMTG Special Committee concluded that the potential impact of such relationships was deemed immaterial and therefore outweighed by Latham s and Venable s respective knowledge and familiarity of the REIT industry, and in particular, the mortgage REIT industry, as well as Latham s and Venable s extensive experience representing special committees of publicly traded REITs in connection with mergers and acquisition transactions. On December 8, 2015, the AMTG Special Committee executed an engagement letter to formally retain Latham as its legal counsel. On December 15, 2015, the AMTG Special Committee retained Venable to serve as Maryland legal counsel to the AMTG Special Committee.

On December 9, 2015, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, held a meeting with representatives of Latham at which they discussed the process for receiving and evaluating a proposal from ARI regarding a Potential Transaction and the ongoing search for a financial advisor and Maryland legal counsel. At this time, the AMTG Special Committee also decided to hold weekly telephonic meetings and additional in-person and telephonic meetings as necessary.

In furtherance of the foregoing, from December 4, 2015 through December 15, 2015, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, together with representatives of Latham, reviewed information from five investment banks with significant experience advising REITs, including Morgan Stanley, and considered their qualifications to serve as financial advisor to the AMTG Special Committee. The AMTG Special Committee s criteria for selecting an investment bank to act as the AMTG Special Committee s financial advisor included, among other things, the investment bank s relative lack of potential conflicts of interest with respect to the Potential Transaction compared to other banks, its institutional knowledge of the commercial and residential mortgage REIT industries, its capacity to provide the functions of a full service investment bank, including its knowledge of the trading market for mortgage-backed securities, and the investment banking team s past experience advising other companies in connection with similar transactions. Based upon these criteria, the AMTG Special Committee selected three of the five initial investment banks to be interviewed by the AMTG Special Committee and Latham. In connection with its interview, each investment banking team reviewed with the AMTG Special Committee its experience in the mortgage REIT industry and its views on the current state of the financial markets as well as potential strategic alternatives that might be available to AMTG to enhance AMTG s stockholder value.

On December 11, 2015, the ARI Special Committee sent a letter to the AMTG Special Committee indicating its interest in exploring the Potential Transaction. Such letter did not propose any specific financial terms for the Potential Transaction. Later that afternoon, following discussion with representatives of Latham, the AMTG Special Committee sent a response letter to the ARI Special Committee indicating that, while the AMTG Special Committee was not yet prepared to determine whether the Potential Transaction would be attractive, the AMTG Special Committee believed the matter merited further consideration and that the respective legal advisors to the ARI Special Committee and the AMTG Special Committee should negotiate an appropriate mutual non-disclosure agreement to permit the exchange of additional information in connection with each parties respective evaluation of the Potential Transaction. On December 13, 2015, Fried Frank sent an initial draft of a mutual non-disclosure agreement to Latham.

On December 15, 2015, the AMTG Special Committee retained Venable LLP (Venable) to serve as Maryland legal counsel to the AMTG Special Committee based on, among other things, the breadth of Venable s experience advising REITs engaged in mergers and acquisition transactions and its prior experience in representing AMTG. Although Venable also provides legal advice to ARI unrelated to the Potential Transaction, the AMTG Special Committee determined this would not affect Venable s ability to provide legal advice to the AMTG Special Committee in connection with the Potential Transaction.

On December 16, 2015, the ARI Special Committee and the AMTG Special Committee entered into a mutual non-disclosure agreement, which included customary standstill provisions. Shortly thereafter, the advisors to the ARI Special Committee were granted access to an electronic data room (the AMTG Data Room) containing certain non-public information concerning AMTG s business and operations in order to facilitate their due diligence investigation of AMTG. Due diligence continued until the execution of the definitive transaction agreements.

On December 18, 2015, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, held a meeting with representatives of Latham during which they discussed proposals received from the three potential financial advisors interviewed by the AMTG Special Committee, including disclosures of the relationships between each potential financial advisor and the counterparties to the Potential Transaction and their respective affiliates. After careful consideration, the AMTG Special Committee determined to engage Morgan Stanley to act as its financial advisor in connection with the Potential Transaction and its consideration of other strategic alternatives based on Morgan Stanley s relevant deal experience, its familiarity with AMTG by virtue of acting as the lead underwriter in connection with AMTG s initial public offering and follow-on offerings, and its fee proposal. Morgan Stanley disclosed to the AMTG Special Committee that during the two years prior to its retention as financial advisor in connection with a Potential Transaction, it had provided certain financial advisory and financing services to, and received fees from, Apollo, Athene, AMTG and their respective affiliates, including the amount of such fees. After deliberation with representatives of Latham, the AMTG Special Committee determined that such relationships would not affect Morgan Stanley s ability to provide financial advice to the AMTG Special Committee in connection with the Potential Transaction or the AMTG

Special Committee s review of other strategic alternatives. On December 29, 2015, the AMTG Special Committee formally engaged Morgan Stanley as financial advisor to the AMTG Special Committee in connection with the Potential Transaction and the AMTG Special Committee s consideration of other strategic alternatives.

Also on December 18, 2015, the ARI Special Committee held a meeting with representatives of Fried Frank and Houlihan Lokey to discuss the potential involvement of Athene as a financing source for ARI in connection with the Potential Transaction. After discussing the merits of Athene s potential involvement in the Potential Transaction, the ARI Special Committee instructed Mr. Rothstein to contact Athene s management team to discuss further Athene s potential involvement in the Potential Transaction. In furtherance of the foregoing, on December 23, 2015, ARI and Athene entered into a joinder agreement to the mutual non-disclosure agreement between ARI and AMTG.

During late December 2015 and early January 2016, Mr. Gault, Mr. Prince and Mr. Kasdin, as the members of the ARI Special Committee, and Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, and their respective legal and financial advisors, engaged in discussions relating to the process and timeline for the Potential Transaction, including with respect to reciprocal due diligence investigations. No price or transaction terms were discussed. Following discussion with its legal and financial advisors regarding the various approaches to valuing AMTG, including liquidation analyses, AMTG s trading history and the historical trading prices of comparable companies, the AMTG Special Committee concluded that a discounted cash flow analysis would not be the most useful method for valuing AMTG as a whole or other companies in the residential mortgage REIT industry because, among other things, a discounted cash flow analysis does not take into account changes in the underlying market value of the debt securities and loan portfolio that constitute substantially all of the assets of AMTG or most residential mortgage REITs. Furthermore, a discounted cash flow analysis of AMTG would be heavily dependent on predicting the net spread income and purchase and sale prices for AMTG s target assets, which can vary significantly with relatively small changes in future interest rates and credit spreads which are inherently difficult to predict accurately. The AMTG Special Committee concluded that net book value would be a more useful metric for valuing AMTG because the mark-to-market calculation of the book value of its debt securities and loan portfolio more accurately reflects the value of its assets and their income generation potential as determined through data provided by third party market sources.

Athene s board of directors has a standing conflicts committee to address certain transactions between Athene, on the one hand, and Apollo and its affiliates, on the other hand. Because certain directors on Athene s conflicts committee may have a potential conflict of interest with respect to Athene s involvement in the Potential Transaction, the conflicts committee established a special sub-committee of the conflicts committee (the Athene Special Committee) in December 2015 comprised of directors with no relationship to ARI or AMTG, to oversee Athene s possible entry into certain transactions with ARI in connection with ARI s participation in the Potential Transaction and ultimately to determine whether to approve such transactions.

On January 5, 2016, Athene (through its asset manager, AAM, a subsidiary of Apollo) delivered to ARI a draft term sheet regarding Athene s potential involvement in the Potential Transaction. During the period from January 6, 2016 through February 26, 2016, Mr. Gault, Mr. Prince and Mr. Kasdin, as the members of the ARI Special Committee, and Mr. Rothstein, on behalf of ARI at the direction of the ARI Special Committee, Mr. Zelter, and Scott Weiner, the head of Apollo s commercial real estate debt business and the Chief Investment Officer of the ARI Manager, and Mr. Belardi and Nancy De Liban, an Executive Vice President of AAM, both on behalf of Athene acting under the oversight, and subject to the ultimate approval, of the Athene Special Committee, and their respective legal and financial advisors, engaged frequently to discuss and negotiate the terms of Athene s potential involvement in the Potential Transaction, including, among other things, (i) the potential acquisition by Athene of certain assets of AMTG following the consummation of the Potential Transaction, and the pricing methodology for such assets, (ii) the potential debt financing to be provided to ARI by Athene in connection with the Potential Transaction, and (iii) the potential commitment by Athene to purchase a certain amount of ARI common stock in the open market under certain circumstances following consummation of the Potential Transaction. At various meetings of the ARI Special Committee during this period, members of the ARI Special Committee reviewed and discussed with the ARI Special Committee s advisors potential strategic alternatives to the proposed transactions with Athene, including the benefits and disadvantages of these potential alternatives. Potential alternatives reviewed by the ARI Special Committee and its advisors at such meetings included (i) obtaining traditional debt financing from a third-party lender, (ii) liquidating certain of AMTG s assets in the open market over time following the consummation of the mergers, (iii) retaining certain of AMTG s assets following the consummation of the mergers until the conditions for the sale of such assets in the open market were more favorable, and (iv) soliciting indications of interest from other potential alternative buyers of the assets potentially to be acquired by Athene. The ARI Special Committee also considered the merits of a potential transaction with Athene, including (a) the potential acquisition of certain of AMTG s assets by Athene following the consummation of the mergers would reduce the total market risk exposure to ARI in the transaction by providing ARI with an immediate acquiror for such assets that would otherwise be liquidated over time by ARI, (b) the potential debt financing to be provided to ARI by Athene would provide ARI with a financing source which would enable ARI to have sufficient funds to consummate the transaction, (c) then-current market conditions could make it difficult for ARI potentially to find an alternative source of financing with the financial strength and stability of Athene, (d) Athene s pricing for the assets to be acquired by Athene following consummation of the mergers relative to ARI Management s expected range of net liquidation values for the acquired assets, and (e) the strategic benefits of a joint transaction with Athene as compared to any strategy with respect to the acquired assets which ARI would be prepared to undertake on a stand-alone basis. Based on these considerations, the ARI Special Committee determined that entering into the potential transactions with Athene was in the best interest of ARI and the ARI stockholders, and declined to pursue the potential strategic alternatives considered by the ARI Special Committee.

On January 11, 2016, the ARI Special Committee delivered a preliminary non-binding indicative proposal to the AMTG Special Committee to acquire AMTG at a purchase price equal to 82.5% of the book value of AMTG as reported under U.S. GAAP, less the liquidation value of the AMTG Series A Preferred Stock of $172,500,000. This proposed purchase price reflected the ARI Special Committee s determination to seek to acquire AMTG at a discount to AMTG s book value, while still offering AMTG and its stockholders a premium to the then-current trading price of AMTG common stock. Such proposal indicated that this proposed price represented a premium of approximately 18% to the closing price per share of AMTG common stock on January 8, 2016, and that the proposed consideration would consist of approximately 13 million newly issued-shares of ARI common stock and the remainder in cash consideration, in addition to the assumption of the AMTG Series A Preferred Stock. The ARI Special Committee believed that this proposed price and the premium it represented would be attractive to AMTG and its stockholders, as it would provide immediate cash value while also allowing them the opportunity to participate in the future growth of ARI. The purchase price of 82.5% of the book value of AMTG, and the approximate split of 48% stock and 52% cash (based on the closing prices as of the close of business on January 8, 2016), was quantified by Morgan Stanley to equal roughly $14.09 per share and a total common stock equity value for AMTG of $447 million (based on a September 30, 2015 book value of $17.08 per share). The ARI Special Committee s preliminary non-binding indicative proposal included (i) a 90-day exclusivity period during which the AMTG Special Committee would conduct exclusive negotiations with the ARI Special Committee regarding the Potential Transaction and (ii) a go-shop period following signing of the Potential Transaction during which the AMTG Special Committee would be permitted to solicit alternative transaction proposals.

On January 12, 2016, and again on January 15, 2016, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, held meetings with representatives of Morgan Stanley and Latham during which they discussed the indicative proposal received from the ARI Special Committee. Specifically, at the January 15, 2016 meeting, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, and the AMTG Special Committee s advisors discussed whether such indicative proposal (i) proposed a sufficient purchase price for each outstanding share of AMTG common stock; (ii) provided the optimal mix of stock and cash consideration and (iii) adequately addressed the treatment of ordinary quarterly dividends, special dividends and earn-out potential. Also at the January 15, 2016 meeting, the AMTG Special Committee and its advisors discussed the state of the mortgage REIT industry, book value projections of AMTG and other potential strategic alternatives available to AMTG, including changing AMTG s strategic focus, targeting alternative investment

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classes, increasing share buybacks, converting AMTG into a publicly traded partnership, commencing a process to sell AMTG to a third party and liquidating AMTG s assets. At the conclusion of the January 15, 2016 meeting, the AMTG Special Committee instructed representatives of Morgan Stanley to (i) communicate to the ARI Special Committee that the AMTG Special Committee considered the proposal from the ARI Special Committee to be financially inadequate and (ii) suggest that the advisors of the AMTG Special Committee and the ARI Special Committee meet to discuss whether there could be a path forward. Shortly after the January 15, 2016 meeting, the representatives of Morgan Stanley communicated these messages to representatives of Houlihan Lokey.

On January 18, 2016, the ARI Special Committee and the AMTG Special Committee, and their respective legal and financial advisors, held a meeting, at the request of the AMTG Special Committee, to discuss the Potential Transaction and certain transaction terms. In particular, the parties discussed the proposed purchase price set forth in the January 11, 2016 proposal letter (based on 82.5% of the book value of AMTG), the proposed mix of cash and stock consideration offered and the methodology for determining AMTG s book value, including the timing of the valuation determination.

During these discussions, Morgan Stanley communicated to Houlihan Lokey the AMTG Special Committee s view that the proposed purchase price set forth in the January 11, 2016 proposal letter (based on 82.5% of the book value of AMTG) was financially inadequate, and therefore the AMTG Special Committee was not willing to agree to a period of exclusive negotiations at this time, as had been requested by the ARI Special Committee. However, Morgan Stanley indicated that the AMTG Special Committee and its representatives would arrange for increased access to AMTG management and provide additional diligence information to the ARI Special Committee and its representatives, which the AMTG Special Committee hoped would enable the ARI Special Committee to refine its proposal and potentially result in an increase in the proposed purchase price.

At the direction of the AMTG Special Committee and the ARI Special Committee, representatives of Morgan Stanley and Houlihan Lokey engaged in multiple discussions to explore whether ARI could make possible improvements in the proposed purchase price and discussed other transaction terms such as the method for valuing the ARI stock to be received by AMTG stockholders as part of the merger consideration and the timing of the determination of the AMTG book value calculation. Neither Morgan Stanley nor Houlihan Lokey discussed any specific purchase price increase.

On January 19, 2016, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, held a meeting with representatives of Morgan Stanley and Latham during which representatives of Morgan Stanley reported that they had engaged in further discussions with representatives of Houlihan Lokey and that the representatives of Houlihan Lokey indicated that they would relay to the ARI Special Committee the feedback received from Morgan Stanley regarding its indicative proposal.

On January 23, 2016, the ARI Special Committee delivered a revised non-binding indicative proposal to the AMTG Special Committee to acquire AMTG at an increased purchase price equal to 85.25% of the common equity book value of AMTG, in addition to the assumption of the AMTG Series A Preferred Stock. The ARI Special Committee s revised proposal continued to propose a mix of cash and ARI common stock as consideration and further proposed that the stock component of the consideration be determined based on the 90-day average trading multiple of ARI s common equity book value per share and that AMTG s common equity book value be determined as of a time shortly before the filing with the SEC of a definitive proxy statement/prospectus regarding the Potential Transaction. The purchase price of 85.25% of the book value of AMTG, and the approximate split of 44% stock and 56% cash (based on the closing prices as of the close of business on January 22, 2016), was quantified by Morgan Stanley to equal roughly $14.56 per share and a total common stock equity value for AMTG of $462 million (based on a September 30, 2015 book value of $17.08 per share). The revised proposal from the ARI Special Committee also proposed certain other transaction terms, including the requirement that AMTG adhere to an agreed upon hedging strategy to maintain the value of the assets in its portfolio between the date of determination of AMTG s book value and the closing date of the Potential Transaction. In addition, the revised proposal reiterated the ARI Special Committee s request for a 90-day exclusivity period during which the AMTG Special Committee would negotiate exclusively with the ARI Special Committee regarding the Potential Transaction and a go-shop period following signing of the Potential Transaction during which the AMTG Special Committee would be permitted to solicit alternative transaction proposals.

On January 25, 2016, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, held a meeting with representatives of Morgan Stanley and Latham during which they discussed the revised proposal received from the ARI Special Committee, including the proposed increased purchase price, the method for determining AMTG s common equity book value, the method for valuing the ARI common stock to be issued as consideration in the Potential Transaction, the proposed hedging obligation and the exclusivity period. The AMTG Special Committee also considered other strategic alternatives to the ARI proposal such as seeking proposals from third parties, liquidating AMTG s assets or staying the course as a public company. After an in-depth discussion of these and related matters, the AMTG Special Committee determined that the strategic alternatives were unlikely to result in greater value to AMTG s stockholders, and while the improved terms of the ARI Special Committee s revised proposal were still insufficient as final transaction terms, they were nevertheless a sufficient basis on which to enter into a period of exclusive negotiations with the ARI Special Committee and instructed Morgan Stanley to inform Houlihan Lokey that the AMTG Special Committee would be willing to enter into a 30-day exclusivity period. The AMTG Special Committee further instructed representatives of Morgan Stanley to continue to evaluate other potential strategic alternatives available to AMTG, including preparing a risk-adjusted assessment of AMTG management s liquidation analysis of AMTG to evaluate whether a liquidation of AMTG would return greater value to AMTG s stockholders than the Potential Transaction. After further discussion, the AMTG Special Committee instructed Morgan Stanley and Latham to continue discussions with the ARI Special Committee s advisors regarding the terms and conditions of the Potential Transaction.

On January 26, 2016, following the exchange of multiple drafts between Latham and Fried Frank, the ARI Special Committee and AMTG Special Committee entered into an exclusivity agreement relating to the Potential Transaction, providing for a period of exclusive negotiations between the parties expiring at 5:00 p.m. (Eastern Time) on February 29, 2016.

On January 27, 2016, Morgan Stanley and Latham were provided access to an electronic data room containing certain non-public information concerning ARI s business and operations in order to facilitate the AMTG Special Committee s reverse due diligence investigation of ARI (in light of the fact that the consideration proposed to be offered for each outstanding share of AMTG common stock included shares of ARI common stock). The reverse due diligence investigation of ARI by the AMTG Special Committee and its advisors continued until the execution of the definitive transaction agreements.

On February 1, 2016, representatives of Morgan Stanley and Latham had a discussion with representatives of Fried Frank and management of ARI regarding questions arising from Morgan Stanley s and Latham s due diligence investigation of ARI. Periodic discussions, meetings, and correspondence concerning due diligence and reverse due diligence continued until the execution of the merger agreement.

On February 2, 2016, the AMTG Board held a meeting with representatives of Morgan Stanley and Latham to, among other things, receive an update from Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, and its advisors on the status of discussions with the ARI Special Committee. During that portion of the meeting, Hope S. Taitz and Mark C. Biderman recused themselves. The AMTG Board reviewed the latest indicative proposal received from the ARI Special Committee and further discussed (i) the possibility that AMTG might be able to obtain a higher price from ARI Special Committee by mitigating the risk of downward fluctuations in the value of some of AMTG s more volatile assets, (ii) whether AMTG would have the right to issue dividends to its stockholders during the period between the signing of a definitive merger agreement and the closing of the Potential Transaction and (iii) the retention and severance arrangements proposed for Mr. Commaroto and his management team. During the period, between November 11, 2015 and February 2, 2016, no proposals were made, or negotiations undertaken, with Michael Commaroto or the AMTG

Board relating to the retention and severance arrangements for Mr. Commaroto and his management team. A representative of Morgan Stanley reviewed management s liquidation analysis of AMTG and how the possible range of values projected to be received by AMTG common stockholders in a liquidation of AMTG compared to the consideration per share of AMTG common stock proposed to be paid in the Potential Transaction. The liquidation analysis also noted that one of the largest expenses in a liquidation would be the termination fee payable under the AMTG management agreement, and that such fee would not be payable in a transaction with ARI since the AMTG Special Committee believed ARI would be assuming the obligations under the AMTG management agreement. Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, asked their legal and financial advisors to confirm with the ARI Special Committee and its advisors how the AMTG management agreement would be treated under their proposal. Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, and the AMTG Special Committee s advisors also discussed with the other AMTG Board members the state of the mortgage industry in general and of the residential mortgage REIT industry in particular and the future prospects for AMTG.

On February 3, 2016, at the direction of the AMTG Special Committee and the ARI Special Committee, representatives of Morgan Stanley and Houlihan Lokey continued to discuss the revised proposal from the ARI Special Committee.

Also on February 3, 2016, at the direction of the ARI Special Committee, representatives of Houlihan Lokey relayed to representatives of Morgan Stanley the ARI Special Committee s draft indicative non-binding term sheet setting forth in greater detail the terms and conditions of the ARI Special Committee s further revised proposal to acquire AMTG. Specifically, the term sheet provided for (i) a purchase price equal to 85.25% of the common equity book value of AMTG as of a date shortly before the filing of a definitive proxy statement/prospectus regarding the Potential Transaction, (ii) the assumption of the AMTG Series A Preferred Stock, (iii) a 30-day go-shop period following signing of a definitive merger agreement during which AMTG would be permitted to solicit alternative acquisition proposals, (iv) termination fees equal to 2% of the purchase price upon termination in connection with an alternative acquisition proposal received during the go-shop period and 4% of the purchase price upon termination in connection with an alternative acquisition proposal received after the go-shop period, (v) a prohibition on the declaration or payment of dividends following the determination date of the purchase price and (vi) a nine month termination date.

On February 4, 2016, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, met with representatives of Morgan Stanley and Latham to review the terms of the draft indicative non-binding term sheet received from Fried Frank the previous day. The AMTG Special Committee and its advisors discussed the terms and determined that they had a number of follow-up questions for the ARI Special Committee.

On February 4, 2016, Mr. Gault, as chairman of the ARI Special Committee, and Mr. Kleisner as a member of the AMTG Special Committee, together with their respective legal and financial advisors, held an in-person meeting at the offices of Latham to further negotiate the terms and conditions of the Potential Transaction. The parties negotiated the proposed terms, including the price as a percentage of AMTG s common equity book value, the mechanism for determining the value of ARI common stock to be issued as part of the merger consideration, the length of the go-shop period and the amount of the termination fees. Following extensive discussion, the ARI Special Committee and the AMTG Special Committee agreed in principle to recommend to the ARI Board and the AMTG Board, respectively, (i) a valuation of the ARI common stock to be issued as part of the merger consideration at 1.0x ARI s common equity book value as of December 31, 2015, (ii) a 35-day go-shop period and (iii) a termination fee equal to 1.5% of the purchase price upon a termination in connection with an alternative acquisition proposal received during the go-shop period. The ARI Special Committee also confirmed that under its proposal, ARI would assume the obligations under the AMTG management agreement so that the termination fee payable thereunder would not be triggered in the Potential Transaction. However, the committees were unable, at that time, to agree on the purchase price for the

Potential Transaction or the termination fee payable upon a termination in connection with alternative acquisition proposals received after the go-shop period.

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On February 5, 2016, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, held a meeting with representatives of Morgan Stanley and Latham to further discuss open points between the parties. At the meeting, the AMTG Special Committee determined, based on the various presentations that it had received from Morgan Stanley relating to the valuation of AMTG and similar mortgage REITs in the industry, to make a counterproposal to the ARI Special Committee providing for (i) a proposed aggregate purchase price equal to 87.75% of the common equity book value of AMTG as of a date shortly before the filing of a definitive proxy statement/prospectus regarding the Potential Transaction, which the AMTG Special Committee believed would provide for a significant premium to the holders of AMTG common stock and (ii) a termination fee equal to 2.5% of the purchase price upon a termination in connection with an alternative acquisition proposal received after the go-shop period. The purchase price of 87.75% of the book value of AMTG, and the approximate split of 47% stock and 53% cash (for illustrative purposes only using AMTG s preliminary book value per share of $16.40 as of December 31, 2015), was quantified by Morgan Stanley to equal roughly $14.39 per share and a total common stock equity value of AMTG of $458 million (for illustrative purposes only using AMTG s preliminary book value per share of $16.40 as of December 31, 2015). That same day, representatives of Morgan Stanley delivered to representatives of Houlihan Lokey a revised indicative non-binding term sheet with respect to the Potential Transaction which reflected the foregoing terms.

On February 7, 2016, Houlihan Lokey, at the direction of the ARI Special Committee, indicated to representatives of the AMTG Special Committee that the terms of the AMTG Special Committee s counterproposal were an acceptable basis on which to proceed, subject to the negotiation of definitive transaction documents. In addition, Mr. Gault, as a member of the ARI Special Committee, informed Mr. Rothstein, on behalf of the ARI Manager, and Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, informed Mr. Khedouri, as the Chairman of the AMTG Board, and Mr. Commaroto, as the CEO of AMTG and the AMTG Manager, respectively, that the key deal terms had been agreed and that the special committees and their respective advisors were proceeding to negotiate definitive documents.

On February 8, 2016, at the direction of the ARI Special Committee, representatives of Houlihan Lokey sent to representatives of Morgan Stanley the ARI Special Committee s proposed timeline for the Proposed Transaction through the signing of definitive transaction documents.

On February 9, 2016, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, held a meeting with representatives of Morgan Stanley and Latham to discuss the process and proposed timeline for the Potential Transaction. Later that day, the AMTG Board held a meeting with representatives of Morgan Stanley and Latham during which Mr. Christopoul provided an update regarding the Potential Transaction, including the principal terms tentatively agreed to between the parties and the process and timeline to reach agreement on definitive transaction documents. Also on February 9, 2016, representatives for the AMTG Manager presented Mr. Commaroto with a proposed initial term sheet with employment terms for the period through the consummation of the Potential Transaction and for a period thereafter, if a transaction were to occur.

On February 10, 2016, at the direction of the AMTG Special Committee and the ARI Special Committee, the respective legal and financial advisors of such committees participated on a due diligence call with the AMTG Manager.

Also on February 10, 2016, Fried Frank delivered to Latham an initial draft of the definitive merger agreement in connection with the Potential Transaction.

During the period from February 11, 2016 through February 26, 2016, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, and the members of the ARI Special Committee, and their respective legal and financial advisors, met frequently to discuss and negotiate the terms of the definitive merger agreement and the Potential Transaction, including, among other things, guidelines for the operation of AMTG s business during the pre-closing period with the intention of mitigating the risk of downward fluctuations in the value of some of AMTG s more volatile assets, which we refer to as the Investment Guidelines, the methodology for determining AMTG s common equity book value, the terms of the no-shop covenants and certain severance and compensation arrangements for the management of AMTG. In addition, during the period from February 18, 2016 through February 26, 2016, the terms of the AMTG Manager letter agreement and the ARI Manager letter agreement were discussed, negotiated and finalized among Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, Mr. Gault, Mr. Prince and Mr. Kasdin, as members of the ARI Special Committee, and Jessica Lomm on behalf of the AMTG Manager and the ARI Manager.

On February 18 and 19, 2016, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, held meetings with representatives of Latham, Morgan Stanley and Michael A. Commaroto, AMTG s Chief Executive Officer, to discuss, among other things, the Investment Guidelines.

On February 19, 20, 21 and 23, 2016, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, held meetings with representatives of Morgan Stanley, Latham and Venable, and, together with such representatives, engaged in various communications with management of AMTG to discuss the Investment Guidelines, the right of AMTG to pay a dividend for the first quarter of 2016 and the impact of the dividend on the cash portion of the consideration and the mechanics for calculating the common equity book value of AMTG. At the AMTG Special Committee meetings held during this period, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, together with representatives of Morgan Stanley, Venable and Latham, also discussed the advisability of AMTG s adoption of an exclusive forum bylaw, which would designate specific courts in Maryland as the exclusive forum for certain types of litigation involving, among others, AMTG and its directors, officers and other employees.

On February 23, 2016, the ARI Special Committee held a meeting, together with representatives of Fried Frank, Hogan Lovells and Houlihan Lokey to discuss the status of the Potential Transaction, including the then-current drafts of the transaction agreements.

Following the ARI Special Committee meeting on February 23, 2016, the ARI Board held a meeting, together with representatives of Fried Frank, Hogan Lovells and Houlihan Lokey, to discuss the Potential Transaction and the matters that had been reviewed earlier that day at the ARI Special Committee meeting.

Also on February 23, 2016, Latham sent to Fried Frank a revised draft of the merger agreement. Later that day and on February 24, 2016, the respective legal advisors of the ARI Special Committee and AMTG Special Committee continued to negotiate the terms of the merger agreement, the Investment Guidelines and the other transaction documents, and continued to exchange drafts of such documents.

Also on February 24, 2016, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, held a meeting with representatives of Morgan Stanley, Latham and Venable. During the meeting, representatives of Morgan Stanley, referring to a presentation that was included in the meeting materials, (i) provided the AMTG Special Committee with a summary of the Potential Transaction from a financial perspective, a review of prevailing market conditions, a summary of Morgan Stanley s valuation analysis of AMTG, and a summary of Morgan Stanley s analysis with respect to the value of the ARI common stock to be received as part of the consideration and (ii) indicated that it was prepared to deliver its oral opinion, to be confirmed by delivery of a written opinion, to the effect that, as of the date of such opinion and based on and subject to various assumptions and limitations described in its opinion, the consideration to be received by AMTG common stockholders pursuant to the merger agreement was fair from a financial point of view to the AMTG common stockholders. Also during the meeting, a representative of Latham, referring to a presentation that was included in the meeting materials, provided the AMTG Special Committee with an overview of the terms of the Potential Transaction. The representatives of both Morgan Stanley and Latham noted that certain terms of the Potential Transaction, including the mechanics for valuing the ARI common stock, were still under discussion with the ARI Special Committee and its advisors.

On February 25, 2016, the AMTG Special Committee and the ARI Special Committee, together with their respective advisors, worked to finalize the merger agreement and other documents. Given certain changes affecting the value of ARI common stock, the parties agreed to increase the purchase price to 89.25% of the common equity book value of AMTG and to value the ARI common stock to be received in the mergers at

$16.75 per share (representing a discount of $0.18 per share to ARI s common stock s closing price of $16.93 per share on February 25, 2016). The purchase price of 89.25% of the book value of AMTG, and the approximate split of 48% stock and 52% cash (for illustrative purposes only using AMTG s preliminary book value per share of $16.40 as of December 31, 2015), was quantified by Morgan Stanley to equal roughly $14.64 per share and a total common stock equity value of AMTG of $466 million (for illustrative purposes only using AMTG s preliminary book value per share of $16.40 as of December 31, 2015). The parties also agreed that the termination fees upon a termination in connection with an alternative acquisition proposal received during the go-shop period would be $7.5 million and in connection with an alternative proposal received after the go-shop period would be $12 million.

Also on February 25, 2016, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, met with representatives of Morgan Stanley, Latham and Venable to discuss the status of the Potential Transaction. Representatives of Latham reported that the merger agreement and other transaction documents had been finalized without any material changes from the summaries thereof provided to the AMTG Special Committee the previous evening. Representatives of Morgan Stanley delivered Morgan Stanley s oral opinion, to be confirmed by delivery of a written opinion, to the effect that, as of the date of such opinion and based on and subject to various assumptions and limitations described in its opinion, the consideration to be received by AMTG common stockholders pursuant to the merger agreement was fair from a financial point of view to AMTG common stockholders. Based on these facts, the AMTG Special Committee (i) determined that the mergers, the other transactions contemplated by the merger agreement and the merger agreement were advisable and in the best interests of AMTG and the AMTG stockholders (i) recommended that the AMTG Board determine that the mergers, the other transactions contemplated by the merger agreement and the merger agreement are advisable and in the best interests of AMTG and the AMTG stockholders (iii) recommended that the AMTG Board approved and authorize AMTG to enter into, execute and deliver the merger agreement and (iv) recommended that the AMTG Board direct that the First Merger and the other transactions contemplated by the merger agreement be submitted for consideration by the AMTG common stockholders at the AMTG special meeting.

Later on February 25, 2016, the AMTG Board, with the exception of Mark C. Biderman, who recused himself from all deliberations relating to the Potential Transaction, held a meeting with representatives of Morgan Stanley, Latham and Venable to discuss the Potential Transaction. A representative of Venable, referring to a presentation that was included in the meeting materials, provided the AMTG Board with an overview of the duties of directors under Maryland law. Representatives of Latham, referring to the same presentation, provided the AMTG Board with an overview of potential conflicts of interest and an overview of the terms of the Potential Transaction. Representatives of Morgan Stanley, referring to a presentation that was included in the meeting materials, (i) provided the AMTG Board with a summary of the Potential Transaction from a financial perspective, prevailing market conditions, a summary of Morgan Stanley s valuation analysis of AMTG, and a summary of Morgan Stanley s valuation of the ARI common stock to be received by AMTG common stockholders as part of the consideration and (ii) rendered its oral and written opinion to the effect that, as of the date of such opinion and based on and subject to various assumptions and limitations described in its opinion, the consideration to be received by AMTG common stockholders pursuant to the merger agreement was fair from a financial point of view to such stockholders. Thereafter, the AMTG Board members in attendance unanimously (i) authorized AMTG to enter into and to perform its obligations under the merger agreement, (ii) determined that the mergers, the other transactions contemplated by the merger agreement and the merger agreement were advisable, and in the best interests of AMTG and the AMTG stockholders, (iii) directed that the First Merger and the other transactions contemplated by the merger agreement be submitted for consideration by the AMTG common stockholders at the AMTG special meeting and (iv) recommended that the AMTG common stockholders vote in favor of the First Merger and the other transactions contemplated by the merger agreement. The AMTG Board authorized the execution of the merger agreement, subject to confirmation the following morning by the AMTG Special Committee that there were no material changes in the final execution version of the merger agreement from the version reviewed by and approved by the AMTG Board or any development that would require the AMTG

Board to change its recommendation. In addition, the AMTG Board members in attendance unanimously approved the adoption of an exclusive forum bylaw for AMTG.

On February 25, 2016, after the close of U.S. stock markets, the ARI Special Committee held a meeting, together with representatives of Fried Frank, Hogan Lovells and Houlihan Lokey, to discuss the status of the Potential Transaction. Representatives of Fried Frank reported that the merger agreement and other transaction documents had been finalized and provided an overview of certain changes and open items that had been resolved since the ARI Special Committee meeting on February 23, 2016. At the request of the ARI Special Committee, Houlihan Lokey, referring to a presentation that was included in the meeting materials, then reviewed and discussed its financial analyses and orally rendered its opinion to the ARI Special Committee (which was confirmed by delivery of Houlihan Lokey s written opinion, dated February 25, 2016, to the ARI Special Committee) to the effect that, as of such date and based on and subject to the procedures followed, assumptions made and limitations and qualifications on the review undertaken and other matters considered by Houlihan Lokey in connection with its opinion, the Per Common Share Merger Consideration (which, for purposes of Houlihan Lokey s analyses and opinion, refers to a pro rata portion of consideration consisting of a mix of cash and ARI common stock equal to 89.25% of the common equity book value of AMTG determined in accordance with the methodologies and a pricing date contemplated by the merger agreement) to be paid by ARI in the First Merger was fair to ARI from a financial point of view. Thereafter, the ARI Special Committee unanimously resolved to recommend the mergers, merger agreement, asset purchase agreement, stock purchase agreement and Bridge Loan Commitment Letter to the ARI Board.

On the morning February 26, 2016, before the U.S. stock markets opened, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee, held a meeting with representatives of Morgan Stanley and Latham, during which representatives of Latham reported to the AMTG Special Committee that there were no material changes in the final execution version of the merger agreement from the version reviewed by and approved by the AMTG Board at the prior day s AMTG Board meeting or any other development that would require the AMTG Board to change its recommendation in favor of the transaction. Accordingly, the AMTG Special Committee, on behalf of the AMTG Board authorized the execution and delivery of the merger agreement and the accompanying AMTG disclosure letter by an authorized officer of AMTG.

Also on the morning of February 26, 2016, before the U.S. stock markets opened, the ARI Board held a meeting, together with representatives of Fried Frank, Hogan Lovells and Houlihan Lokey, to discuss the status of the Potential Transaction. Representatives of Fried Frank reported that the merger agreement and other transaction documents had been finalized, providing an overview of the material changes and open items that had been resolved since the ARI Special Committee meeting on February 23, 2016. Houlihan Lokey, referring to a presentation that was included in the meeting materials and had been reviewed with the ARI Special Committee at its February 25, 2016 meeting, provided the ARI Board with an overview of financial aspects of the Proposed Transaction as reviewed with the ARI Special Committee. Thereafter, the ARI Board approved the mergers, merger agreement and the arrangements with Athene and determined that the mergers, the merger agreement and the transactions contemplated by the merger agreement and the other transactions are advisable and in the best interests of ARI. In addition, the ARI Board approved the adoption of an exclusive forum bylaw for ARI.

On the morning of February 26, 2016, before the U.S. stock markets opened, ARI and AMTG executed and delivered the merger agreement and certain ancillary documents and issued a joint press release announcing the mergers and the related transactions and commencement of the go-shop period (which ended on April 1, 2016).

From February 26, 2016, through April 1, 2016, in connection with the go-shop process provided for under the merger agreement, Morgan Stanley contacted 10 parties, consisting of six residential mortgage REITs and four commercial mortgage REITs, which the AMTG Special Committee and Morgan Stanley believed had the financial ability and potential strategic interest in reviewing the opportunity, to solicit their interest in a possible alternative transaction with AMTG. In addition, one other asset manager contacted AMTG to express interest in a possible acquisition of AMTG. None of these discussions progressed to the point where any party was willing to enter into a non-disclosure agreement in order to obtain non-public information regarding AMTG. At 12:00 midnight on April 1, 2016, the go-shop period expired without the AMTG Special Committee having received any indications of interest or alternative proposals from any potential buyer.

On June 30, 2016, the parties entered into an amendment to the merger agreement that extended the termination date of the merger agreement from August 26, 2016 to September 9, 2016 to provide the parties with additional time to implement the pricing processes provided for in the merger agreement, hold the AMTG shareholder meeting and close the transactions before the termination date. Once the pricing processes were completed, the parties set a Pricing Date of July 22, 2016 and executed the calculations provided for by the merger agreement to determine the per share merger consideration. As a result of these procedures, the price per share of approximately $13.83 as of the Pricing Date was determined based on the closing price of ARI common stock of $16.68 on the Pricing Date.

AMTG s Reasons for the Transactions and Recommendation of AMTG s Board of Directors

The AMTG Board, acting upon the unanimous recommendation of the AMTG Special Committee, has unanimously, with the exception of Mark C. Biderman, who recused himself from all deliberations relating to the mergers, (i) approved and ratified the merger agreement, the mergers and the other transactions contemplated by the merger agreement, (ii) authorized AMTG to enter into and perform its obligations under the merger agreement, (iii) determined that the mergers, the other transactions contemplated by the merger agreement and the merger agreement were advisable and in the best interests of AMTG and the AMTG stockholders, (iv) directed that the First Merger and the other transactions contemplated by the merger agreement be submitted for consideration by the AMTG common stockholders at the AMTG special meeting and (v) recommended that the AMTG common stockholders vote in favor of the First Merger and the other transactions contemplated by the merger agreement. The decision of the AMTG Board to approve the mergers, the other transactions contemplated by the merger agreement and the merger agreement at this time was the result of careful consideration by the AMTG Board of many factors, including the following material factors:

- the unanimous recommendation of the AMTG Special Committee that the AMTG Board approve the merger agreement and the transactions contemplated thereby, and the AMTG Board s consideration of the independence of the members of the AMTG Special Committee as well as the independence, experience and expertise of Morgan Stanley as the financial advisor to the AMTG Special Committee and of Latham and Venable as legal counsel to the AMTG Special Committee;

- the challenges facing the mortgage REIT industry in general, including volatility in the fixed income markets, significant uncertainty regarding the outlook for interest rates and, more recently, widening spreads on RMBS;

- the challenges facing AMTG in particular, including that its shares of common stock have traded at a substantial discount to AMTG s net asset value per share, which results in unsatisfactory returns to long-term stockholders and makes any equity capital raising activity dilutive, has been and continues to be unable to raise growth capital on acceptable terms, and accordingly, has been unable to increase its size and scale through capital market transactions;

- the fact that, based on the relative trading prices of AMTG common stock and ARI common stock as of February 25, 2016, the AMTG Board believed that a combination with ARI was in the best interests of AMTG stockholders given, in part, that (i) the value received for AMTG common stock would likely represent a substantially higher percentage of book value than the trading price of AMTG s common stock on

February 25, 2016 (the last trading day prior to announcement of the transaction), when considering that the closing price of AMTG common stock of $10.14 on that day represented only 61.83 % of the book value per share of $16.40 reported on December 31, 2015 (the last reported book value prior to the announcement of the Proposed Transaction) as compared to the value in the Proposed Transaction of 89.75% of book value as of the Pricing Date, (ii) the value received by the AMTG common stockholders would likely represent a premium to the trading price of AMTG common stock on February 25, 2016 in light of historical levels of changes to book value, offset in part by the possibility there would be no or a negative premium if AMTG s book value decreased at a greater rate than historically and (iii) the stock portion of the Per Common Share Merger Consideration would provide AMTG common stockholders with an opportunity to participate in the future prospects of the Combined Company. Although some of these factors were present for a period of time prior to the decision to enter into the Proposed Transaction, the AMTG Board believed that the relative book values of ARI and AMTG as compared to their trading prices on February 25, 2016, when considered in light of the foregoing factors, provided a situation that in the view of the AMTG Board was in the best interest of the common stockholders of AMTG at that time;

in connection with the transaction, AMTG s common stockholders will receive 13.4 million shares of ARI common stock in the aggregate. Over the 12-month period ended February 25, 2016, ARI s trading volume had been approximately $9.2 million per day as compared to approximately $3.5 million per day for AMTG; consequently, AMTG s stockholders should benefit from the improved liquidity of the Combined Company. In addition, for the quarter ended December 31, 2015, ARI paid a quarterly dividend of $0.46 per share of ARI common stock, which represented a 10.9% annualized dividend yield based upon the closing price of ARI common stock on February 25, 2016 of $16.93. This dividend yield was attractive given that (i) ARI s dividend historically has been more stable than AMTG s and that ARI has never lowered its quarterly dividend and (ii) ARI s book value per share historically has been less volatile than AMTG s;

through the ownership of shares of ARI common stock, AMTG common stockholders will have the opportunity to participate in ARI s potential future growth and success, including any increases in the net common equity book value of the Combined Company following the closing of the mergers and the related transactions as well as any premium paid to ARI stockholders in connection with a future acquisition of ARI. ARI intends to redeploy the net proceeds it expects to receive from the liquidation of AMTG s assets to fund ARI s current investment pipeline and pursue attractive new commercial real estate debt opportunities expected to drive earnings growth. At December 31, 2015, ARI s investment portfolio totaled approximately $2.5 billion and ARI s market capitalization totaled approximately $1.4 billion;

the Combined Company is expected to be able to achieve greater economies of scale than either ARI or AMTG on a standalone basis by allocating ARI s operating platform expenses over a larger portfolio;

since the merger consideration in the First Merger consists of a fixed number of shares of ARI common stock (given that the aggregate number of shares of ARI common stock to be issued in the mergers is fixed at 13.4 million), AMTG common stockholders potentially will benefit from any increase in the trading price of ARI common stock between the announcement and the closing of the mergers;

the mergers are expected to be immediately accretive to ARI s book value in that on December 31, 2015, the book value per share of ARI common stock was $16.21 and the pro-forma estimate of book value per share of common stock of a combined ARI and AMTG was $16.57, a premium of 2.2%, and that the Combined Company s stockholders will benefit from increased cash flow available to pay a dividend;

the AMTG Board s understanding of the information concerning AMTG s and ARI s respective businesses, financial performance, condition, operations, management, competitive positions, prospects and stock performance, including the results of AMTG s due diligence investigation of ARI and its assets, liabilities, earnings, financial condition, business and prospects, which confirmed the AMTG Board s positive view of ARI s business and its belief that the Combined Company would have a stronger foundation for growth and improved performance as compared to AMTG on a standalone basis;

the likelihood that the merger consideration in the transaction with ARI would result in value to the holders of AMTG common stock that would be as much or more than could be realized if AMTG were liquidated because (i) the liquidation expenses, including the payment of a termination fee to AMTG Manager in connection with terminating the AMTG management agreement, which management of AMTG estimated would cost approximately $33.2 million, would be greater than the expenses of the transaction with ARI, (ii) the possibility that AMTG would receive less than the mark-to-market book value for its securities since potential buyers would be aware that AMTG was required to liquidate when AMTG, as a publicly traded company, adopted a plan of liquidation or announced its intention to liquidate, (iii) additional expenses or liabilities that would have to be paid in a liquidation, which management of AMTG estimated would cost between $15.9 million and $19.9 million, before proceeds could go to the AMTG stockholders, and (iv) of possible declines in the market value of AMTG s mortgage securities and loan portfolio at the time of liquidation as compared to the fixed value as of the Pricing Date. In addition, a liquidation would have uncertain value at the time the AMTG stockholders were asked to vote on a plan of liquidation (as would be required under Maryland law) because the value in a liquidation would be based on market values at the time of liquidation, which would be after a meeting of AMTG common stockholders, as compared to the transaction with ARI in which the consideration is fixed as a percentage of an agreed upon book value prior to the vote of AMTG s common stockholders;

the fact that any potential third party buyer would likely have its own manager and wish to terminate AMTG s management agreement, thereby triggering the termination fee payable thereunder, which such third party would consider in determining how much it would be willing to pay to acquire AMTG;

the opinion of Morgan Stanley rendered to the AMTG Special Committee, the analysis and conclusions of which the AMTG Special Committee adopted as its own after careful consideration, to the effect that as of February 25, 2016, and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth in its written opinion of the same date, the merger consideration to be received by the holders of shares of AMTG common stock, (but excluding shares of AMTG common stock (i) held in treasury, (ii) held by ARI or Merger Sub, or (iii) held by any subsidiary of ARI, Merger Sub or AMTG) pursuant to the merger agreement was fair from a financial point of view to the holders of shares of AMTG common stock. In considering the Morgan Stanley opinion, the AMTG Board, acting upon the recommendation of the AMTG Special Committee, concluded that although Morgan Stanley addressed fairness to AMTG s directors and executive officers as well as to unaffiliated stockholders, nonetheless the Morgan Stanley opinion provided an appropriate basis for the AMTG Board s findings as to fairness to the unaffiliated stockholders, because AMTG s directors and executive officers will receive the same consideration per share in the Mergers as the unaffiliated stockholders. For a discussion of Morgan Stanley s opinion and the financial analyses presented by Morgan Stanley to the AMTG Special Committee in connection with the delivery of its opinion, see *Special Factors Opinion of the Financial Advisor to the AMTG Special Committee* beginning on page 52 of this proxy statement/prospectus;

the ability to complete the mergers within a reasonable period, including the likelihood of obtaining the AMTG common stockholder approval to complete the transaction in a timely manner in light of the efforts agreed upon by ARI and AMTG (and the ARI Manager and AMTG Manager) to complete the transaction;

the determination of the AMTG Special Committee that, after considering other strategic alternatives to enhance stockholder value, none of them was likely to result in greater value to the AMTG stockholders than the mergers and the other transactions contemplated by the merger agreement;

the merger agreement contains a go-shop provision permitting AMTG to initiate, solicit, facilitate and encourage (publicly or otherwise) any inquiry or the making of any proposals or offers that constitute, or may reasonably be expected to lead to, an alternative transaction, for a period of 35 days after the date of merger agreement;

the fact that the merger agreement permits AMTG, even after the expiration of the go-shop period, to furnish non-public information to, and engage in discussions with, a third party that makes an unsolicited bona fide written proposal to engage in a business combination transaction with AMTG, provided that the AMTG Board determines in good faith that the proposal is reasonably likely to result in a transaction that, if consummated, would be more favorable, from a financial point of view, to AMTG stockholders than the mergers, and that failure to take such action would be inconsistent with the directors duties under applicable law (see *The Agreements Description of the Merger Agreement* beginning on page 158 of this proxy statement/prospectus);

the fact that the merger agreement provides that at any time prior to approval by the AMTG stockholders, AMTG may terminate the merger agreement to accept, and enter into an agreement providing for a Superior Proposal if the AMTG Board determines in good faith (after consultation

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with outside legal counsel and a nationally recognized financial advisor) that it has received a Superior Proposal and the failure to take such action would be inconsistent with the AMTG directors duties under applicable law, subject to the right of ARI, for a period of at least five business days, to adjust its proposal such that the new proposal is no longer a Superior Proposal and subject to AMTG s obligation, if it terminates the merger agreement, to pay the termination fee and expense reimbursement referenced below, it may terminate the merger agreement. In addition to the foregoing, in circumstances not involving or relating to a Superior Proposal or Acquisition Proposal, the AMTG Board may, at any time prior to the approval of the First Merger and the other transactions contemplated by the merger agreement by AMTG common stockholders, make a change in recommendation upon the occurrence of a list of specified intervening events (see *The Agreements Description of the Merger Agreement* beginning on page 158 of this proxy statement/prospectus); and

the AMTG common stockholders may choose to not vote in favor of the First Merger if they believe the consideration is insufficient, which mitigates some of the risk associated with the transaction, including, but not limited to, fluctuations in the price of shares of ARI common stock prior to such stockholder vote.

The AMTG Board also considered the interests that certain directors and officers of AMTG may have with respect to the mergers in addition to their interests as stockholders of AMTG generally (see *Special Factors Interests of AMTG s Directors and Officers in the Transaction* beginning on page 84 of this proxy statement/prospectus), which the AMTG Board considered a neutral factor in its evaluation of the Potential Transaction.

Although the foregoing discussion sets forth the material factors considered by the AMTG Board in reaching its recommendation, it may not include all of the factors considered by the AMTG Board, and each director may have considered different factors or given different weights to different factors. In view of the variety of factors and the amount of information considered, the AMTG Board did not find it practicable to, and did not, make specific assessments of, quantify or otherwise assign relative weights to the specific factors considered in reaching its recommendation. The AMTG Board realized that there can be no assurance about future results, including results expected or considered in the factors above. However, the AMTG Board concluded that the potential positive factors described above significantly outweighed the neutral and negative factors described above. The recommendation was made after consideration of all of the factors as a whole. THE AMTG BOARD, ACTING UPON THE UNANIMOUS RECOMMENDATION OF THE AMTG SPECIAL COMMITTEE, HAS UNANIMOUSLY, WITH THE EXCEPTION OF MARK C. BIDERMAN, WHO RECUSED HIMSELF FROM DELIBERATIONS RELATING TO THE MERGERS, APPROVED THE MERGER AGREEMENT THE MERGERS AND THE OTHER TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT AND DETERMINED AND DECLARED THAT IT IS ADVISABLE AND IN THE BEST INTERESTS OF AMTG AND ITS STOCKHOLDERS TO ENTER INTO THE MERGER AGREEMENT AND TO CONSUMMATE THE MERGERS AND THE OTHER TRANSACTIONS ON THE TERMS AND CONDITIONS SET FORTH THEREIN. ACCORDINGLY, THE AMTG BOARD, ACTING UPON THE UNANIMOUS RECOMMENDATION OF THE AMTG SPECIAL COMMITTEE, UNANIMOUSLY, WITH THE EXCEPTION OF MARK C. BIDERMAN, WHO RECUSED HIMSELF FROM DELIBERATIONS RELATING TO THE MERGERS, RECOMMENDS THAT THE AMTG COMMON STOCKHOLDERS VOTE FOR APPROVAL OF THE FIRST MERGER AND THE OTHER TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT.

In considering the recommendation of the AMTG Board with respect to the First Merger, you should be aware that certain of AMTG s directors and officers have arrangements that cause them to have interests in the transaction that are different from, or are in addition to, the interests of AMTG stockholders generally. See *Special Factors Interests of AMTG s Directors and Officers in the Transaction* beginning on page 84 of this proxy statement/prospectus.

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The explanation of the reasoning of the AMTG Board and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed in the section entitled *Cautionary Note Regarding Forward-Looking Statements* beginning on page 118.

ARI s Reasons for the Transactions

On February 25, 2016, Mr. Gault, Mr. Prince and Mr. Kasdin, as the members of the ARI Special Committee, unanimously determined that the merger agreement, and the transactions contemplated by the merger agreement, including the issuance of shares of ARI capital stock to AMTG stockholders in the mergers, were advisable and in the best interests of ARI and its stockholders and recommended that the ARI Board authorize, approve and adopt the merger agreement, the mergers and the other transactions contemplated thereby. The ARI Special Committee also unanimously determined that the asset purchase agreement, the stock purchase agreement and the Bridge Loan Commitment Letter were in the best interests of ARI and its stockholders and recommended that the ARI Board authorize and approve each of the asset purchase agreement, the stock purchase agreement and the Bridge Loan Commitment Letter. In evaluating the mergers and the other transactions contemplated by the merger agreement, the ARI Special Committee consulted with its legal and financial advisors and considered various factors in making its determination, including information it requested and received from ARI s management.

Based upon the determination and recommendation of the ARI Special Committee, the ARI Board, at a meeting held on February 26, 2016, unanimously, with the exception of Mark C. Biderman, who recused himself from deliberations relating to the mergers, determined that the mergers and related transactions are advisable and in the best interests of ARI and its stockholders and approved the mergers and the other transactions contemplated by the merger agreement, the asset purchase agreement, the stock purchase agreement and the Bridge Loan Commitment Letter, and the transactions contemplated thereby.

The ARI Special Committee and the ARI Board considered the following information and factors to be favorable to, and in support of, its determinations and recommendations to enter into the merger agreement, the mergers and related transactions at this time:

- the results of ARI s due diligence investigations of AMTG, including with respect to AMTG s asset pricing and book value methodologies;

- information and discussions with ARI s management regarding AMTG s business and portfolio of assets and the anticipated benefits of the mergers and related transactions, as well as the recommendation of the mergers and related transactions by ARI s management;

- the fact that the anticipated net proceeds from the sale of AMTG s assets following the closing of the mergers will provide ARI with additional capital, which can be re-deployed into ARI s target assets, with such capital having been obtained by ARI without incurring any underwriting costs or market discounts to its stock price which would have been associated with a typically underwritten common stock offering by ARI;

- the opportunity to enter into the asset purchase agreement with Athene Annuity, which reduces the risk associated with the majority of AMTG s non-Agency assets (which generally comprise the less liquid portion of AMTG s assets);

the fact that at this time the mergers and related transactions are expected to be accretive to ARI s common equity book value per share;

the fact that the transactions contemplated by the merger agreement are expected to be beneficial to AMTG s stockholders, and therefore likely to receive the requisite approval of AMTG s common stockholders, because the trading value of AMTG measured against its book value will likely allow ARI to offer merger consideration at a significant premium to the trading price of AMTG common stock;

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the financial analysis reviewed by Houlihan Lokey with the ARI Special Committee as well as the oral opinion of Houlihan Lokey rendered to the ARI Special Committee on February 25, 2016 (which was confirmed by delivery of Houlihan Lokey s written opinion, dated February 25, 2016, to the ARI Special Committee) as to the fairness, from a financial point of view and as of such date, to ARI of the Per Common Share Merger Consideration to be paid by ARI in the First Merger, which opinion was based on and subject to the procedures followed, assumptions made and limitations and qualifications on the review undertaken and other matters considered by Houlihan Lokey in connection with its opinion, as more fully described below under the caption *Opinion of the Financial Advisor to the ARI Special Committee*;

the fact that ARI has received a debt financing commitment from Athene USA in the amount of up to $200 million to provide financing for the transaction;

the fact that the stock consideration is a fixed number of shares and thus avoids fluctuations in the number of shares of ARI common stock payable as consideration in the First Merger;

the fact that the transaction allows ARI to issue common stock at a premium to ARI s common equity book value per share as of December 31, 2015, without taking market risk or paying an underwriting fee;

the conversion in the Second Merger of $172.5 million of AMTG Series A Preferred Stock into an equal amount of ARI Series C Preferred Stock, which ARI s management believes is an attractive rate that would be difficult to replicate in the current market environment;

the ARI Board s belief as to the likelihood that the mergers and related transactions will be consummated, based on, among other things, the conditions to closing contained in the merger agreement, the asset purchase agreement and other transaction documents;

the financial and other terms of the merger agreement, including:

AMTG s agreement to calculate and determine its book value as of a date within three (3) business days prior to the mailing of this proxy statement/prospectus, which enabled ARI to minimize exposure to the volatility of AMTG s book value until closer to the anticipated closing date;

AMTG s agreement to enter into certain hedging arrangements from and after the pricing date in order to limit the volatility of (and, therefore, preserve) AMTG s book value through the closing date;

AMTG s obligation to reimburse ARI for expenses incurred in connection with the mergers under certain circumstances described in the section entitled *The Agreements Description of the Merger Agreement Termination Fee and Expenses Payable by AMTG to ARI* beginning on page 178;

the termination fee payable by AMTG to ARI under certain circumstances described in the section entitled *The Agreements Description of the Merger Agreement Termination Fee and Expenses Payable by AMTG to ARI* beginning on page 178; and

Athene USA s commitment to purchase shares of ARI common stock following the closing in the event the trading price falls below $16.75 per share (which is the per share value of the shares of ARI common stock to be issued in the First Merger), which will provide ARI s common stock with additional liquidity following the closing.

The ARI Special Committee and the ARI Board weighed the foregoing favorable information and factors against a variety of potentially negative factors, including:

the risk that the transactions may not be consummated despite the parties efforts or that the closing of the transactions may be unduly delayed;

the risk that the anticipated benefits expected to be obtained as a result of the mergers and subsequent sale of AMTG assets might not be fully or timely realized;

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the fact that significant costs will be incurred in connection with the transactions;

certain terms of the transaction agreements, including:

AMTG s right to solicit alternative acquisition proposals from third parties during the go-shop period;

the provisions of the merger agreement that place restrictions on the interim operations of ARI and its subsidiaries pending the closing (see *The Agreements Description of the Merger Agreement Covenant and Agreements Conduct of Business of ARI Pending the Merger* beginning on page 165);

the provisions of the stock purchase agreement prohibiting ARI from purchasing shares of ARI common stock during the 30 trading day period following closing which is the period during which Athene USA may be required to purchase shares of ARI common stock;

the risk that the liquidation value of AMTG s assets, net of liabilities, transaction expenses and adjustments, may be less than expected, due to changes in the market, including continuing headwinds facing the residential mortgage REIT sector, fluctuations in interest rates and credit availability or otherwise;

the risk that, despite AMTG s hedging strategies, AMTG s book value decreases between the pricing date and the closing date, and the fact that there would be no corresponding adjustment to the merger consideration;

the fact that the per share value of the stock consideration is fixed at $16.75, and increases in the trading price of ARI common stock or in ARI s book value could result in ARI issuing stock in the First Merger at a discount to the then-current market price or at a price below ARI s common book value per share as of the closing;

the amount of cash that will be required to fund the cash portion of the merger consideration and the fact that ARI s obligation to complete the mergers is not conditioned on its ability to obtain financing;

the risk that ARI may not be able to replace certain financing arrangements relating to AMTG s assets on terms consistent with the terms negotiated by AMTG;

the potential downward pressure on the share price of the Combined Company that may result if AMTG stockholders seek to sell their ARI shares after the closing; and

the risks of the type and nature described under the section entitled *Risk Factors* beginning on page 109.

After consideration of these factors, the ARI Board believed that the potential benefits of the mergers and related transactions to ARI and its stockholders outweighed the potential risks, many of which are mentioned above.

This discussion of the information and factors considered by the ARI Special Committee and the ARI Board includes the material positive and negative factors considered by the ARI Special Committee and the ARI Board but it is not intended to be exhaustive and may not include all the factors considered by the ARI Special Committee or the ARI Board. Neither the ARI Special Committee nor the ARI Board quantified or assigned any relative or specific weights to the various factors that it considered in reaching its determination to approve the merger agreement, the mergers and the related transactions. Rather, the ARI Special Committee and the ARI Board viewed its position and, in the case of the ARI Special Committee, its recommendation as being based on the totality of the information presented to and factors considered by it. In addition, individual members of the ARI Board may have given differing weights to different factors. It should be noted that this explanation of the reasoning of the ARI Special Committee and the ARI Board and certain information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed in the section entitled *Cautionary Statement Regarding Forward-Looking Statement*s beginning on page 118.

Apollo Participants Reasons for the Transactions

Apollo, the ARI Manager and the AMTG Manager, which are referred to collectively in this proxy statement/prospectus as the Apollo Participants, are making the statements included in this section solely for the purpose of complying with the disclosure requirements of Rule 13e-3 and related rules under the Exchange Act. These statements are being made because one individual is a director of both ARI and AMTG, which causes ARI and AMTG to be deemed affiliates for certain purposes including for purposes of Rule 13e-3. The making of these statements is not an admission by the Apollo Participants that AMTG is controlled by Apollo or any affiliate of Apollo such that AMTG should be deemed to be an affiliate of Apollo in connection with the mergers. The individual who is a director of both ARI and AMTG recused himself from all proceedings of the respective boards of directors of ARI and AMTG in which the transactions contemplated by the merger agreement were considered.

The managers are each indirect subsidiaries of Apollo.

For the Apollo Participants, the purposes of the mergers are (1) for AMTG to address the challenges AMTG has been facing because of difficult market conditions in its sector and other factors, which have caused its shares to trade at a significant discount to AMTG s net asset value per share for an extended period of time and have made it difficult to achieve the size and scale considered necessary to be successful; (2) for AMTG s stockholders to receive consideration for their AMTG shares representing immediately a significant premium to the levels at which they recently have traded; and (3) for ARI to increase its capital base on attractive terms.

The Apollo Participants believe that the transaction structure of the mergers is preferable for AMTG and its stockholders to liquidation because it avoids the uncertainties and delays that would be involved in a liquidation, and because it allows the stockholders of AMTG to receive immediate cash consideration while also participating in the potential future profits of ARI.

The Apollo Participants reasons for recommending first to the ARI Board and then to the AMTG Board that those boards consider a business combination transaction involving the two companies, include the following:

Apollo and its affiliates (including the Managers) continually explore potential means of enhancing investor value relative to the status quo for the various pools of capital that they manage (including ARI and AMTG).

Apollo and the AMTG Manager believe that AMTG lacks the size and scale needed to be successful in its sector, and because of market conditions has been and continues to be unable to raise growth capital on acceptable terms.

Apollo and the ARI Manager regularly seek opportunities to grow ARI s capital base, on terms that limit or, ideally, avoid material dilution of ARI s stockholders.

The Apollo Participants determined that it may be possible to combine ARI and AMTG on terms that address AMTG s size and scale issues while providing liquidity to AMTG s stockholders on potential terms, while affording ARI an opportunity to grow its capital base on terms attractive to ARI and its stockholders.

The Apollo Participants recognized, when they began analyzing the possibility of a business combination between ARI and AMTG, that it would be necessary to obtain funding and that, because AMTG s assets are not within the types of assets held by ARI and therefore would need to be liquidated in connection with any such business combination, it would also be necessary in connection with any such transaction to manage the consequences of potential fluctuations in the values of AMTG s financial assets after the transaction was announced and while it was pending. Accordingly, they approached Mr. Belardi, on behalf of Athene, to determine on a preliminary basis whether Athene would have an interest in entering into certain transactions with ARI in connection with ARI s participation in any business combination that the ARI Board and the AMTG Board might determine to pursue.

When Mr. Belardi, on behalf of Athene, confirmed Athene s interest in principle to enter into such transactions with ARI, Mr. Rothstein, on behalf of the ARI Manager, presented the idea of the potential business combination to the ARI Board. The ARI Manager discussed with the ARI Board at the time that it made the presentation that the Apollo Participants may be subject to potential conflicts of interest in respect of any potential business combination with AMTG and that, if the ARI Board wished to explore and pursue such a combination, the ARI Manager would support the establishment of a special committee of ARI s independent directors and the negotiation of any transaction with AMTG by that committee. The AMTG Manager subsequently discussed with the AMTG Board at the time that it made the presentation that the Apollo Participants likely could be subject to potential conflicts of interest in respect of any potential business combination with ARI and that, if the AMTG Board wished to explore and pursue such a combination, the AMTG Manager would support the establishment of a special committee of AMTG s independent directors and the negotiation of any transaction with ARI by that committee.

The Apollo Participants believe the mergers and the related transaction with Athene described in this proxy statement/prospectus should be beneficial for AMTG s stockholders, for ARI and its stockholders, and for Athene. The immediate consequence of the consummation of the mergers will be to reduce the aggregate management fees received by the Apollo Participants under the management agreements with ARI and AMTG. The amount of fees paid to the Apollo Participants may increase in the future if ARI is successful in continuing to grow its capital base after the consummation of the mergers.

Position of AMTG as to the Fairness of the Mergers

AMTG is making the statements included in this section solely for the purpose of complying with the disclosure requirements of Rule 13e-3 and related rules under the Exchange Act.

Under SEC rules, AMTG is required to express its belief as to the fairness of the mergers to the unaffiliated holders of AMTG common stock. AMTG, through the AMTG Special Committee and the AMTG Special Committee s engagement of Morgan Stanley as its financial advisor, attempted to negotiate a transaction that would be most favorable to the stockholders of AMTG. Although the Morgan Stanley fairness opinion addresses some affiliated stockholders of AMTG, those stockholders are receiving the same merger consideration as the unaffiliated stockholders of AMTG. Because there is no distinction in how these stockholders are treated in the merger, the AMTG Board was able to rely on Morgan Stanley s opinion to make a fairness determination as to unaffiliated stockholders of AMTG. Based on the procedural safeguards implemented during the negotiation of the mergers and the other factors considered by, and the analysis, discussion and resulting conclusions of, the AMTG Special Committee and the AMTG Board described in the section entitled *Special Factors AMTG s Reasons for the Transactions and Recommendation of AMTG s Board of Directors* beginning on page 39 of this proxy statement/prospectus, which analysis, discussion and resulting conclusions AMTG expressly adopts as its own, AMTG believes that the mergers are substantively and procedurally fair to the unaffiliated holders of AMTG common stock. In preparing its fairness opinion, Morgan Stanley reviewed the terms of selected public company precedent transactions announced between January 1, 2001 and December 31, 2015, in which the targets were REITs and the transaction value was at least $500 million. Morgan Stanley presented its findings to the AMTG Board and AMTG Special Committee, and while Morgan Stanley did not present transaction data for comparable companies on an individual basis, AMTG was able to rely on the expertise of Morgan Stanley to provide a summary based on the fifteen years worth of historical data. As is customary in transactions of this type, where the value of the merger consideration is not based upon an estimate, but rather based upon a book value formula that operates in a manner similar to an exchange ratio, the AMTG Special Committee does not intend to request an updated financial opinion be delivered to the AMTG Special Committee. In particular, AMTG believes that the First Merger is both procedurally and substantively fair to the unaffiliated stockholders of AMTG common stock based on its consideration of the following factors, among others:

the fact that the merger agreement and the transactions contemplated thereby, including the mergers, were negotiated, determined to be advisable to and in the best interests of AMTG and its stockholders, and approved by the AMTG Special Committee and the AMTG Board, as applicable;

the fact that, based on the relative trading prices of AMTG common stock and ARI common stock, the AMTG Board believed that a combination with ARI was in the best interests of AMTG stockholders given, in part, that (i) the value received for AMTG common stock would likely represent a substantially higher percentage of book value than the trading price of AMTG s common stock on February 25, 2016 (the last trading day prior to announcement of the transaction), when considering that the closing price of AMTG common stock of $10.14 on that day represented only 61.83% of the book value per share of $16.40 reported on December 31, 2015 (the last reported book value prior to the announcement of the Proposed Transaction) as compared to the value in the Proposed Transaction of 89.75% of book value as of the Pricing Date, (ii) the value received by the AMTG common stockholders would likely represent a premium to the trading price of AMTG common stock on February 25, 2016 and (iii) the stock portion of the Per Common Share Merger Consideration would provide AMTG common stockholders with an opportunity to participate in the future prospects of the Combined Company;

the fact that AMTG believes that such Per Common Share Merger Consideration constitutes fair value to the holders of AMTG common stock when considering the following factors: (i) the steady declines of historical market prices of AMTG common stock and the closing price of common shares of AMTG of $10.14 as of February 25, 2016 , (ii) the fact that the ratio of the price per share of AMTG common stock to AMTG s book value during the 52-week period ending February 24, 2016 ranged from a low of approximately 0.59x to a high of approximately 0.86x, (iii) the liquidation value analysis of AMTG which resulted in an implied per share equity value range of AMTG of $14.11 to $14.78, or when incorporating volatility considerations during the liquidation decision and execution process, $13.51 to $15.38 (as compared to the estimated per AMTG common share value of the merger consideration of $14.64), and (iv) the opinion of Morgan Stanley as described below;

the fact that the Per Common Share Merger Consideration and the other terms and conditions of the merger agreement were negotiated on an arm s-length basis under Maryland law between the ARI Special Committee and the AMTG Special Committee;

the fact that the merger agreement permits AMTG, subject to specific limitations and requirements set forth therein, to actively solicit alternative acquisition proposals from third parties, and to furnish confidential information to, and engage in discussions or negotiations with, the person or parties making any such acquisition proposal through April 1, 2016, and thereafter AMTG may consider and respond to an unsolicited third-party acquisition proposal, and continue to furnish confidential information to, and engage in discussions or negotiations with, the person or parties making such acquisition proposal prior to the time AMTG s common stockholders approve the proposal to approve the First Merger and the other transactions contemplated by the merger agreement;

the fact that the merger agreement permits the AMTG Board, subject to specific limitations and requirements set forth therein, to withdraw or change its recommendation that AMTG s common stockholders vote in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement and to terminate the merger agreement and accept a superior proposal, in each case prior to the time AMTG s common stockholders approve the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, subject to AMTG paying ARI a termination fee of $7.5 million or, in certain circumstances, $12.0 million; and the fact that the First Merger is conditioned upon, among other matters, the AMTG stockholders approval of the First Merger and the other transactions contemplated by the merger agreement by the affirmative vote of the holders of at least a majority of the outstanding shares of AMTG common stock entitled to vote on the First Merger, including the affirmative vote of the holders of at least a majority of the then outstanding shares of AMTG common stock that are beneficially owned by persons who are not affiliates of Apollo.

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AMTG also identified and considered the following potentially negative factors in its deliberations:

because the Per Share Stock Consideration consists of a fixed number of shares of ARI common stock, AMTG common stockholders will be adversely affected by any decrease in the trading price of shares of ARI common stock between the Pricing Date and the completion of the mergers, which would not have been the case had ARI been obligated to issue a number of shares of ARI common stock equal to an agreed-upon aggregate market value; and the fact that AMTG is not permitted to terminate the merger agreement solely because of changes in the market price of shares of ARI common stock;

the possible disruption to AMTG s business that may result from the announcement of the mergers and the related transactions and the potential risk of diverting management focus and resources from operational matters and other strategic opportunities while working to implement the mergers and the related transactions, and the impact that may have on the ongoing business of AMTG in the event the mergers and the related transactions are not consummated;

the risk that the potential cost savings and other benefits of the plan to liquidate some assets of AMTG and re-deploy the proceeds of the liquidation to acquire assets in the target industry of ARI might not be fully realized or not realized at all, which could impair the future value of the ARI common stock to be received by the AMTG common stockholders in the First Merger;

the terms of the merger agreement regarding the restrictions on the operation of AMTG s business during the period between the signing of the merger agreement and the completion of the mergers;

the fact that the (i) $7.5 million termination fee, if the transaction is terminated in connection with an alternative proposal received during the go-shop period or from an Excluded Party (as defined in the merger agreement) or (ii) $12 million termination fee if the transaction is terminated in certain other circumstances, and AMTG s obligation to reimburse ARI for up to $6 million of expenses incurred in connection with the transaction if the merger agreement is terminated under certain circumstances specified in the merger agreement, may discourage third parties that may otherwise have an interest in a business combination with, or an acquisition of, AMTG from pursuing such a transaction with AMTG (see *The Agreements Description of the Merger Agreement* beginning on page 158 of this proxy statement/prospectus);

the terms of the merger agreement limiting the ability of AMTG, following expiration of the 35-day go-shop period, to solicit, initiate, knowingly encourage or facilitate any inquiry, discussion, offer or request that would reasonably be expected to result in alternative business combination transactions and to furnish non-public information to, or engage in discussions or negotiations with, a third party interested in pursuing an alternative business combination transaction (see *The Agreements Description of the Merger Agreement* beginning on page 158 of this proxy statement/prospectus);

the possibility that the mergers may not be completed or may be unduly delayed because AMTG common stockholders may not approve the First Merger and the other transactions contemplated by the merger agreement or other factors outside AMTG s control;

the risk that the mergers might not be completed and the effect of the resulting public announcement of termination of the merger agreement on:

the market price of shares of AMTG common stock,

AMTG s operating results, particularly in light of the costs incurred in connection with the transaction, and

AMTG s ability to attract and retain tenants and personnel;

the substantial costs to be incurred in connection with the transaction;

the absence of appraisal rights for AMTG common stockholders under Maryland law; and

the risks described in the section entitled *Risk Factors* beginning on page 109 of this proxy statement/prospectus.

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The foregoing discussion of the factors considered by AMTG is not intended to be exhaustive but is believed to include all material factors considered by AMTG in making a determination regarding the fairness of the mergers for the purpose of complying with the requirements of Rule 13e-3 and the related rules under the Exchange Act. A majority of the directors of AMTG who are not employees of AMTG have not retained an unaffiliated representative to act solely on behalf of unaffiliated security holders for purposes of negotiating the terms of the Rule 13e-3 transaction and/or preparing a report concerning the fairness of the transaction. AMTG did not find it practicable to, and did not, quantify or otherwise attach relative weights to the foregoing factors in reaching their position as to the fairness of the mergers. Rather, AMTG made its fairness determination after considering all of the factors as a whole.

Position of the ARI Participants as to the Fairness of the Mergers

ARI and Merger Sub which are referred to collectively in this proxy statement/prospectus as the ARI Participants, are making the statements included in this section solely for the purpose of complying with the disclosure requirements of Rule 13e-3 and related rules under the Exchange Act. These statements are being made because one individual is a director of both ARI and AMTG, which causes ARI and AMTG to be deemed affiliates for certain purposes including for purposes of Rule 13e-3. However, the making of such statements is not an admission by the ARI Participants that AMTG is controlled by ARI or any affiliate of ARI such that AMTG should be deemed to be an affiliate in connection with the mergers. The individual who is a director of both ARI and AMTG recused himself from all proceedings of the respective boards of directors of ARI and AMTG in which the transactions contemplated by the merger agreement were considered.

Under SEC rules, the ARI Participants are required to express their belief as to the fairness of the mergers to the unaffiliated holders of AMTG common stock. ARI and Merger Sub, through the ARI Special Committee, attempted to negotiate a transaction that would be most favorable to ARI and Merger Sub and did not negotiate a transaction with a goal of obtaining terms that were fair to the holders of AMTG common stock and did not undertake any independent evaluation of the fairness of the mergers to the unaffiliated holders of AMTG common stock or engage a financial advisor for such purpose. However, based on the procedural safeguards implemented during the negotiation of the mergers and the other factors considered by, and the analysis, discussion and resulting conclusions of, the ARI Special Committee and the ARI Board described in the section entitled *Special Factors ARI s Reasons for the Transactions* beginning on page 42 of this proxy statement/prospectus, which analysis, discussion and resulting conclusions the ARI Participants expressly adopt as their own, the ARI Participants believe that the mergers are substantively and procedurally fair to the unaffiliated holders of AMTG common stock. In particular, ARI and Merger Sub believe that the First Merger is both procedurally and substantively fair to the unaffiliated stockholders of AMTG common stock based on their consideration of the following factors, among others:

- the fact that the merger agreement and the transactions contemplated thereby, including the mergers, were negotiated, determined to be advisable and in the best interests of AMTG and its stockholders, and approved by the AMTG Special Committee and the AMTG Board, as applicable;

- the transactions between ARI and Athene USA were in the best interests of ARI stockholders because Athene USA s agreement to purchase certain assets in AMTG s portfolio alleviated the cost and risk of ARI having to sell those assets or obtain alternative financing;

the fact that the value of the Per Common Share Merger Consideration as of the Pricing Date, which is approximately $13.83 (based on the closing price as of July 22, 2016 on the NYSE for a share of ARI common stock), represents approximately a 36.3% premium over the market closing price of AMTG common stock of $10.14 on February 25, 2016, the last unaffected trading day prior to the announcement of the merger agreement;

the fact that the Per Common Share Merger Consideration and the other terms and conditions of the merger agreement were negotiated on an arm s-length basis under Maryland law between the ARI Special Committee and Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee;

the fact that the merger agreement permits AMTG, subject to specific limitations and requirements set forth therein, to actively solicit alternative acquisition proposals from third parties, and to furnish confidential information to, and engage in discussions or negotiations with, the person or parties making such acquisition proposal through April 1, 2016, and thereafter AMTG may consider and respond to an unsolicited third-party acquisition proposal, and continue to furnish confidential information to, and engage in discussions or negotiations with, the person or parties making such acquisition proposal prior to the time AMTG s common stockholders approve the proposal to approve the First Merger and the other transactions contemplated by the merger agreement;

the fact that the merger agreement permits the AMTG Board, subject to specific limitations and requirements set forth therein, to withdraw or change its recommendation that AMTG s common stockholders vote in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement and to terminate the merger agreement and accept a superior proposal, in each case prior to the time AMTG s common stockholders approve the proposal to approve the First Merger and the other transactions contemplated by the merger agreement, subject to AMTG paying ARI a termination fee of $7.5 million or, in certain circumstances, $12.0 million; and

the fact that the First Merger is conditioned upon, among other matters, the AMTG stockholders approval of the First Merger and the other transactions contemplated by the merger agreement by the affirmative vote of the holders of at least a majority of the outstanding shares of AMTG common stock entitled to vote on the First Merger, including the affirmative vote of the holders of at least a majority of the then outstanding shares of AMTG common stock that are beneficially owned by persons who are not affiliates of Apollo.

The foregoing discussion of the factors considered by the ARI Participants is not intended to be exhaustive but is believed to include all material factors considered by the ARI Participants in making a determination regarding the fairness of the mergers for the purpose of complying with the requirements of Rule 13e-3 and the related rules under the Exchange Act. The ARI Participants did not find it practicable to, and did not, quantify or otherwise attach relative weights to the foregoing factors in reaching their position as to the fairness of the mergers. Rather, the ARI Participants made their fairness determination after considering all of the factors as a whole.

Position of the Apollo Participants as to the Fairness of the Mergers

Rule 13e-3 and the related rules under the Exchange Act require the Apollo Participants to express their belief as to the fairness of the mergers to the unaffiliated common stockholders of AMTG. The Apollo Participants are making the statements included in this section solely for the purpose of complying with the requirements of Rule 13e-3 and the related rules under the Exchange Act. These statements are being made because one individual is a director of both ARI and AMTG, which causes ARI and AMTG to be deemed affiliates for certain purposes including for purposes of Rule 13e-3. The making of these statements is not an admission by the Apollo Participants that AMTG is controlled by Apollo or any affiliate of Apollo such that AMTG should be deemed to be an affiliate of Apollo in connection with the mergers. The individual who is a director of both ARI and AMTG recused himself from all proceedings of the respective boards of directors of ARI and AMTG in which the transactions contemplated by the merger agreement were considered.

The Apollo Participants did not set or recommend the financial terms of the mergers or of the transactions with Athene that are described in this proxy statement/prospectus, nor did they participate in the negotiations of the terms of mergers or of the transactions with Athene. The terms of the mergers and of the transactions with Athene were negotiated between the ARI Special Committee, Mr. Kleisner and Mr. Christopoul, as the members of the AMTG

Special Committee, Mr. Rothstein, on behalf of ARI at the direction of the ARI Special Committee, Mr. Zelter and Mr. Weiner, and Mr. Belardi and Ms. De Liban, both on behalf of Athene, acting under the oversight, and subject to the ultimate approval, of the Athene Special Committee. Consistent with their obligations under the respective management agreements with ARI and AMTG, the managers provided support and information as and to the extent requested by the special committees in connection with their negotiations of the terms of the mergers. The Apollo Participants did not undertake any independent evaluation of the fairness of the mergers to the unaffiliated common stockholders of AMTG or engage a financial advisor for such purpose. However, based on the procedural safeguards implemented during the negotiation of the merger and the other factors considered by, and the analysis, discussion and resulting conclusions of, the AMTG Board and the AMTG Special Committee described in the section entitled *Special Factors AMTG s Reasons for the Transactions and Recommendation of AMTG s Board of Directors* beginning on page 39 of this proxy statement/prospectus, which analysis, discussion and resulting conclusions the Apollo Participants expressly adopt as their own, the Apollo Participants believe that the mergers are substantively and procedurally fair to AMTG s unaffiliated common stockholders.

The foregoing discussion of the factors considered by the Apollo Participants is not intended to be exhaustive but is believed to include all material factors considered by the Apollo Participants in making a determination regarding the fairness of the mergers for the purpose of complying with the requirements of Rule 13e-3 and the related rules under the Exchange Act. The Apollo Participants did not find it practicable to, and did not, quantify or otherwise attach relative weights to the foregoing factors in reaching their position as to the fairness of the mergers. Rather, the Apollo Participants made their fairness determination after considering all of the factors as a whole.

For a further description of the effects of the mergers and the transactions contemplated by the merger agreement on AMTG, its affiliates and unaffiliated security holders, including the U.S. federal tax consequences of the transaction, see *Special Factors Interests of AMTG s Directors and Officers in the Transaction*, *The Mergers and Related Transactions Listing of Newly Issued ARI Common Stock*, *The Mergers and Related Transactions Listing of Newly Issued ARI Series C Preferred Stock*, *The Mergers and Related Transactions Delisting and Deregistration of AMTG Capital Stock*, *The Agreements Description of the Merger Agreement*, *Material U.S. Federal Income Tax Consequences of the Mergers*, *Management and Board of the Combined Company*.

Opinion of the Financial Advisor to the AMTG Special Committee

The AMTG Special Committee retained Morgan Stanley to provide it with financial advisory services and to render a financial opinion in connection with the mergers, and, if requested by the AMTG Special Committee, a financial opinion with respect thereto. The AMTG Special Committee selected Morgan Stanley to act as its financial advisor based on Morgan Stanley s qualifications, expertise and reputation, and its knowledge of AMTG s business and affairs. On February 25, 2016, Morgan Stanley rendered its oral opinion, which was subsequently confirmed in writing, to the AMTG Special Committee to the effect that, as of such date and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth therein, the merger consideration to be received by the holders of shares of AMTG common stock, (but excluding shares of AMTG common stock (i) held by ARI or Merger Sub, or (ii) held by any subsidiary of ARI, Merger Sub or AMTG) pursuant to the merger agreement was fair from a financial point of view to the holders of shares of AMTG common stock.

The full text of the written opinion of Morgan Stanley, dated February 25, 2016, is attached to this proxy statement/prospectus as *Annex G*, and is incorporated by reference into this proxy statement/prospectus in its entirety. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. The summary of the opinion of Morgan Stanley in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. You are encouraged to, and should, read Morgan Stanley s opinion and this section summarizing Morgan Stanley s opinion carefully and in their entirety. Morgan Stanley s opinion was directed to the AMTG Special Committee, in its capacity as such, and addresses only the fairness from a financial point of view of the merger consideration to be received by the holders of

AMTG common stock (excluding shares of AMTG common stock (i) held by ARI or Merger Sub, or (ii) held by any subsidiary of ARI, Merger Sub or AMTG)

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pursuant to the merger agreement, as of the date of the opinion, and does not address any other aspects or implications of the mergers. It was not intended to, and does not, constitute advice or a recommendation to any stockholder of AMTG as to how to vote at any stockholders meeting to be held in connection with the mergers or whether to take any other action with respect to the mergers.

In connection with rendering its opinion, Morgan Stanley, among other things:

- reviewed certain publicly available financial statements and other business and financial information of AMTG and ARI, respectively;
- reviewed certain internal financial statements and other financial and operating data, including information regarding the net equity book value, concerning AMTG and ARI, respectively;
- reviewed certain financial projections prepared by the managements of AMTG and ARI, respectively;
- discussed the past and current operations and financial condition and the prospects of AMTG, including a range of estimates for outcomes and risks associated with a liquidation of AMTG, with senior executives of AMTG;
- discussed the past and current operations and financial condition and the prospects of ARI with senior executives of ARI, including ARI s plans to liquidate some of AMTG s assets and reduce AMTG s liabilities;
- reviewed the reported prices and trading activity for the AMTG common stock and ARI common stock;
- compared the financial performance of AMTG and ARI and the prices and trading activity of the AMTG common stock and ARI common stock with that of certain other publicly-traded companies comparable with AMTG and ARI, respectively, and their securities;
- reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;
- participated in discussions and negotiations among representatives of AMTG and ARI and their financial and legal advisors;
- reviewed the merger agreement and certain related documents; and

performed such other analyses, reviewed such other information and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to it by AMTG and ARI, and formed a substantial basis for its opinion. With respect to AMTG s financial projections, Morgan Stanley assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of AMTG and ARI of the future financial performance of AMTG and ARI. In addition, Morgan Stanley assumed that the mergers will be consummated in accordance with the terms set forth in the merger agreement without any waiver, amendment or delay of any terms or conditions. Morgan Stanley also assumed that the definitive merger agreement would not differ in any material respects from the draft thereof furnished to Morgan Stanley. Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory and other approvals and consents required for the mergers, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the mergers. Morgan Stanley is not a legal, tax or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of AMTG and ARI and their legal, tax or regulatory advisors, if any, with respect to legal, tax or regulatory matters. Morgan Stanley expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of AMTG s officers, directors or employees, or any class of such persons, relative to the merger consideration to be received by the holders of shares of the AMTG common stock in the First Merger.

Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of AMTG or ARI, nor was it furnished with any such valuations or appraisals. Morgan Stanley is not an expert in the evaluation of allowance for loan losses, and it did not (a) make an independent evaluation of the adequacy of the allowance for loan losses at AMTG or ARI or (b) examine any individual loan credit files of AMTG or ARI (nor was Morgan Stanley requested to conduct such a review) and, as a result, it assumed that the aggregate allowance for loan losses of AMTG and ARI was adequate. Morgan Stanley s opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of, February 25, 2016. Events occurring after such date may affect Morgan Stanley s opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion.

Summary of Financial Analyses

The following is a brief summary of the material financial analyses performed by Morgan Stanley in connection with the preparation of its opinion to the AMTG Special Committee. The following summary is not a complete description of Morgan Stanley s opinion or the financial analyses performed and factors considered by Morgan Stanley in connection with its opinion, nor does the order of analyses described represent the relative importance or weight given to those analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before February 24, 2016 (the last trading day immediately preceding the February 25, 2016, presentation by Morgan Stanley to the AMTG Special Committee), and is not necessarily indicative of current market conditions. **Some of the summaries of financial analyses below include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. The analyses listed in the tables and described below must be considered as a whole; considering any portion of such analyses and of the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Morgan Stanley s opinion.**

Company Analysis

Historical Trading Range Analysis

Morgan Stanley reviewed the historical trading range of shares of AMTG common stock for the 52-week period ending February 24, 2016 in order to calculate the ratio of the price per share of AMTG common stock to AMTG s Book Value (P/BV) over this period. Over this period, AMTG s P/BV ranged from a low of approximately 0.59x to a high of approximately 0.86x. Using this range, and based upon AMTG s preliminary book value per share of $16.40 as of December 31, 2015, Morgan Stanley calculated an implied per share equity value of AMTG of $9.66 to $14.12 (as compared to the estimated per share of AMTG common stock value of the merger consideration of $14.64 (using AMTG s preliminary book value per share as of December 31, 2015)).

Comparable Company Analysis

Morgan Stanley performed a comparable company analysis of AMTG, which attempts to provide an implied value of a company by comparing it to similar companies that are publicly traded.

Morgan Stanley reviewed and compared, using publicly available information, certain current and historical financial information for AMTG with corresponding current and historical financial information, ratios and public market multiples for publicly traded mortgage REITs that (i) share similar business characteristics and have certain comparable operating characteristics with AMTG and (ii) had current market capitalizations of $250

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million to $1 billion (which was comparable to AMTG s market capitalization of approximately $320 million as of February 24, 2016). All companies that Morgan Stanley found that satisfied the foregoing criteria were included in the comparable company analysis. These companies were the following, which we refer to in this section as the AMTG Hybrid REIT Peers:

Dynex Capital, Inc.

Ellington Financial LLC

AG Mortgage Investment Trust, Inc.

American Capital Mortgage Investment Corp.

New York Mortgage Trust, Inc.

Western Asset Mortgage Capital Corporation

For each AMTG Hybrid REIT Peer, Morgan Stanley calculated such company s P/BV using market data as of February 24, 2016. The following table presents the results of this analysis:

AMTG Hybrid REIT Peer	P/BV Ratio
Dynex Capital, Inc.	0.79
Ellington Financial LLC	0.78
AG Mortgage Investment Trust, Inc.	0.63
American Capital Mortgage Investment Corp.	0.69
New York Mortgage Trust, Inc.	0.62
Western Asset Mortgage Capital Corporation	0.79

Based on the results of this analysis and its professional judgment, Morgan Stanley applied a P/BV range of 0.65x to 0.79x to AMTG s preliminary book value per share of $16.40 as of December 31, 2015, which resulted in an implied per share equity value range of AMTG of $10.62 to $12.94 (as compared to the estimated per AMTG common share value of the merger consideration of $14.64 (using AMTG s preliminary book value per share as of December 31, 2015)).

For each AMTG Hybrid REIT Peer, Morgan Stanley also calculated such company s dividend yield. The following table presents the results of this analysis:

AMTG Hybrid REIT Peer	Dividend Yield (%)
Dynex Capital, Inc.	15.7

Ellington Financial LLC	11.6
AG Mortgage Investment Trust, Inc.	16.6
American Capital Mortgage Investment Corp.	11.8
New York Mortgage Trust, Inc.	23.6
Western Asset Mortgage Capital Corporation	22.1

Based on the results of this analysis, Morgan Stanley applied a dividend yield range of 20.7% to 12.8% to AMTG s current annualized dividend of $1.92, which resulted in an implied per share equity value range of AMTG of $9.29 to $15.05 (as compared to the estimated per AMTG common share value of the merger consideration of $14.64 (using AMTG s preliminary book value per share as of December 31, 2015)).

No company included in the comparable company analysis is identical to AMTG. In evaluating comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of AMTG. These include, among other things, the impact of competition on the business of AMTG and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of AMTG and the industry, and in the financial markets in general. Mathematical analysis (such as determining the median) is not, in itself, a meaningful method of using comparable company data.

Premiums Paid Analysis

Using publicly available information, Morgan Stanley reviewed the terms of selected public company precedent transactions announced between January 1, 2001 to December 31, 2015, in which the targets were REITs and the transaction value was at least $500 million. All transactions that Morgan Stanley found that satisfied the foregoing criteria were included in the premiums paid analysis. In light of the very limited number of precedent transactions involving the acquisition of a residential mortgage REIT, Morgan Stanley considered precedent transactions involving acquisitions of equity mortgage REITs and commercial mortgage REITs in order to arrive at a sampling of precedent transactions most analogous to the Transaction. In addition, Morgan Stanley considered such precedent transactions which were announced between January 1, 2001 to December 31, 2015 in order to reduce the impact that any short term volatility in the applicable markets may have had on premiums that were paid in particular precedent transactions. Morgan Stanley reviewed the premium paid in each transaction to the target company s stock price, based on the average price for the 10 trading days ending five days prior to the applicable transaction s announcement. Morgan Stanley noted that the average premium paid in these transactions was 22.8% and the average premium paid in these transactions (excluding those that occurred in 2008) was 17.5%. Based on the results of this analysis, Morgan Stanley applied a premium range of 15% to 35% to AMTG s closing share price of $10.05 on February 24, 2016, which resulted in an implied per share equity value range of AMTG of $11.56 to $13.57 (as compared to the estimated per AMTG common share value of the merger consideration of $14.64 (using AMTG s preliminary book value per share as of December 31, 2015)).

Liquidation Analysis

Morgan Stanley performed a liquidation analysis of AMTG, which attempts to calculate the value that holders of shares of AMTG common stock would be expected to receive in the event of a liquidation of AMTG. In performing its analysis, which was based, in part, on information and estimates provided by AMTG s management, Morgan Stanley assumed that:

- the net asset value of AMTG as of December 31, 2015 was $522 million;

- the aggregate discount on the proceeds received by AMTG in a liquidation scenario (as compared to AMTG s net asset value as of December 31, 2015) would be between approximately $2.5 million and $19.7 million; and

- the aggregate fees and expenses incurred by AMTG in a liquidation scenario, including, without limitation, fees and expenses related to terminating AMTG s management agreement and obtaining all requisite approvals by AMTG s common stockholders, would be between $49.2 million and $53.2 million.

Based on the above assumptions, Morgan Stanley calculated an implied per share equity value range of AMTG of $14.11 to $14.78 (as compared to the estimated per AMTG common share value of the merger consideration of $14.64 (using AMTG s preliminary book value per share as of December 31, 2015)).

Morgan Stanley also performed a liquidation analysis of AMTG utilizing the same methodology, information and assumptions as described above, but incorporating volatility considerations during the liquidation decision and execution process. Morgan Stanley reviewed the quarterly book value volatility from 2009-2015 for a set of agency and hybrid mortgage REIT companies that share similar business characteristics and have certain comparable operating characteristics with AMTG. Given the liquidation analysis is concerned solely with operating metrics and does not include considerations of trading metrics, the set of companies selected for this purpose was not limited by market capitalization and included AMTG, the AMTG Hybrid REIT Peers and the following:

- Two Harbors Investment Corp.

MFA Financial, Inc. Real Estate Trust

Chimera Investment Corporation

Invesco Mortgage Capital Inc. Real Estate Trust

PennyMac Mortgage Investment Trust

Redwood Trust, Inc.

Arlington Asset Investment Corp.

ZAIS Financial Corp.

Ellington Residential Mortgage REIT

Five Oaks Investment Corp.

JAVELIN Mortgage Investment Corp.

Annaly Capital Management, Inc.

American Capital Agency Corp.

Hatteras Financial Corp.

CYS Investments Inc.

Capstead Mortgage Corporation

ARMOUR Residential REIT, Inc.

Anworth Mortgage Asset Corp.

While Morgan Stanley viewed Orchid Island Capital Inc. as having similar business characteristics and comparable operating characteristics as AMTG, it was excluded from the liquidation analysis on the basis of its limited operational history as a publicly traded mortgage REIT and the impact of its significant capital raising on the measured book value volatility in the measurement period.

Based on one standard deviation of quarterly book value change for these companies as observed from January 1, 2009 to December 31, 2015, and resulting in a book value range of 0.82x to 0.94x, Morgan Stanley calculated an implied per share equity value range of AMTG of $13.51 to $15.38 (as compared to the estimated per AMTG common share value of the merger consideration of $14.64 (using AMTG s preliminary book value per share as of December 31, 2015)).

Buyer Analysis

Historical Trading Range Analysis

Morgan Stanley reviewed the historical trading range of shares of ARI common stock for the 52-week period ending February 24, 2016 and noted that, during such period, the maximum trading price for shares of ARI common stock was $18.25 per share and the minimum trading price for shares of ARI common stock was $12.92 per share. Morgan Stanley also noted that the closing price for shares of ARI common stock on February 25, 2016 was $16.93 per share.

Equity Research Price Target Analysis

Morgan Stanley reviewed the price targets for shares of ARI common stock prepared and published by equity research analysts. These targets reflect each analyst s estimate of the future public market-trading price of shares of ARI common stock and were not discounted to reflect present value. The range of analyst price targets for shares of ARI common stock was $15.00 to $18.00, with a consensus price target of $16.92.

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The public market trading price targets published by securities research analysts do not necessarily reflect current market trading prices for shares of ARI common stock and these estimates are subject to uncertainties, including, but not limited to, the future financial performance of ARI and future financial market conditions.

Comparable Company Analysis

Morgan Stanley performed a comparable company analysis of ARI, which attempts to provide an implied value of a company by comparing it to similar companies that are publicly traded.

Morgan Stanley reviewed and compared, using publicly available information, certain current and historical financial information for ARI with corresponding current and historical financial information, ratios and public market multiples for publicly traded commercial mortgage REITs that (i) share similar business characteristics and have certain comparable operating characteristics with ARI and (ii) had current market capitalizations of approximately $1 billion to $10 billion (which was comparable to ARI s market capitalization of approximately $2.6 billion as of February 24, 2016). All companies that Morgan Stanley found that satisfied the foregoing criteria were included in the comparable company analysis of ARI. These companies were the following, which we refer to in this section as the ARI mREIT Peers:

Ares Commercial Real Estate Corporation

Blackstone Mortgage Trust, Inc.

Colony Capital, Inc.

Starwood Property Trust, Inc.

For each ARI mREIT Peer, Morgan Stanley calculated the P/BV of each company using such company s stock price divided by the book value of its common equity, using market data as of February 24, 2016. Based on the results of this analysis, Morgan Stanley applied a P/BV range of 0.7x to 1.0x to ARI s book value per share of $16.21 as of December 31, 2015, which resulted in an implied per share equity value range of ARI of approximately $11.24 to approximately $16.54 (as compared to ARI s closing common stock price of $16.93 as of February 25, 2016).

For each ARI mREIT Peer, Morgan Stanley also calculated each company s dividend yield as a percentage of such company s stock price. Based on the results of this analysis, Morgan Stanley applied a dividend yield range of 9.7% to 10.8% to ARI s annualized dividend per share of $1.84, which resulted in an implied per share equity value range of ARI of $17.01 to $18.95 (as compared to ARI s closing common stock price of $16.93 as of February 25, 2016).

For each ARI mREIT Peer, Morgan Stanley also calculated such company s Price / 2016 earnings per share ratio by dividing such company s stock price as of February 24, 2016 by its 2016 estimated earnings per share (P/2016E EPS). Based on the results of this analysis, Morgan Stanley applied a P/2016E EPS range of 8.0x to 9.7x, which resulted in an implied per share equity value range of ARI of $15.67 to $18.98 (as compared to ARI s closing common stock price of $16.93 as of February 25, 2016).

No company included in the comparable company analysis is identical to ARI. In evaluating comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of ARI. These include, among other things, the impact of competition on the business of ARI and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of ARI and the industry, and in the financial markets in general. Mathematical analysis (such as determining the mean or median) is not, in itself, a meaningful method of using comparable company data.

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Dividend Discount Analysis

Morgan Stanley performed two dividend discount analyses to calculate a range of implied present values of the distributable cash flows that ARI is forecasted to generate. The first range was determined by adding:

- the present value of an estimated future dividend stream for ARI over the three-year period from 2016 to 2018 based on ARI s projected estimated EPS for those years and an assumed dividend payout ratio of 0.94x; and

- the present value of an estimated terminal value of ARI common stock at the end of the year 2018.

In performing its analysis, Morgan Stanley assumed a cost of equity of 10.25% to 12.25% which it used as the discount rate. The terminal value for ARI was calculated by applying a selected range of P/BV multiples of 0.9x to 1.1x (representing the current average P/BV of the ARI mREIT Peers and the long term median P/BV of the ARI mREIT Peers since January 2011 utilizing market data as of February 24, 2016) to ARI s 2018 estimated book value per share of $16.55. This resulted in an implied per share equity value range of ARI of $15.02 to $18.23 (as compared to ARI s closing common stock price of $16.93 as of February 25, 2016).

The second range was determined by adding:

- the present value of an estimated future dividend stream for ARI over the three-year period from 2016 to 2018 based on ARI s projected estimated EPS for those years and an assumed dividend payout ratio of 0.94x; and

- the present value of an estimated terminal value of ARI common stock at the end of the year 2019.

In performing its analysis, Morgan Stanley assumed a cost of equity of 10.25% to 12.25% which it used as the discount rate. The terminal value for ARI was calculated by applying a terminal perpetuity growth rate range of 1.40% to 3.40% (based on ARI s actual and projected EPS CAGR for 2015-2018) to ARI s 2018 estimated dividend per share of $1.92. This resulted in an implied per share equity value range of ARI of $15.95 to $24.93 (as compared to ARI s closing common stock price of $16.93 as of February 25, 2016).

Preliminary Presentations by Morgan Stanley

In addition to its February 25, 2016 opinion and presentation to the AMTG Special Committee and the underlying financial analyses performed in relation thereto, Morgan Stanley also delivered preliminary presentation materials to the AMTG Special Committee on January 15, 2016, January 25, 2016, February 2, 2016, February 9, 2016 and February 24, 2016. The preliminary financial considerations and other information in such preliminary presentation materials were based on information and data that was available as of the dates of the respective presentations. Morgan Stanley also continued to refine various aspects of its financial analyses. Accordingly, the results and other information presented in such preliminary presentation materials differs slightly from the February 25, 2016 financial analyses.

The preliminary presentation materials referenced above were for discussion purposes only and did not present any findings or make any recommendations or constitute an opinion of Morgan Stanley with respect to the fairness of the merger consideration or otherwise.

The preliminary presentation materials delivered by Morgan Stanley to the AMTG Special Committee contained substantially similar analyses as described above under *Company Analysis* and *Buyer Analysis.* The financial analyses performed by Morgan Stanley in relation to its opinion dated February 25, 2016 supersede all analyses and information presented in the preliminary presentation materials.

January 15, 2016 Preliminary Presentation Materials

The January 15, 2016 preliminary presentation materials contained a situation overview including a summary of the ARI Special Committee s non-binding indicative proposal as of January 11, 2016, indicating an estimated per AMTG common share value of ARI s preliminary non-binding indicative proposal of $14.09 (using AMTG s book value per share as of September 30, 2015).

The January 15, 2016 preliminary presentation materials contained a preliminary historical trading range analysis of AMTG common stock for the 52-week period ending January 13, 2016 in order to calculate the P/BV range over this period. This preliminary historical trading range analysis indicated that, over this period, AMTG s P/BV ranged from a low of approximately 0.66x to a high of approximately 0.86x and, based on an AMTG book value per share of $17.08 as of September 30, 2015, resulted in an implied per share equity value of AMTG of $11.28 to $14.71 (as compared to the estimated per AMTG common share value of ARI s non-binding indicative proposal of $14.09 (using AMTG s book value per share as of September 30, 2015)).

The January 15, 2016 preliminary presentation materials also contained a preliminary comparable company analysis of AMTG utilizing the same methodology and same comparable company peer group as described under *Company Analysis Comparable Company Analysis,* and market data as of January 13, 2016. This preliminary comparable company analysis revealed a comparable company P/BV range of 0.68x to 0.73x, which Morgan Stanley applied to AMTG s book value per share of $17.08 as of September 30, 2015, resulting in an implied per share equity value range of AMTG of $11.69 to $12.40 (but utilizing for comparative purposes an estimated per AMTG common share value of ARI s preliminary non-binding indicative proposal of $14.09 (using AMTG s book value per share as of September 30, 2015)). The preliminary comparable company analysis also revealed a dividend yield range of 18.8% to 13.3%, which Morgan Stanley applied to AMTG s then current annualized dividend of $1.92, resulting in an implied per share equity value range of AMTG of $10.22 to $14.44 (but utilizing for comparative purposes an estimated per AMTG common share value of ARI s preliminary non-binding indicative proposal of $14.09 (using AMTG s book value per share as of September 30, 2015)).

The January 15, 2016 preliminary presentation materials also contained a preliminary liquidation analysis of AMTG utilizing the same methodology and assumptions as described under *Company Analysis Liquidation Analysis,* but financial information as of September 30, 2015 and excluding adjustments for volatility considerations during the liquidation decision and execution process. This preliminary liquidation analysis revealed an implied per share equity value range of AMTG of $14.76 to $15.46 (but utilizing for comparative purposes an estimated per AMTG common share value of ARI s preliminary non-binding indicative proposal of $14.09 (using AMTG s book value per share as of September 30, 2015)).

The January 15, 2016 preliminary presentation materials further contained certain additional preliminary information, including information relating to the volatile performance of AMTG and certain comparable mortgage REIT market peer groups (as measured by various financial ratios and measures including total return, P/BV, dividend yield, interest rate levels and levels of capital raised), an overview of strategic alternatives (including maintenance of the status quo, changes to strategic focus, an increase in common stock buybacks, a change to the corporate structure of AMTG, a negotiated sale of AMTG and liquidation), an overview of AMTG s total return since IPO as compared to comparable peer group companies with market capitalizations of $250 million to $1 billion, and comparisons of AMTG s dividend yield, P/BV per share and economic return (as measured by the addition of dividends declared and change in book value per share divided by book value per share) against those of comparable mortgage REIT market peer groups.

January 25, 2016 Preliminary Presentation Materials

The January 25, 2016 preliminary presentation materials contained a revised overview of ARI s non-binding indicative proposal as of January 23, 2016, indicating an increase in the estimated per AMTG common share value of ARI s preliminary non-binding indicative proposal to $14.56 (using AMTG s book value per share as of September 30, 2015).

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The January 25, 2016 preliminary presentation materials contained a revised historical trading range analysis of AMTG common stock for the 52-week period ending January 22, 2016 in order to calculate the P/BV range over this period. This revised historical trading range analysis indicated that, over this period, AMTG s P/BV ranged from a low of approximately 0.60x to a high of approximately 0.86x and, based on an AMTG book value per share of $17.08 as of September 30, 2015, resulted in an implied per share equity value of AMTG of $10.23 to $14.71.

The January 25, 2016 preliminary presentation materials also contained a revised comparable company analysis of AMTG utilizing the same methodology and same comparable company peer group as described under *Company Analysis Comparable Company Analysis,* and market data as of January 22, 2016. This revised comparable company analysis revealed a comparable company P/BV range of 0.65x to 0.71x, which Morgan Stanley applied to AMTG s book value per share of $17.08 as of September 30, 2015, resulting in an implied per share equity value range of AMTG of $11.07 to $12.08. The revised comparable company analysis also revealed a dividend yield range of 19.9% to 13.6%, which Morgan Stanley applied to AMTG s then current annualized dividend of $1.92, resulting in an implied per share equity value range of AMTG of $9.66 to $14.12.

The January 25, 2016 preliminary presentation materials also contained the preliminary liquidation analysis of AMTG utilizing the same methodology and assumptions as described under *Preliminary Presentations by Morgan Stanley January 15, 2016 Preliminary Presentation Materials,* revealing the same implied per share equity value range of AMTG of $14.76 to $15.46.

The January 25, 2016 preliminary presentation materials further contained certain additional information relating to AMTG s share price performance, total return performance and P/BV trading performance since November 2015. The January 25, 2016 preliminary presentation materials also contained an overview of ARI s P/BV for the 90-day period beginning September 15, 2015.

February 2, 2016 Preliminary Presentation Materials

The February 2, 2016 preliminary presentation materials contained a revised historical trading range analysis of AMTG common stock for the 52-week period ending January 29, 2016 in order to calculate the P/BV range over this period. This revised historical trading range analysis indicated that, over this period, AMTG s P/BV ranged from a low of approximately 0.59x to a high of approximately 0.86x and, based on an AMTG book value per share of $17.08 as of September 30, 2015, resulted in an implied per share equity value of AMTG of $10.07 to $14.71.

The February 2, 2016 preliminary presentation materials also contained a revised comparable company analysis of AMTG utilizing the same methodology and same comparable company peer group as described under *Company Analysis Comparable Company Analysis,* and market data as of January 29, 2016. This revised comparable company analysis revealed a comparable company P/BV range of 0.67x to 0.73x, which Morgan Stanley applied to AMTG s book value per share of $17.08 as of September 30, 2015, resulting in an implied per share equity value range of AMTG of $11.41 to $12.46. The revised comparable company analysis also revealed a dividend yield range of 19.0% to 13.3%, which Morgan Stanley applied to AMTG s then current annualized dividend of $1.92, resulting in an implied per share equity value range of AMTG of $10.12 to $14.49.

The February 2, 2016 preliminary presentation materials also contained the preliminary liquidation analysis of AMTG utilizing the same methodology and assumptions as described under Preliminary Presentations by Morgan Stanley January 15, 2016 Preliminary Presentation Materials, revealing the same implied per share equity value range of AMTG of $14.76 to $15.46.

The February 2, 2016 preliminary presentation materials also contained preliminary market perspectives on ARI, including P/BV multiples, price-to-tangible book value multiples, price to earnings-per share multiples and dividend yields of ARI and certain market peer groups, a comparison of the historical trading performance of ARI common stock against that of certain market peer groups since September 2009, based on market data as of January 25, 2016, and certain publicly available equity research analysts stock price and other targets for ARI.

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February 9, 2016 Preliminary Presentation Materials

The February 9, 2016 preliminary presentation materials contained an overview of non-binding summary of terms as of February 7, 2016 indicating an estimated per AMTG common share value of the ARI Special Committee s preliminary non-binding indicative proposal of $14.99 (using AMTG s book value per share as of September 30, 2015) together with an anticipated transaction timeline. The February 9, 2016 preliminary presentation materials also contained an overview of AMTG and ARI trading values as represented by P/BV and share price ranges since December 1, 2015 and comparison of the P/BV ratios of AMTG and ARI against certain of their comparable company peers as of February 8, 2016.

February 24, 2016 Preliminary Presentation Materials

The February 24, 2016 preliminary presentation materials contained a revised historical trading range analysis of AMTG common stock utilizing the same methodology and indicating the same approximate implied per share equity value reference range for AMTG as described above under *Company Analysis Historical Trading Range Analysis,* but utilizing for comparative purposes an estimated per AMTG common share value of the merger consideration of $14.39 (using AMTG s preliminary book value per share of $16.40 as of December 31, 2015).

The February 24, 2016 preliminary presentation materials also contained a revised comparable company analysis of AMTG utilizing the same methodology and same comparable company peer group as described under *Company Analysis Comparable Company Analysis,* and market data as of February 19, 2016. This revised comparable company analysis revealed a comparable company P/BV range of 0.69x to 0.78x, which Morgan Stanley applied to AMTG s preliminary book value per share of $16.40 as of December 31, 2015, resulting in an implied per share equity value range of AMTG of $11.28 to $12.78. The revised comparable company analysis also revealed a dividend yield range of 18.9% to 12.9%, which Morgan Stanley applied to AMTG s then current annualized dividend of $1.92, resulting in an implied per share equity value range of AMTG of $10.15 to $14.87.

The February 24, 2016 preliminary presentation materials also contained a preliminary premiums paid analysis utilizing the same methodology and same selected public company precedent transactions as described under *Company Analysis Premiums Paid Analysis* to arrive at the same premium range of 15% to 35%, which was then applied to AMTG s closing share price of $9.93 on February 19, 2016 resulting in an implied per share equity value range of AMTG of $11.42 to $13.41 and utilizing for comparative purposes an estimated per AMTG common share value of the merger consideration of $14.39 (using AMTG s preliminary book value per share as of December 31, 2015).

The February 24, 2016 preliminary presentation materials also contained a revised liquidation analysis of AMTG utilizing the same methodology, assumptions and financial information as described under *Company Analysis Liquidation Analysis,* but utilizing for comparative purposes an estimated per AMTG common share value of the merger consideration of $14.39 (using AMTG s preliminary book value per share as of December 31, 2015).

The February 24, 2016 preliminary presentation materials also contained preliminary historical trading and equity research price target analyses of ARI utilizing the same methodology, assumptions and financial information as described under *Buyer Analysis Historical Trading Range Analysis* and *Buyer Analysis Equity Research Price Targets* but utilizing for comparative purposes for the historical trading analysis a closing price of $16.24 for shares of ARI common stock on February 19, 2016.

The February 24, 2016 preliminary presentation materials also contained a preliminary comparable company analysis of ARI utilizing the same methodology and assumptions as described under *Buyer Analysis Comparable Company*

Analysis, but utilizing market data as of February 19, 2016 and a closing price of $16.24 for shares of ARI common stock on February 19, 2016 for comparative purposes. This preliminary comparable

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company analysis of ARI resulted in implied per share equity value ranges of ARI of approximately $10.93 to $16.43 using the P/BV valuation method, $16.90 to $18.40 using the dividend yield valuation method and $15.39 to $18.43 using the P/2016E EPS valuation method.

The February 24, 2016 preliminary presentation materials also contained a preliminary dividend discount analysis of ARI utilizing the same methodology, assumptions and financial information as described under *Buyer Analysis Dividend Discount Analysis,* but utilizing for comparative purposes a closing price of $16.24 for shares of ARI common stock on February 19, 2016.

General

In connection with the review of the mergers by the AMTG Special Committee, Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley s view of the actual value of AMTG or ARI. In performing its analyses, Morgan Stanley made numerous assumptions with respect to industry performance, general business, regulatory, economic, market and financial conditions and other matters, many of which are beyond AMTG s control. These include, among other things, the impact of competition on AMTG s businesses and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of AMTG and the industry, and in the financial markets in general. Any estimates contained in Morgan Stanley s analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Morgan Stanley conducted the analyses described above solely as part of its analysis of the fairness from a financial point of view of the merger consideration to be received by the holders of shares of AMTG common stock (excluding shares of AMTG common stock (i) held by ARI or Merger Sub, or (ii) held by any subsidiary of ARI, Merger Sub or AMTG) pursuant to the merger agreement and in connection with the delivery of its opinion to the AMTG Special Committee. These analyses do not purport to be appraisals or to reflect the prices at which shares of AMTG common stock might actually trade.

The merger consideration to be paid by ARI pursuant to the merger agreement was determined through negotiations on an arms-length basis under Maryland law between the AMTG Special Committee and the ARI Special Committee and was approved by the AMTG Board. Morgan Stanley provided advice to the AMTG Special Committee during these negotiations but did not, however, recommend any specific consideration to the AMTG Special Committee, nor did Morgan Stanley opine that any specific consideration to be received by AMTG stockholders constituted the only appropriate merger consideration for the mergers.

Morgan Stanley s opinion and its presentation to the AMTG Special Committee was one of many factors taken into consideration by the AMTG Special Committee in deciding to approve and adopt the merger agreement and the transactions contemplated thereby. Consequently, the analyses as described above should not be viewed as determinative of the recommendation of the AMTG Special Committee with respect to the consideration to be received by AMTG stockholders pursuant to the merger agreement or of whether the AMTG Special Committee would have been willing to agree to a different form or amount of consideration. Morgan Stanley s opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with Morgan Stanley s customary practice.

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Morgan Stanley s opinion was not intended to, and does not, constitute advice or a recommendation to any stockholder of AMTG as to how to vote at the AMTG special meeting to be held in connection with the mergers or whether to take any other action with respect to the mergers. Morgan Stanley s opinion did not address any other aspect of the mergers, including the prices at which shares of ARI common stock will trade following consummation of the mergers or at any time.

The AMTG Special Committee retained Morgan Stanley based upon Morgan Stanley s qualifications, experience and expertise. Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Its securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of AMTG, ARI, Apollo, Athene and their respective affiliates, or any other company, or any currency or commodity, that may be involved in the mergers, or any related derivative instrument.

Under the terms of its engagement letter, Morgan Stanley provided the AMTG Special Committee with financial advisory services and a financial opinion, described in this section and attached to this proxy statement/prospectus as Annex G, in connection with the mergers, and ARI has agreed to pay Morgan Stanley a fee estimated to be approximately $3.3 million for its services, of which $1,000,000 was payable upon rendering its opinion and the remainder of which, against which the $1,000,000 opinion fee will be credited, is contingent upon the closing of the mergers. AMTG has also agreed to reimburse Morgan Stanley for its reasonable expenses, including reasonable fees of outside counsel and other professional advisors, incurred in connection with its engagement. In addition, AMTG has agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the U.S. federal securities laws, relating to or arising out of Morgan Stanley s engagement.

In the two years prior to the date of its opinion, Morgan Stanley or its affiliates have provided financing services for AMTG, for which Morgan Stanley and its affiliates have received aggregate compensation of less than $50,000, and financing services for certain of AMTG s and ARI s affiliates, namely Apollo, Apollo Management Asia Pacific Limited, Apollo Management International LLP, Athene Annuity & Life Assurance Company and Athene Holding Ltd., for which Morgan Stanley and its affiliates have received aggregate compensation of approximately $7.2 million. The $7.2 million received consisted of approximately $3.9 million earned from bank loans, $3.0 million earned from equity engagements and $0.3 million earned from bond issuances. Additionally, Morgan Stanley or an affiliate thereof is mandated on two current financial advisory assignments and certain current financing assignments unrelated to the transactions contemplated by the merger agreement for certain Apollo affiliates and/or portfolio companies of funds managed by affiliates of Apollo which are not public at this time. Morgan Stanley, as of February 9, 2016, also held small equity positions in each of AMTG, ARI, Apollo and AP Alternative Assets, L.P. Morgan Stanley and its affiliates may also seek to provide financial advisory and financing services to AMTG and ARI and its affiliates in the future and would expect to receive fees for the rendering of these services.

Opinion of the Financial Advisor to the ARI Special Committee

On February 25, 2016, Houlihan Lokey orally rendered its opinion to the ARI Special Committee (which was confirmed by delivery of Houlihan Lokey s written opinion, dated February 25, 2016, to the ARI Special Committee) to the effect that, as of such date and based on and subject to the procedures followed, assumptions made and limitations and qualifications on the review undertaken and other matters considered by Houlihan Lokey in connection with its opinion, the Per Common Share Merger Consideration to be paid by ARI in the First Merger was fair to ARI from a financial point of view. For purposes of Houlihan Lokey s opinion, the term

Per Common Share Merger Consideration refers to a pro rata portion of consideration consisting of cash and ARI common stock equal to 89.25% of the common equity book value of AMTG determined in accordance with the methodologies and a pricing date contemplated by the merger agreement.

Houlihan Lokey s opinion was directed to the ARI Special Committee (in its capacity as such), only addressed the fairness, from a financial point of view and as of February 25, 2016, to ARI of the Per Common Share Merger Consideration to be paid by ARI in the First Merger and did not address any other portion, aspect or implication of the First Merger, the related transactions or otherwise or any other agreement, arrangement or understanding. The summary of Houlihan Lokey s opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of its written opinion, which is attached as Annex H to this proxy statement/prospectus and describes the procedures followed, assumptions made and limitations and qualifications on the review undertaken and other matters considered by Houlihan Lokey in connection with its opinion. However, neither Houlihan Lokey s opinion nor the summary of its opinion and the related analyses set forth in this proxy statement/prospectus are intended to be, and do not constitute, advice or a recommendation to the ARI Special Committee, the ARI Board, any security holder or any other party as to how to act or vote with respect to any matter relating to the First Merger, any related transactions or otherwise.

In connection with its opinion, Houlihan Lokey made such reviews, analyses and inquiries as it deemed necessary and appropriate under the circumstances. Among other things, Houlihan Lokey:

- reviewed a draft dated February 25, 2016 of the merger agreement and drafts of certain related documents;

- reviewed certain publicly available business and financial information relating to AMTG and ARI that Houlihan Lokey deemed relevant;

- reviewed certain information relating to the assets and liabilities of AMTG (including prices at which such assets were traded relative to carrying value) and the historical, current and future operations, financial condition and prospects of ARI made available to Houlihan Lokey by the AMTG Manager and the ARI Manager, including estimates of the ARI Manager as to the net liquidation value of AMTG s assets;

- spoke with certain members of the AMTG Manager and the ARI Manager and certain of their respective representatives and advisors regarding the respective businesses, operations, financial condition and prospects of AMTG and ARI and regarding the First Merger, the related transactions and related matters;

- compared the financial and operating performance of AMTG and ARI with that of other public companies that Houlihan Lokey deemed relevant;

- reviewed the current and historical market prices and trading volume for AMTG common stock and ARI common stock, and the current and historical market prices and trading volume of publicly traded securities of certain other companies that Houlihan Lokey deemed relevant;

reviewed certain potential pro forma financial effects of the First Merger and the related transactions on ARI s common equity book value per share utilizing financial projections and other estimates prepared by or discussed with the ARI Manager relating to ARI for the fiscal years ending December 31, 2016 through December 31, 2018 and the estimates relating to AMTG referred to above; and

conducted such other financial studies, analyses and inquiries and considered such other information and factors as Houlihan Lokey deemed appropriate.

In reaching its conclusions in its opinion, at the direction of the ARI Special Committee, Houlihan Lokey evaluated AMTG and the Per Common Share Merger Consideration after giving effect to the First Merger and the related transactions on a pro forma liquidation value basis given ARI s plan to liquidate substantially all of AMTG s assets. Houlihan Lokey relied upon and assumed, without independent verification, the accuracy and completeness of all data, material and other information furnished, or otherwise made available, to Houlihan Lokey, discussed with or reviewed by Houlihan Lokey, or publicly available, and did not assume any responsibility with respect to such data, material and other information. In addition, the ARI Manager advised Houlihan Lokey, and Houlihan Lokey assumed, at the direction of the ARI Special Committee, that the financial projections and other estimates utilized in Houlihan Lokey s analyses were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of such external manager as to the net liquidation value of AMTG s assets (including the assets contemplated to be sold pursuant to the asset sale transaction), the future financial results and condition of ARI and the other matters covered thereby. Houlihan Lokey expressed no opinion with respect to any such projections or estimates utilized in its analyses or the assumptions on which they were based. Houlihan Lokey relied upon and assumed, without independent verification, that there were no changes in the businesses, assets, liabilities, financial condition, results of operations, cash flows or prospects of AMTG or ARI since the respective dates of the most recent financial statements and other information, financial or otherwise, provided to Houlihan Lokey that would have been material to its analyses or opinion, and that there was no information or any facts that would have made any of the information reviewed by Houlihan Lokey incomplete or misleading. Houlihan Lokey further relied upon, without independent verification, the assessments of the ARI Manager as to, among other things, (i) the related transactions, including with respect to the timing thereof and the assets, liabilities and financial and other terms involved, (ii) AMTG s aggregate common equity book value and the liquidation value of AMTG s assets, including the timing of and the assets, liabilities and financial and other terms involved in any liquidation of such assets, and (iii) the potential impact on AMTG and ARI of certain market, competitive and other trends in and prospects for, and governmental, regulatory and legislative matters relating to, the mortgage and real estate markets and related credit and financial markets, including the potential impact of mortgage loan modification and refinancing programs or other regulatory or legislative matters applicable to AMTG or ARI. Houlihan Lokey assumed that there would be no developments with respect to any such matters that would have an adverse effect on AMTG, ARI, the First Merger or the related transactions or that would otherwise be material to Houlihan Lokey s analyses or opinion.

Houlihan Lokey relied upon and assumed, without independent verification, that (a) the representations and warranties of all parties to the merger agreement and the asset purchase agreement and all other related documents and instruments were true and correct, (b) each party to the merger agreement and the asset purchase agreement and such other related documents and instruments would fully and timely perform all of the covenants and agreements required to be performed by such party, (c) all conditions to the consummation of the First Merger and the related transactions would be satisfied without waiver thereof, and (d) the First Merger and the related transactions would be consummated in a timely manner in accordance with the terms described in the merger agreement and the asset purchase agreement and such other related documents and instruments, without any amendments or modifications. Houlihan Lokey also assumed, at the direction of the ARI Special Committee, that the First Merger and the related transactions would qualify, as applicable, for the intended tax treatment contemplated by the merger agreement. Houlihan Lokey further relied upon and assumed, without independent verification, that (i) the First Merger and the related transactions would be consummated in a manner that comply in all respects with all applicable foreign, federal and state statutes, rules and regulations and relevant documents and other requirements, (ii) all governmental, regulatory and other consents and approvals necessary for the consummation of the First Merger and the related transactions would be obtained and that no delay, limitations, restrictions or conditions would be imposed or amendments, modifications or waivers made that would have an adverse effect on AMTG, ARI, the First Merger or the related transactions or that would otherwise be material to Houlihan Lokey s analyses or opinion and (iii) AMTG and ARI each has operated in conformity with the requirements for qualification as a REIT since its formation and the First Merger and the related transactions would not adversely affect the status or operations of AMTG or ARI. Houlihan Lokey relied upon and assumed, without independent verification, at the direction of the ARI Special Committee, that (A) any alternative transaction structure or adjustment to the Per Common Share Merger

Consideration (whether as a result of a delay in the consummation of the First Merger or otherwise) would not be material to Houlihan Lokey s analyses or opinion, (B) the value of AMTG s assets to be sold in the asset sale transaction would be based on the purchase price payable for such assets as set forth in the asset purchase agreement and substantially all of AMTG s remaining assets would be liquidated following consummation of the First Merger and the related transactions such that AMTG would no longer be operated as a going-concern and (C) there were appropriate reserves, indemnification arrangements or other provisions with respect to the liabilities of or relating to AMTG and no liabilities that were contemplated to be excluded as a result of the related transactions or otherwise would be directly or indirectly assumed or incurred by ARI. In addition, Houlihan Lokey relied upon and assumed, without independent verification, that the final merger agreement and related documents when executed would not differ in any material respect from the drafts of the merger agreement and such related documents identified above.

Furthermore, in connection with its opinion, Houlihan Lokey was not requested to make, and did not make, any physical inspection or independent appraisal of any of the assets, properties or liabilities (fixed, contingent, derivative, off-balance sheet or otherwise) of AMTG, ARI or any other entity nor was Houlihan Lokey provided with any such appraisal. Houlihan Lokey did not express any opinion regarding the liquidation value of ARI or any other entity. Houlihan Lokey did not undertake an independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims or other contingent liabilities to which AMTG, ARI or any other entity was or may be a party or was or may be subject, or of any governmental investigation of any possible unasserted claims or other contingent liabilities to which AMTG, ARI or any other entity was or may be a party or was or may be subject.

Houlihan Lokey was not requested to, and did not, (a) initiate or participate in any discussions or negotiations with, or solicit any indications of interest from, third parties (other than AMTG and Athene Annuity) with respect to the First Merger or any related transactions, the securities, assets, businesses or operations of AMTG, ARI or any other party, or any alternatives to the First Merger or any related transactions or (b) advise the ARI Special Committee or any other party with respect to alternatives to the First Merger or any related transactions. Houlihan Lokey s opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Houlihan Lokey as of, the date of its opinion. Houlihan Lokey did not undertake, and is under no obligation, to update, revise, reaffirm or withdraw its opinion, or otherwise comment on or consider events occurring or coming to Houlihan Lokey s attention after the date of its opinion. Houlihan Lokey also did not express any opinion as to what the value of ARI common stock or ARI Series C Preferred Stock actually will be when issued pursuant to the First Merger and the related transactions or the price or range of prices at which ARI common stock, ARI Series C Preferred Stock, AMTG common stock or AMTG Series A Preferred Stock may be purchased or sold, or otherwise be transferable, at any time.

Houlihan Lokey s opinion was furnished for the use of the ARI Special Committee (in its capacity as such) in connection with its evaluation of the First Merger. Houlihan Lokey s opinion is not intended to be, and does not constitute, a recommendation to the ARI Special Committee, the ARI Board, any security holder or any other party as to how to act or vote with respect to any matter relating to the First Merger, any related transactions or otherwise.

Houlihan Lokey was not requested to opine as to, and did not express an opinion as to or otherwise address, among other things: (i) the underlying business decision of the ARI Special Committee, the ARI Board, ARI, its security holders or any other party to proceed with or effect the First Merger or any related transactions, (ii) any aspects relating to the operations of AMTG or ARI following consummation of, or the pro forma effects of, the First Merger or any related transactions, (iii) the fairness, from a financial point of view or otherwise, of the consideration to be paid or received in any related transactions, including upon liquidation of any of AMTG s assets, (iv) the terms of any arrangements, understandings, agreements or documents related to, or the form, structure or any other portion, aspect or implication of, the First Merger (other than the Per Common Share Merger Consideration to the extent expressly specified herein), the related transactions or otherwise, including, without limitation, any terms, aspects or implications of any debt financing, hedging, derivatives, repurchase, assignment, cooperation or other agreements or arrangements to be entered into in connection with or contemplated by the First Merger, any related transactions or otherwise, (v) the fairness of any portion or aspect of the First Merger or any related transactions to the holders of any class of securities, creditors or other constituencies of ARI, AMTG or to any other party, (vi) the relative merits of the First Merger or any related transactions as compared to any alternative business strategies or transactions that might be available with respect to ARI, AMTG (including the assets thereof upon liquidation or otherwise) or any other party, (vii) the fairness of any portion or aspect of the First Merger or any related transactions to any one class or group of security holders or other constituents vis-à-vis any other class or group of security holders or other constituents (including, without limitation, the allocation of any consideration amongst or within such classes or groups of security holders or other constituents), (viii) whether or not ARI, AMTG, their respective security holders or any other party is receiving or paying reasonably equivalent value in the First Merger or any related transactions, (ix) the solvency, creditworthiness or fair value of AMTG, ARI or any other participant in the First Merger or any related transactions, or any of their respective assets, under any applicable laws relating to bankruptcy, insolvency, fraudulent conveyance or similar matters, or (x) the fairness, financial or otherwise, of the amount, nature or any other aspect of any compensation to or consideration payable to or received by any officers, directors or employees of any party to the First Merger or any related transactions, any class of such persons or any other party, relative to the Per Common Share Merger Consideration or otherwise, including any promote fee or other amount payable to the AMTG Manager or the ARI Manager. Furthermore, no opinion, counsel or interpretation was intended in matters that required legal, regulatory, accounting, insurance, tax or other similar professional advice. Houlihan Lokey assumed that such opinions, counsel or interpretations had been or would be obtained from appropriate professional sources. Furthermore, Houlihan Lokey relied, with the consent of the ARI Special Committee, on the assessments by the ARI Special Committee, the ARI Board, the AMTG Manager, the ARI Manager and their respective advisors as to all legal, regulatory, accounting, insurance and tax matters with respect to AMTG, ARI, the First Merger, any related transactions or otherwise. The issuance of Houlihan Lokey s opinion was approved by a Houlihan Lokey committee authorized to approve opinions of this nature.

In preparing its opinion to the ARI Special Committee, Houlihan Lokey performed certain analyses, including those described below. The summary of Houlihan Lokey s analyses is not a complete description of the analyses underlying Houlihan Lokey s opinion. The preparation of such an opinion is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytical methods employed and the adaptation and application of these methods to the unique facts and circumstances presented. As a consequence, neither Houlihan Lokey s opinion nor its underlying analyses is readily susceptible to summary description. Houlihan Lokey arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, methodology or factor. While the results of each analysis were taken into account in reaching Houlihan Lokey s overall conclusion with respect to fairness, Houlihan Lokey did not make separate or quantifiable judgments regarding individual analyses. Accordingly, Houlihan Lokey believes that its analyses and the following summary must be considered as a whole and that selecting portions of its analyses, methodologies and factors, without considering all analyses, methodologies and factors, could create a misleading or incomplete view of the processes underlying Houlihan Lokey s analyses and opinion.

In performing its analyses, Houlihan Lokey considered general business, economic, industry and market conditions, financial and otherwise, and other matters as they existed on, and could be evaluated as of, the date of its opinion. No company or business used in Houlihan Lokey s analyses or otherwise reviewed for comparative purposes is identical to AMTG or ARI and an evaluation of the results of those analyses is not entirely mathematical. As a consequence, mathematical derivations (such as the high, low, mean and median) of financial data are not by themselves meaningful and were considered in conjunction with experience and the exercise of judgment. The estimates contained in the financial forecasts and the implied reference range values indicated by Houlihan Lokey s analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, any analyses relating to the value of assets, businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold, which may depend on a variety of factors, many of which are beyond the control of AMTG and ARI. Much of the information used in, and accordingly the results of, Houlihan Lokey s analyses are inherently subject to substantial uncertainty.

Houlihan Lokey s opinion was only one of many factors considered by the ARI Special Committee in evaluating the proposed First Merger. Neither Houlihan Lokey s opinion nor its analyses were determinative of the Per

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Common Share Merger Consideration or of the views of the ARI Special Committee, the ARI Board, the AMTG Manager, the ARI Manager or any other party with respect to the First Merger, any related transactions or the Per Common Share Merger Consideration. Houlihan Lokey was not requested to, and it did not, recommend the specific consideration payable in the First Merger or any related transactions or that any given consideration constituted the only appropriate consideration for the First Merger or any related transactions. The type and amount of consideration payable in the First Merger and the related transactions were not determined by Houlihan Lokey and the decision for ARI to enter into the merger agreement and the asset purchase agreement and related documents was solely that of the ARI Special Committee and the ARI Board.

The following is a summary of the material financial analyses performed by Houlihan Lokey in connection with the preparation of its opinion and reviewed with the ARI Special Committee on February 25, 2016. The order of the analyses does not represent relative importance or weight given to those analyses by Houlihan Lokey. The analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the analyses. Considering the data in the tables below without considering the full narrative description of the analyses, as well as the methodologies underlying, and the assumptions, qualifications and limitations affecting, each analysis, could create a misleading or incomplete view of Houlihan Lokey s analyses.

Introduction

In evaluating AMTG and ARI from a financial perspective, Houlihan Lokey performed certain financial analyses more fully described below. For purposes of such analyses, Houlihan Lokey reviewed a number of financial and operating metrics, as applicable, including:

- Price-to-book value multiple generally, the relevant company s closing stock price as of the date of the market data utilized as indicated below as a multiple of such company s most recently reported common equity book value per share as of the date of the financial data utilized as indicated below.

- Dividend yield generally, the relevant company s latest dividend per share on an annualized basis as of the date of the market data utilized as indicated below as a percentage of such company s closing stock price as of the date of the market data utilized as indicated below.

Also for purposes of such analyses, the term implied common merger consideration refers to the $14.64 per share consideration payable in the First Merger to holders of AMTG common stock, based on 0.8925x AMTG s common equity book value per share (as of December 31, 2015). Estimates and other information relating to AMTG relied upon by Houlihan Lokey for purposes of the financial analyses described below were based on information made available to Houlihan Lokey by the AMTG Manager and the ARI Manager, including estimates of the ARI Manager as to the net liquidation value of AMTG s assets, certain publicly available research analyst estimates, public filings and other publicly available information for AMTG. Estimates and other information relating to ARI relied upon by Houlihan Lokey for purposes of the financial analyses described below were based on financial projections and other estimates prepared by or discussed with the ARI Manager relating to ARI for the fiscal years ending December 31, 2016 through December 31, 2018, certain publicly available research analyst estimates, public filings and other publicly available information for ARI. Estimates and other information relating to the selected REITs listed below were based on certain publicly available research analyst estimates, public filings and other publicly available information for those REITs.

February 25, 2016 Financial Analyses

The financial analyses and market perspectives provided to the ARI Special Committee on February 25, 2016 based on financial data as of December 31, 2015 and market data as of February 25, 2016, referred to as the February 25, 2016 financial analyses, included the following:

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AMTG Financial Analysis

Net Liquidation Value Analysis. Houlihan Lokey evaluated the net liquidation value of AMTG by comparing the low to high estimates of the ARI Manager as to the net liquidation value of AMTG, pro forma for the First Merger and the related transactions, to the price-to-book value multiple underlying the implied common merger consideration. The ARI Manager s estimates as to the net liquidation value of AMTG were based on AMTG s common equity book value (as of December 31, 2015) less (i) the estimated cost of liquidating AMTG s assets and liabilities, excluding AMTG s assets to be sold by ARI to Athene Annuity in the asset sale transaction, (ii) the discount to the book value of AMTG s assets to be sold by ARI to Athene Annuity in the asset sale transaction implied by the cash consideration payable in the asset sale transaction and (iii) estimated transaction-related adjustments and expenses, excluding any termination fee payable to the AMTG Manager upon termination or transfer of its agreement with AMTG. Houlihan Lokey observed the following overall low to high estimates of the ARI Manager as to the net liquidation value of AMTG as a multiple of AMTG s common equity book value (as of December 31, 2015), as compared to the price-to-book value multiple underlying the implied common merger consideration:

Estimated Net Liquidation Value Range		Price-to-Book Value Multiple
0.8915x	0.9267x	0.8925x

Houlihan Lokey noted that such net liquidation value range indicated an approximate implied per share equity value reference range for AMTG based on AMTG s common equity book value per share (as of December 31, 2015) of $14.62 to $15.20, as compared to the implied common merger consideration of $14.64. Houlihan Lokey also noted that, based on the closing price of ARI common stock (as of February 25, 2016), the implied common merger consideration would be $14.71 per share.

ARI Market Perspectives. In order to assist the ARI Board in evaluating certain market perspectives on ARI, Houlihan Lokey reviewed the following:

Financial Performance of ARI Relative to Selected Commercial Mortgage REITs. In reviewing the financial performance of ARI, Houlihan Lokey compared the estimated price-to-book value multiples and dividend yields of ARI and the following two selected tier 1 commercial mortgage REITs, referred to as the ARI selected tier 1 REITs, and five selected tier 2 commercial mortgage REITs, referred to as the ARI selected tier 2 REITs and, together with the ARI selected tier 1 REITs, collectively referred to as the ARI selected REITs:

ARI Selected Tier 1 REITs

Blackstone Mortgage Trust, Inc.

Starwood Property Trust, Inc.

ARI Selected Tier 2 REITs

Arbor Realty Trust, Inc.

- Ares Commercial Real Estate Corporation

- Colony Capital, Inc.

- CYS Investments, Inc.

- Ladder Capital Corp

The approximate overall low to high estimated price-to-book value multiples and dividend yields observed for the ARI selected tier 1 REITs were 0.94x to 1.05x (with a mean of 1.00x) and 9.9% to 10.4% (with a mean of 10.2%), respectively. The approximate overall low to high estimated price-to-book value multiples and dividend

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yields observed for the ARI selected REITs were 0.69x to 1.05x (with a mean of 0.84x) and 9.4% to 13.3% (with a mean of 10.5%), respectively. Houlihan Lokey noted that the estimated price-to-book value multiple and dividend yield of ARI were approximately 1.04x and 10.9%, respectively.

Other ARI Market Perspectives. Houlihan Lokey also observed the following market perspectives:

- the historical trading performance of ARI common stock during the 30-day, one-year and three-year periods ended February 25, 2016, which indicated overall low to high observed intraday prices of ARI common stock during such periods of approximately $15.03 to $16.99 per share (with a mean closing stock price of $15.93 per share), $12.92 to $18.25 per share (with a mean closing stock price of $16.84 per share) and $12.92 to $18.28 per share (with a mean closing stock price of $16.63 per share), respectively, in each case as compared to the closing price of ARI common stock (as of February 25, 2016) of $16.93 per share;

- the historical latest 12 months intraday price-to-book value multiples and dividend yields of ARI during the one-year and three-year periods ended February 25, 2016, which indicated overall low to high observed latest 12 months intraday price-to-book value multiples of ARI during such periods of approximately 0.79x to 1.12x (with a mean closing multiple of 1.03x) and 0.79x to 1.12x (with a mean closing multiple of 1.02x), respectively, as compared to the price-to-book value multiple of ARI of approximately 1.04x, and overall low to high observed latest 12 months dividend yields of ARI during such periods of approximately 10.0% to 12.2% (with a mean closing dividend yield of 10.6%), and 8.8% to 12.2% (with a mean closing dividend yield of 10.0%), respectively, as compared to the dividend yield of ARI of approximately 10.9%; and

- undiscounted publicly available equity research analysts stock price targets and calendar year 2016 operating income per share (adjusted for selected non-cash charges), dividends per share and common equity book value per share targets for ARI, which indicated overall low to high observed stock price targets of $15.00 to $18.00 per share (with a mean of $16.75 per share and a median of $17.00 per share), overall low to high observed calendar year 2016 adjusted operating income per share targets of $1.99 to $2.14 per share (with a mean of $2.06 per share and a median of $2.05 per share), overall low to high observed calendar year 2016 dividends per share targets of $1.84 to $1.88 per share (with a mean of $1.87 per share and a median of $1.88 per share) and overall low to high observed calendar year 2016 common equity book value per share targets of $16.32 to $16.62 per share (with a mean of $16.46 per share and a median of $16.45 per share).

Additional Information AMTG. Houlihan Lokey also observed certain additional information, based on data relating to AMTG s assets and broker quotes reflected in AMTG s pricing file (as of December 31, 2015), data reflected in AMTG s pricing files as of each month-end from April 30, 2015 through December 31, 2015 and pricing service daily pricing emails, that was not considered part of Houlihan Lokey s financial analyses with respect to its opinion but was referenced for informational purposes, including the following:

- AMTG broker quotes and pricing service volumes, which indicated that AMTG generally received more quotes on relatively liquid Agency pass-through, Structured Agency Credit Risk and Connecticut Avenue Securities assets;

the difference between pricing service prices and average broker prices by trade market value, which indicated that such difference was approximately +/-0.5% for approximately 80% of Agency pass-through assets and approximately +/-1.0%, +/-2.0% and +/-3.0% for approximately 47%, 65% and 77%, respectively, of non-Agency residential mortgage-backed security assets; and

the percentage changes from the prior day-end approximate price of any Agency pass-through assets and any assets other than Agency pass-through assets to the price that the bonds were sold during the corresponding month from May 2015 through November 2015 based on the percentage change in the price provided by the pricing service from the prior month-end to the price provided by the pricing service for the day prior to the trade, which indicated that the approximate overall average difference weighted by trade market value was a 0.06% mark-up in the case of Agency pass-through assets and a 0.69% mark-up in the case of assets other than Agency pass-through assets.

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Other Information AMTG and ARI. Houlihan Lokey also observed, for informational purposes, the following:

- the historical intraday price-to-book value multiples of AMTG during the one-year and three-year periods ended February 25, 2016, which indicated overall low to high observed latest 12 months intraday price-to-book value multiples of AMTG during such periods of approximately 0.56x to 0.86x (with a mean closing multiple of 0.75x) and 0.56x to 1.07x (with a mean closing multiple of 0.82x), respectively, as compared to the price-to-book value multiple of AMTG of approximately 0.59x;

- the estimated price-to-book value multiples of four selected tier 1 residential mortgage REITs (AG Mortgage Investment Trust, Inc., American Capital Mortgage Investment Corp., MFA Financial, Inc. and Two Harbors Investment Corp.), referred to as the AMTG selected tier 1 REITs, and 14 selected tier 2 residential mortgage REITs (American Capital Agency Corp., Annaly Capital Management, Inc., Anworth Mortgage Asset Corporation, Armour Residential REIT, Inc., Capstead Mortgage Corporation, Chimera Investment Corporation, Dynex Capital, Inc., Hatteras Financial Corp., Invesco Mortgage Capital Inc., New York Mortgage Trust, Inc., PennyMac Mortgage Investment Trust, Redwood Trust, Inc., WMC Resources Ltd and ZAIS Financial Corp.), referred to as the AMTG selected tier 2 REITs and, together with the AMTG selected tier 1 REITs, collectively referred to as the AMTG selected REITs, which indicated approximate overall low to high estimated price-to-book value multiples observed for the AMTG selected tier 1 REITs of 0.63x to 0.91x (with a mean of 0.75x) and approximate overall low to high price-to-book value multiples observed for the AMTG selected REITs of 0.63x to 0.91x (with a mean of 0.75x), in each case as compared to the price-to-book value multiple of AMTG of approximately 0.59x;

- the historical trading ratio of AMTG common stock relative to ARI common stock on December 31, 2015, January 8, 2016, January 20, 2016, February 5, 2016, February 23, 2016 and February 25, 2016, which indicated observed historical trading ratios on such dates of approximately 0.69x, 0.72x, 0.68x, 0.67x, 0.61x and 0.60x, respectively, with an overall approximate low to high observed historical trading ratio range during the period from December 31, 2014 to February 25, 2016 of 0.60x to 0.98x (with a mean of 0.84x); and

- an illustrative sensitivities overview of the potential pro forma financial effects of the proposed First Merger and the related transactions on ARI s common equity book value per share (as of December 31, 2015) assuming a price-to-book value multiple of AMTG of 0.8925x and utilizing a range of illustrative net realized liquidation values of AMTG as a percentage of book value, net of transaction expenses and adjustments, of 82.50% to 92.67%, which indicated that the First Merger and the related transactions could be accretive/(dilutive) to ARI s common equity book value per share (as of December 31, 2015) by approximately (2.1%) to 1.9%, and the potential implied cost of the issuance by ARI of ARI common stock and ARI Series C Preferred Stock in the First Merger and the related transactions assuming the same price-to-book value multiple of AMTG and utilizing the same range of illustrative net realized liquidation value percentages described above, which indicated that the First Merger and the related transactions could result in a gain/(loss) as a percentage of the estimated capital raised by the issuance of such ARI common stock and ARI Series C Preferred Stock assumed to be $397 million of approximately (8.9%) to 4.5%. Actual results achieved by ARI may vary from forecasted results and variations may be material.

The February 25, 2016 financial analyses also referenced, for informational purposes, certain other financial considerations and information, including an overview of, and selected transaction terms regarding, the proposed transaction, estimated financial information regarding AMTG and ARI, the historical trading performance of AMTG common stock, dividend yields of AMTG and the AMTG selected REITs, premiums implied by the implied common merger consideration and the historical capital raise activity of ARI.

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February 23, 2016, February 7, 2016, January 21, 2016 and January 6, 2016 Preliminary Discussion Materials

In addition to the February 25, 2016 financial analyses summarized above, Houlihan Lokey also delivered preliminary discussion materials to the ARI Special Committee on February 23, 2016, referred to as the February 23, 2016 preliminary discussion materials, on February 7, 2016, referred to as the February 7, 2016 preliminary discussion materials, on January 21, 2016, referred to as the January 21, 2016 preliminary discussion materials, and on January 6, 2016, referred to as the January 6, 2016 preliminary discussion materials. The preliminary financial considerations and other information contained in such preliminary discussion materials reflected financial and market data as of the dates specified below and were based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to Houlihan Lokey as of, their respective dates. Accordingly, the results of such preliminary observations and other information differed from the February 25, 2016 financial analyses as a result of, among other things, changes in such financial, economic, monetary, market and other conditions and circumstances. Houlihan Lokey, ARI and the ARI Manager, as applicable, also continued to refine various aspects of such preliminary financial considerations and other information.

The preliminary discussion materials referenced above did not constitute an opinion of, or recommendation by, Houlihan Lokey with respect to a possible transaction or otherwise. Such preliminary discussion materials primarily focused on the types of financial analyses and market perspectives described above under *February 25, 2016 Financial Analyses*, utilizing procedures that were generally the same or similar as those reflected in such financial analyses and market perspectives. The February 25, 2016 financial analyses were provided in connection with Houlihan Lokey s opinion to the ARI Special Committee and superseded these prior preliminary discussion materials.

February 23, 2016 Preliminary Discussion Materials

The February 23, 2016 preliminary discussion materials contained a preliminary net liquidation value analysis of AMTG, which utilized the same methodology and indicated the same estimated net liquidation value range and approximate implied per share equity value reference range for AMTG as described above under *February 25, 2016 Financial Analyses AMTG Financial Analysis Net Liquidation Value Analysis*, based on financial data as of December 31, 2015 and market data as of February 19, 2016, but utilizing for comparative purposes an implied common merger consideration based on 0.8775x AMTG s common equity book value per share (as of December 31, 2015).

The February 23, 2016 preliminary discussion materials also contained preliminary market perspectives on ARI, including estimated price-to-book value multiples and dividend yields of ARI and the ARI selected REITs, the historical trading performance of ARI common stock, historical latest 12 months intraday price-to-book value multiples and dividend yields of ARI and publicly available equity research analysts stock price and other targets for ARI, generally as described above under *February 25, 2016 Financial Analyses ARI Market Perspectives*, based on financial data as of December 31, 2015 and market data as of February 19, 2016.

The February 23, 2016 preliminary discussion materials further contained certain additional preliminary information, including AMTG broker quotes and pricing service volumes, the difference between pricing service prices and average broker prices by trade market value and the percentage changes from the prior day-end approximate price of any Agency pass-through assets and any assets other than Agency pass-through assets to the price that the bonds were sold, generally as described above under *February 25, 2016 Financial Analyses Additional Information AMTG*, based on data relating to AMTG s assets and broker quotes reflected in AMTG s pricing file (as of December 31, 2015), data reflected in AMTG s pricing files as of each month-end from April 30, 2015 through December 31, 2015 and pricing service daily pricing emails, and other preliminary information generally as described above under *February 25, 2016 Financial Analyses Other Information AMTG and ARI*, based on financial data as of December 31, 2015 and market data as of February 19, 2016 and, in the case of the illustrative sensitivities overview, a price-to-book value multiple of AMTG of 0.8775x.

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February 7, 2016 Preliminary Discussion Materials

The February 7, 2016 preliminary discussion materials contained an illustrative sensitivities overview, based on financial data as of September 30, 2015 and market data as of February 5, 2016, of the potential pro forma financial effects of a proposed transaction with AMTG on ARI s common equity book value per share (as of September 30, 2015) and on the potential implied cost of the issuance by ARI of ARI common stock and ARI Series C Preferred Stock in a proposed transaction with AMTG, utilizing a range of price-to-book value multiples of AMTG of 0.8750x to 0.8775x, assuming that ARI common stock was issued at 1.0x ARI s common equity book value (as of September 30, 2015) of $16.35 per share and that ARI absorbed the outstanding AMTG Series A Preferred Stock at par value, and utilizing a range of illustrative realized fair values of AMTG s assets, net of transaction expenses and adjustments, as a percentage of AMTG s common equity book value (as of September 30, 2015) of 82.5% to 92.5%.

The February 7, 2016 preliminary discussion materials also referenced, for informational purposes, certain other financial considerations and information, including preliminary market and financial perspectives regarding AMTG and ARI.

January 21, 2016 Preliminary Discussion Materials

The January 21, 2016 preliminary discussion materials contained certain preliminary information regarding the low to high estimates of the ARI Manager as to the adjusted net liquidation value of AMTG, taking into account the estimated termination fee payable to the AMTG Manager upon termination of its management agreement with AMTG, and the low to high estimates of the ARI Manager as to the net liquidation value of AMTG, excluding any adjustment for the termination fee described above, in each case based on financial data as of September 30, 2015 and market data as of January 20, 2016.

The January 21, 2016 preliminary discussion materials also contained certain additional preliminary information, including the percentage changes from the prior month-end approximate price of any Agency pass-through assets and non-Agency residential mortgage-backed security assets to the price that the bonds were sold during such month and the percentage changes from the prior day-end approximate price of Agency pass-through assets and non-Agency residential mortgage-backed security assets to the price that the bonds were sold in the last 20 trades, based on data relating to AMTG s assets and broker quotes reflected in AMTG s pricing files as of each month-end from January 31, 2015 through November 30, 2015 and in AMTG s other sales price and trade analysis files.

The January 21, 2016 preliminary discussion materials further contained an illustrative sensitivities overview, based on financial data as of September 30, 2015 and market data as of January 20, 2016, of the potential pro forma financial effects of a proposed transaction with AMTG on ARI s common equity book value per share (as of September 30, 2015) utilizing a range of price-to-book value multiples of AMTG of 0.825x to 0.925x, and certain additional sensitivities utilizing a range of prices of ARI common stock at issuance of $14.72 to $17.99 per share, assuming a purchase price for AMTG based on 0.875x AMTG s common equity book value per share (as of December 31, 2015), and (i) the range of illustrative realized fair values of AMTG s assets, net of transaction expenses and adjustments, as a percentage of AMTG s common equity book value (as of September 30, 2015) described above under *February 7, 2016 Preliminary Discussion Materials* and (ii) a range of net liquidation values of AMTG, net of transaction expenses and adjustments, as a percentage of the purchase price of AMTG of (0.5%) to 5.0%. The February 7, 2016 preliminary discussion materials also contained an illustrative sensitivities overview, based on financial data as of September 30, 2015 and market data as of January 20, 2016, of the potential implied cost of the issuance by ARI of ARI common stock and ARI Series C Preferred Stock in a proposed transaction with AMTG utilizing the same ranges of price-to-book value multiples of AMTG and illustrative realized fair values of AMTG s assets, net of transaction expenses and adjustments, as a percentage of AMTG s common equity book value (as of

September 30, 2015) described above.

The January 21, 2016 preliminary discussion materials also referenced, for informational purposes, certain other financial considerations and information, including preliminary market and financial perspectives regarding AMTG and ARI and historical trading ratios of AMTG common stock relative to ARI common stock.

January 6, 2016 Preliminary Discussion Materials

The January 6, 2016 preliminary discussion materials contained certain preliminary information regarding the low to high estimates of the ARI Manager as to the adjusted net liquidation value of AMTG, taking into account the estimated termination fee payable to the AMTG Manager upon termination of its management agreement with AMTG, and the low to high estimates of the ARI Manager as to the net liquidation value of AMTG, excluding any adjustment for the termination fee described above, in each case based on financial data as of September 30, 2015 and market data as of December 31, 2015.

The January 6, 2016 preliminary discussion materials also contained certain preliminary market perspectives on AMTG, including price-to-book value multiples of AMTG, the AMTG selected REITs and indices comprised of the AMTG selected tier 1 REITs and the AMTG selected REITs, in each case based on financial data as of September 30, 2015 and market data as of December 31, 2015.

The January 6, 2016 preliminary discussion materials further contained preliminary market perspectives on ARI, including price-to-book value multiples and dividend yields of ARI, the ARI selected REITs and indices comprised of the ARI selected tier 1 REITs and the ARI selected REITs, in each case based on financial data as of September 30, 2015 and market data as of December 31, 2015.

The January 6, 2016 preliminary discussion materials contained certain additional preliminary information, including AMTG broker quotes and pricing service volumes, the difference between pricing service prices and average broker prices by trade market value, the percentage changes from the prior day-end approximate price of non-Agency residential mortgage-backed security assets to the price that the bonds were sold and weekly non-Agency sub-prime BWIC volume, in each case based on data relating to AMTG s assets and broker quotes reflected in AMTG s pricing file (as of November 30, 2015), data reflected in AMTG s pricing files as of each month-end from January 31, 2015 through November 30, 2015, and other preliminary information, including additional estimated price-to-book value multiples and dividend yields of the AMTG selected REITs and historical latest 12 months trading ratios, based on financial data as of September 30, 2015 and market data as of December 31, 2015. The January 6, 2016 preliminary discussion materials further contained the illustrative sensitivities overviews generally as described above under *January 21, 2016 Preliminary Discussion Materials,* based on financial data as of September 30, 2015 and market data as of December 31, 2015, utilizing a range of price-to-book value multiples of AMTG of 0.775x to 0.975x, a range of prices of ARI common stock at issuance of $15.54 to $18.81 per share, assuming a purchase price for AMTG based on 0.875x AMTG s common equity book value per share (as of September 30, 2015) and a range of illustrative realized fair values of AMTG s assets, net of transaction expenses and adjustments, as a percentage of AMTG s common equity book value (as of September 30, 2015) of 77.5% to 97.5%.

The January 6, 2016 preliminary discussion materials also referenced, for informational purposes, certain other financial considerations and information, including a preliminary overview of the proposed transaction, illustrative alternative capital raise scenarios, preliminary estimated financial information regarding AMTG and ARI, dividend yields of AMTG, the AMTG selected REITs and the indices comprised of the AMTG selected REITs described above, historical trading ratios of AMTG common stock relative to ARI common stock, information regarding preferred stock issued by Arbor Realty Trust, Inc. and Colony Capital, Inc. and a summary of AMTG s stockholder base.

Other Matters

Houlihan Lokey was engaged by the ARI Special Committee to act as its financial advisor in connection with the First Merger and provide financial advisory services, including an opinion to the ARI Special Committee as to the fairness, from a financial point of view and as of such date, of the Per Common Share Merger Consideration to be paid by ARI in the First Merger. The ARI Special Committee engaged Houlihan Lokey based on Houlihan Lokey s experience and reputation. Houlihan Lokey is regularly engaged to provide financial advisory services in connection with mergers and acquisitions, financings, and financial restructurings. Pursuant to its engagement by the ARI Special Committee, Houlihan Lokey is entitled to an aggregate fee of $2.3 million for its services, of which a portion was payable upon Houlihan Lokey s engagement by the ARI Special Committee, $1.0 million was payable upon delivery of Houlihan Lokey s opinion and $1.3 million is contingent upon consummation of the First Merger. ARI also has agreed to reimburse Houlihan Lokey for certain expenses and to indemnify Houlihan Lokey, its affiliates and certain related parties against certain liabilities and expenses, including certain liabilities under federal securities laws, arising out of or related to Houlihan Lokey s engagement.

In the ordinary course of business, certain of Houlihan Lokey s employees and affiliates, as well as investment funds in which they may have financial interests or with which they may co-invest, may acquire, hold or sell, long or short positions, or trade, in debt, equity, and other securities and financial instruments (including loans and other obligations) of, or investments in, AMTG, ARI or any other party that may be involved in the First Merger or any related transactions and their respective affiliates or any currency or commodity that may be involved in the First Merger or any related transactions.

Houlihan Lokey and certain of its affiliates have in the past provided and are currently providing investment banking, financial advisory and/or other financial or consulting services to Apollo or one or more security holders, affiliates and/or portfolio companies of investment funds affiliated or associated with Apollo, referred to collectively with Apollo as the Apollo Group, for which Houlihan Lokey and such affiliates have received, and may receive, compensation, including, among other things, (i) having acted as financial advisor to PlayPower, Inc., then a member of the Apollo Group, in connection with its sale transaction, which transaction closed in June 2015, (ii) having acted as financial advisor to a special committee of the board of directors of Genco Shipping & Trading Limited, referred to as Genco, a member of the Apollo Group, in connection with Genco s merger transaction, which transaction closed in July 2015, (iii) having acted as financial advisor to a special committee of the board of directors of Athene Holding Ltd., a member of the Apollo Group, in 2014, and (iv) having acted as financial advisor to Apollo Management International LLP, a member of the Apollo Group, as a financing party, in connection with its review of a sale transaction involving Alpine-Energie Holding AG, which transaction closed in April 2014. Houlihan Lokey and certain of its affiliates received aggregate fees for the services described in clauses (i) through (iv) above of approximately $9 million. Houlihan Lokey and certain of its affiliates may provide investment banking, financial advisory and/or other financial or consulting services to ARI, members of the Apollo Group, other participants in the First Merger and the related transactions or certain of their respective affiliates or security holders in the future, for which Houlihan Lokey and such affiliates may receive compensation. In addition, Houlihan Lokey and certain of its affiliates and certain of Houlihan Lokey s and their respective employees may have committed to invest in private equity or other investment funds managed or advised by the Apollo Group, other participants in the First Merger and the related transactions or certain of their respective affiliates or security holders, and in portfolio companies of such funds, and may have co-invested with members of the Apollo Group, other participants in the First Merger and the related transactions or certain of their respective affiliates or security holders, and may do so in the future. Furthermore, in connection with bankruptcies, restructurings, and similar matters, Houlihan Lokey and certain of its affiliates may have in the past acted, may currently be acting and may in the future act as financial advisor to debtors, creditors, equity holders, trustees, agents and other interested parties (including, without limitation, formal and informal committees or groups of creditors) that may have included or represented and may include or represent, directly or indirectly, or may be or have been adverse to, ARI, members of the Apollo Group, other participants in the First Merger and the related transactions or certain of their respective affiliates or security holders, for which advice and services Houlihan Lokey and such affiliates have received and may receive compensation.

Certain AMTG Unaudited Prospective Financial Information

AMTG does not, as a matter of course, generally publish its business plans and strategies or make public disclosures of its projections as to future revenues, earnings or other results. In connection with the AMTG Board s approval of AMTG s fourth quarter dividend, AMTG provided the AMTG Board, including the

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members of the AMTG Special Committee, with selected unaudited prospective financial information regarding AMTG s future performance on a standalone basis for the period from the fourth quarter of 2015 through 2017. This information also was provided to the AMTG Special Committee s financial advisor for its use and reliance in connection with its financial analyses and opinion described above under *Special Factors Opinion of the Financial Advisor to the AMTG Special Committee* and to the ARI Special Committee, the ARI Board and the ARI Special Committee s financial advisor, although such information was not relied upon by the ARI Special Committee or the ARI Board in connection with their deliberations concerning, and decision of the ARI Special Committee to recommend, the mergers and related transactions or the ARI Special Committee s financial advisor in connection with its financial analyses and opinion.

The AMTG financial projections were not prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with GAAP, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The AMTG financial projections were, in general, prepared solely for internal use and are subjective in many respects. As a result, there can be no assurance that the prospective results will be realized, that the assumptions described below will be proven accurate, or that the actual results will not be significantly higher or lower than those estimated.

The following significant assumptions were made in arriving at AMTG s forecast amounts presented below:

(i) AMTG maintained equity portfolio allocation to existing asset classes, with the exception of estimated run-off in credit assets;

(ii) The forward curve was assumed to be realized, impacting the yields on investments, the cost of financing and costs associated with interest rate hedges;

(iii) AMTG s equity remains flat, except for the estimated quarterly decline in unrealized gains on non-Agency RMBS, which are essentially re-characterized through GAAP earnings, in the form of discount accretion, which are assumed to be distributed as dividends.

	Forecasted Quarterly Performance (In Thousands)								
	Q4 15	**Q1 16**	**Q2 16**	**Q3 16**	**Q4 16**	**Q1 17**	**Q2 17**	**Q3 17**	**Q4 17**
Interest Income	$ 37,318	$ 37,252	$ 37,233	$ 36,973	$ 36,846	$ 36,804	$ 36,816	$ 36,874	$ 36,955
Effective Interest Expense(1)	(12,841)	(13,315)	(13,696)	(14,176)	(14,475)	(14,542)	(15,083)	(15,616)	(16,117)
Effective Net Interest Income(1)	24,477	23,937	23,537	22,797	22,371	22,262	21,733	21,258	20,838
Other income, net	70	109	130	151	183	211	237	262	286
	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)

Management Fee									
Other G&A Expense (excluding equity comp)[1]	(4,438)	(4,480)	(4,439)	(4,438)	(4,417)	(4,462)	(4,462)	(4,462)	(4,462)
Operating Earnings before allocation for participating securities[1]	$ 17,309	$ 16,766	$ 16,428	$ 15,711	$ 15,338	$ 15,211	$ 14,708	$ 14,258	$ 13,862
Dividends on Preferred Stock	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)
Operating Earnings Allocable to Common Stock[1]	$ 13,859	$ 13,316	$ 12,978	$ 12,261	$ 11,888	$ 11,761	$ 11,258	$ 10,808	$ 10,412
Operating EPS[1]	$ 0.44	$ 0.42	$ 0.41	$ 0.38	$ 0.37	$ 0.37	$ 0.35	$ 0.34	$ 0.33
Est Common Shares Outstanding	31,742	31,742	31,829	31,870	31,878	31,919	31,919	31,919	31,832

(1) Amounts constitute forecasted non-GAAP financial measures which are reconciled to GAAP measures below.

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For purposes of the unaudited prospective financial information presented herein, Operating Earnings is a non-GAAP financial measure within the meaning of Regulation G promulgated by the SEC that is used by AMTG and which AMTG believes, when considered together with GAAP financial measures, provides information that is useful to investors in understanding AMTG s operating results. An analysis of any non-GAAP financial measures should be made in conjunction with the results presented in accordance with GAAP. The Forecasted Operating Earnings presented assume that: (i) there are no realized and unrealized gains and losses recognized through earnings; (ii) non-cash equity compensation is excluded from Operating Earnings; (iii) there are no one-time events pursuant to changes in GAAP; and (iv) the net interest rate payments on swaps is a component of interest expense. Operating Earnings is a non-GAAP financial measure that is used by the AMTG Manager to assess AMTG s business results.

	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17	Q4 17
	(In Thousands)								
Interest Expense	$ (8,803)	$ (9,896)	$ (10,793)	$ (11,797)	$ (12,783)	$ (13,402)	$ (14,419)	$ (15,366)	$ (16,179)
Non-GAAP Adjustment:									
Net interest component of Swaps and tax amortization on Swaption terminations and expirations, net	(4,038)	(3,419)	(2,903)	(2,379)	(1,692)	(1,140)	(664)	(250)	62
Effective Interest Expense	$ (12,841)	$ (13,315)	$ (13,696)	$ (14,176)	$ (14,475)	$ (14,542)	$ (15,083)	$ (15,616)	$ (16,117)

	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17	Q4 17
	(In Thousands)								
Interest Income	$ 37,318	$ 37,252	$ 37,233	$ 36,973	$ 36,846	$ 36,804	$ 36,816	$ 36,874	$ 36,955
Non-GAAP Adjustment:									
Less: Effective Interest Expense(1)	(12,841)	(13,315)	(13,696)	(14,176)	(14,475)	(14,542)	(15,083)	(15,616)	(16,117)
Effective Net Interest Income	$ 24,477	$ 23,937	$ 23,537	$ 22,797	$ 22,371	$ 22,262	$ 21,733	$ 21,258	$ 20,838

(1) As reconciled in the table above.

	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17	Q4 17
					(In Thousands)				
G&A Expense	$ (4,546)	$ (4,591)	$ (4,591)	$ (4,592)	$ (4,592)	$ (4,637)	$ (4,637)	$ (4,637)	$ (4,637)
Non-GAAP Adjustment:									
Reduction for non-cash equity based compensation expense	108	111	152	154	175	175	175	175	175
G&A expense, excluding non-cash equity compensation expense	$ (4,438)	$ (4,480)	$ (4,439)	$ (4,438)	$ (4,417)	$ (4,462)	$ (4,462)	$ (4,462)	$ (4,462)

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The following table presents the reconciliation of forecasted net income allocable to common stockholders to forecasted operating earnings and forecasted operating earnings per common share:

	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17	Q4 17
	(In Thousands, Except per Share Amounts)								
Net income before Preferred Stock dividends	$ 17,645	$ 17,099	$ 16,720	$ 15,979	$ 15,407	$ 15,204	$ 14,679	$ 14,246	$ 13,947
Preferred Stock Dividends	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)
Net income allocable to common stockholders	$ 14,195	$ 13,649	$ 13,270	$ 12,529	$ 11,957	$ 11,754	$ 11,229	$ 10,796	$ 10,497
Adjustments to arrive at forecasted operating earnings:									
Amortization of tax (loss) on Swaption termination and expirations, net	(444)	(444)	(444)	(422)	(244)	(168)	(146)	(163)	(260)
Estimate of equity based compensation expense	108	111	152	154	175	175	175	175	175
Total adjustments to arrive at operating earnings[(1)]	(336)	(333)	(292)	(268)	(69)	7	29	12	(85)
Operating Earnings allocable to common stock	$ 13,859	$ 13,316	$ 12,978	$ 12,261	$ 11,888	$ 11,761	$ 11,258	$ 10,808	$ 10,412
Common shares outstanding-basic	31,742	31,742	31,829	31,870	31,878	31,919	31,919	31,919	31,832
Net income per common share	$ 0.45	$ 0.43	$ 0.42	$ 0.39	$ 0.38	$ 0.37	$ 0.35	$ 0.34	$ 0.33
Operating EPS	$ 0.44	$ 0.42	$ 0.41	$ 0.38	$ 0.37	$ 0.37	$ 0.35	$ 0.34	$ 0.33

(1) These same adjustments are used to arrive at operating earnings before allocation for participating securities and Preferred Stock dividends.

AMTG and ARI calculate certain non-GAAP financial metrics including Operating Earnings using different methodologies. Consequently, the financial metrics presented in each company s prospective financial information disclosures may not be directly comparable to one another.

In preparing the foregoing unaudited prospective financial results, AMTG made a number of assumptions and estimates regarding, among other things, future interest rates, AMTG s future stock price, the level of future investments by AMTG and the yield to be achieved on such investments, financing of future investments, including leverage ratios, the ability to refinance certain of AMTG s outstanding secured and unsecured debt and the terms of any such refinancing, and future capital expenditures and dividend rates. AMTG management believes these assumptions and estimates were reasonably prepared, but these assumptions and estimates may not be realized and are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among others, the risks and uncertainties described under *Risk Factors* and *Cautionary Statement Regarding Forward-Looking Statements* beginning on pages 109 and 118, respectively, and in AMTG s Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference into this proxy statement/prospectus. All of these uncertainties and contingencies are difficult to predict and many are beyond the control of ARI and/or AMTG and will be beyond the control of the Combined Company. ARI stockholders and AMTG stockholders are urged to review the SEC filings of AMTG for a description of the risk factors with respect to the business of AMTG. See *Cautionary Statement Regarding Forward-Looking Statements* beginning on page 118 and *Where You Can Find More Information; Incorporation by Reference* beginning on page 233.

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The following additional assumptions were also made in developing AMTG's projections:

(Dollars in Thousands)

	Assumption Range
3 Month LIBOR	0.50% - 1.66%
1 Month LIBOR	0.50% - 1.61%
Cash & Restricted Cash	
% of Equity	23.25%
Agency RMBS, Fixed Rate Pass-Through Securities	
% of Equity	13.79% - 14.36%
Leverage multiple	14.50x
Yield on existing portfolio	2.76%
Yield on reinvestment	3.08% - 3.64%
Funding cost spread to LIBOR	0.19%
Agency RMBS, ARM Pass-Through Securities	
% of Equity	1.80%
Leverage multiple	27.25x
Yield on existing portfolio	1.27% - 1.86%
Yield on reinvestment	1.27% - 1.83%
Funding cost spread to LIBOR	0.19%
Agency Interest-Only Securities	
% of Equity	8.29%
Leverage multiple	
Yield on existing portfolio	6.03%
Yield on reinvestment	4.50% - 5.00%
Agency Inverse Interest-Only Securities	
% of Equity	1.06%
Leverage multiple	
Yield on existing portfolio	14.18%
Yield on reinvestment	6.00%
Non-Agency & Credit Securities	
% of Equity	41.69%
Leverage multiple	3.00x
Yield on existing portfolio	6.08%
Yield on reinvestment	4.34% - 5.45%
Funding cost spread to LIBOR	1.70%
Seller Financing Program Investments	
% of Equity	5.87% - 6.28%
Leverage multiple	
Yield on existing portfolio	7.77% - 8.72%
2015 Securitized Mortgage Loan Pool	
% of Equity	2.32% - 2.87%

Leverage multiple	2.82x
Yield on existing portfolio	6.64%
Funding cost spread to LIBOR	2.50%

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(Dollars in Thousands)

	Assumption Range
2013 Securitized Mortgage Loan Pool	
% of Equity	5.32% - 5.65%
Leverage multiple	1.34x
Yield on existing portfolio	12.80%
Repurchase borrowings-spread to LIBOR	2.00%
Securitized debt-effective cost	4.27%
Swaps	
Notional balance	$1,287,000
Spread between fixed pay and variable rate leg	1.12% - (0.10)%
Swaptions	
Notional balance	$1,705,000
TBAs, Swaps & Swaptions	
% of Equity	(3.24)% - (3.19)%
Other Assets/Liabilities, net	
% of Equity	(1.06)%

Neither the independent registered public accounting firm of AMTG, nor any other independent accountants, have compiled, examined or performed any audit or other procedures with respect to the AMTG financial projections, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The report of the independent registered public accounting firm of AMTG contained in AMTG s Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference into this proxy statement/prospectus, relates to the historical consolidated financial statements of AMTG. It does not extend to the AMTG financial projections and should not be read to do so. Furthermore, the AMTG financial projections do not take into account any circumstances or events occurring after the respective dates on which they were prepared.

Readers of this proxy statement/prospectus are cautioned not to place undue reliance on the AMTG financial projections. The summary of the AMTG financial projections is not being included to influence your decision whether to vote for the approval of the First Merger and the other transactions contemplated by the merger agreement, but is being provided because such information was considered in connection with the mergers and was provided to ARI, the AMTG Board, the AMTG Special Committee and the AMTG Special Committee s financial advisor. The inclusion of the AMTG financial projections in this proxy statement/prospectus should not be regarded as an indication that any of ARI, AMTG or their respective officers, directors, affiliates, advisors or other representatives consider such information to be necessarily predictive of actual future events. In addition, the AMTG financial projections do not give effect to the mergers. None of ARI, AMTG, or their respective officers, directors, affiliates, advisors or other representatives has made or makes any representations to any ARI stockholder or AMTG stockholder regarding the ultimate performance of AMTG compared to the information included in the AMTG financial projections, and none of ARI, AMTG or their respective affiliates undertakes any obligation to update or otherwise revise or reconcile the AMTG financial projections to reflect circumstances existing, or changes in assumptions or outlook occurring, after the date the ARI financial projections were generated, except as may be required by applicable law.

Certain ARI Unaudited Prospective Financial Information

ARI does not, as a matter of course, generally publish its business plans and strategies or make public disclosures of its projections as to future revenues, earnings or other results. In connection with the proposed mergers, ARI provided, in the course of reverse due diligence, the AMTG Special Committee, the AMTG Board and the

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financial advisor to the AMTG Special Committee with selected unaudited prospective financial information regarding ARI s future performance on a standalone basis for the years 2016 through 2018. This information also was provided to the ARI Special Committee s financial advisor for its use and reliance in connection its financial analyses and opinion described above under *Special Factors Opinion of the Financial Advisor to the ARI Special Committee*. A summary of these projections is provided below and such information is referred to in this proxy statement/prospectus as the ARI financial projections .

The ARI financial projections were not prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with GAAP, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The ARI financial projections were, in general, prepared solely for internal use and are subjective in many respects. As a result, there can be no assurance that the prospective results will be realized or that the actual results will not be significantly higher or lower than estimated.

	Quarter End				Year End
	31-Mar-16	**30-Jun-16**	**30-Sep-16**	**31-Dec-16**	**2016**
Net interest income	$ 45,870	$ 52,950	$ 57,319	$ 57,081	$ 213,220
GAAP net income	$ 32,394	$ 34,983	$ 38,499	$ 38,285	$ 144,161
Adjustments:					
Equity Based Compensation Expense	368	420	449	442	1,679
Amortization of convertible senior notes related to equity reclassification	867	867	867	867	3,468
Operating earnings	$ 33,629	$ 36,270	$ 39,814	$ 39,594	$ 149,308
Per share					
Operating earnings	$ 0.49	$ 0.48	$ 0.49	$ 0.49	$ 1.95
Dividends	0.46	0.46	0.46	0.46	1.84

	Quarter End				Year End
	31-Mar-17	**30-Jun-17**	**30-Sep-17**	**31-Dec-17**	**2017**
Net interest income	$ 58,308	$ 60,766	$ 63,184	$ 62,904	$ 245,162
GAAP net income	$ 39,503	$ 41,607	$ 43,683	$ 43,427	$ 168,220
Adjustments:					
Equity Based Compensation Expense	443	458	470	464	1,835
Amortization of convertible senior notes related to equity reclassification	867	867	867	867	3,468
Operating earnings	$ 40,813	$ 42,932	$ 45,021	$ 44,758	$ 173,523
Per share					
Operating earnings	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 2.00
Dividends	0.47	0.47	0.47	0.47	1.88

	Quarter End				Year End

	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18	2018
Net interest income	$ 64,433	$ 66,972	$ 69,394	$ 69,434	$ 270,233
GAAP net income	$ 44,917	$ 47,094	$ 49,156	$ 49,188	$ 190,354
Adjustments:					
Equity Based Compensation Expense	471	487	593	593	1,965
Amortization of convertible senior notes related to equity reclassification	867	867	867	867	3,468
Operating earnings	$ 46,255	$ 48,448	$ 50,526	$ 50,558	$ 195,787
Per share					
Operating earnings	$ 0.51	$ 0.51	$ 0.51	$ 0.51	$ 2.04
Dividends	0.48	0.48	0.48	0.48	1.92

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For purposes of the unaudited prospective financial information summarized herein, Operating Earnings is a non-GAAP financial measure that is used by ARI to approximate cash available for distribution and is defined by ARI as net income available to ARI common stockholders, computed in accordance with GAAP, adjusted for (i) equity-based compensation expense (a portion of which may become cash-based upon final vesting and settlement of awards should the holder elect net share settlement to satisfy income tax withholding); (ii) any unrealized gains or losses or other non-cash items included in net income available to common stockholders; (iii) unrealized income from unconsolidated joint ventures; (iv) foreign currency gains/(losses); and (v) the non-cash amortization expense related to the reclassification of a portion of the convertible senior notes to stockholders equity in accordance with GAAP.

AMTG and ARI calculate certain non-GAAP financial metrics including Operating Earnings using different methodologies. Consequently, the financial metrics presented in each company s prospective financial information disclosures may not be directly comparable to one another.

In preparing the foregoing unaudited prospective financial results, ARI made a number of assumptions and estimates regarding, among other things, future interest rates, ARI s future stock price, the level of future investments by ARI and the yield to be achieved on such investments, financing of future investments, including leverage ratios, the ability to refinance certain of ARI s outstanding secured and unsecured debt and the terms of any such refinancing, and future capital expenditures and dividend rates.

The following additional assumptions were also made in developing these projections:

	Year Ended		
Key Assumptions	**2016**	**2017**	**2018**
W.A. Yield on Investment Portfolio	9.7%	10.0%	10.6%
Common Equity Raised (000s)	$ 211,000	$ 150,000	$ 150,000
G&A Expenses	2.3%	2.3%	2.3%
Management Fee	1.5%	1.5%	1.5%
Secured Interest Rate	3.8%	3.5%	3.5%
Debt + Other Liab. to GAAP Common Equity	1.0x	0.7x	0.7x

ARI management believes these assumptions and estimates were reasonably prepared, but these assumptions and estimates may not be realized and are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among others, the risks and uncertainties described under *Risk Factors* and *Cautionary Statement Regarding Forward-Looking Statements* beginning on pages 109 and 118, respectively, and in ARI s Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference into this proxy statement/prospectus. All of these uncertainties and contingencies are difficult to predict and many are beyond the control of ARI and/or AMTG and will be beyond the control of the Combined Company. ARI stockholders and AMTG stockholders are urged to review the SEC filings of ARI for a description of the risk factors with respect to the business of ARI. See *Cautionary Statement Regarding Forward-Looking Statements* beginning on page 118 and *Where You Can Find More Information; Incorporation by Reference* beginning on page 233.

Neither the independent registered public accounting firm of ARI, nor any other independent accountants, have compiled, examined or performed any audit or other procedures with respect to the ARI financial projections, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The report of the independent registered public accounting firm of ARI contained in ARI s Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference into this proxy statement/prospectus, relates to the historical consolidated financial statements of ARI. It does not extend to the ARI financial projections and should not be read to do so. Furthermore, the ARI financial projections do not take into account any circumstances or events occurring after the respective dates on which they were prepared.

Readers of this proxy statement/prospectus are cautioned not to place undue reliance on the ARI financial projections. The summary of the ARI financial projections is not being included to influence your decision whether to vote for the approval of the First Merger and the other transactions contemplated by the merger agreement, but is being provided because such information was considered in connection with the mergers and was provided to the AMTG Board, the AMTG Special Committee and the AMTG Special Committee s financial advisor. The inclusion of the ARI financial projections in this proxy statement/prospectus should not be regarded as an indication that any of ARI, AMTG or their respective officers, directors, affiliates, advisors or other representatives consider such information to be necessarily predictive of actual future events. In addition, the ARI financial projections do not give effect to the mergers. None of ARI, AMTG, or their respective officers, directors, affiliates, advisors or other representatives has made or makes any representations to any ARI stockholder or AMTG stockholder regarding the ultimate performance of ARI compared to the information included in the ARI financial projections, and none of ARI, AMTG or their respective affiliates undertakes any obligation to update or otherwise revise or reconcile the ARI financial projections to reflect circumstances existing, or changes in assumptions or outlook occurring, after the date the ARI financial projections were generated, except as may be required by applicable law.

Interests of AMTG s Directors and Officers in the Transaction

Certain of AMTG s executive officers and directors may have interests in the transaction that are different from, or in addition to, those of AMTG s and ARI s stockholders generally. These interests may present such executive officers and directors with actual or potential conflicts of interest. The AMTG Board was aware of these interests during its deliberations on the merits of the transaction and in deciding to approve the merger agreement and the other transactions contemplated thereby. These interests include those discussed below.

Relationships among Apollo, AMTG, ARI and Athene; Overlapping Directors

ARI is under control of the ARI Manager and AMTG is under control of the AMTG Manager. Each of the ARI Manager and the AMTG Manager is an indirect subsidiary of Apollo.

Certain of the members of the AMTG Board have relationships with Apollo as set forth below:

- Michael A. Commaroto is the president and chief executive officer of the AMTG Manager, an affiliate of Apollo, and has been an officer of Vantium Management, L.P., a portfolio company of a fund managed by an affiliate of Apollo;

- James E. Galowski is an employee of an entity affiliated with Apollo; and

- Frederick N. Khedouri is an employee of an entity affiliated with Apollo.

In addition, (i) Mark C. Biderman is a member of both the AMTG Board and the ARI Board and has recused himself from all deliberations relating to the mergers and (ii) Hope S. Taitz is a member of both the AMTG Board and the board of directors of Athene Holding Ltd. Ms. Taitz is also a member of the conflicts committee of the board of directors of Athene Holding Ltd., but she was not a member of the Athene Special Committee.

Apollo is a significant shareholder of Athene Holding Ltd., through which Apollo holds approximately 45% of the total voting power of Athene Holding Ltd. Athene s invested assets are also managed by AAM, which is a subsidiary of Apollo. Certain of Athene Holding Ltd. s directors are also employees of Apollo and directors of AAM, and Athene Holding Ltd. s Chief Executive Officer is the Chief Executive Officer and an equity holder of AAM.

AMTG Special Committee Fees

Each of Mr. Kleisner and Mr. Christopoul, as the members of the AMTG Special Committee earned cash committee fees in connection with their service on the AMTG Special Committee. The individual members of the AMTG Special Committee earned the following fees: Thomas Christopoul, chairman of the AMTG Special Committee $75,000; and Frederick Kleisner $50,000.

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Management Agreement

In connection with AMTG s initial public offering in July 2011, AMTG entered into the AMTG management agreement with the AMTG Manager, which describes the services to be provided by the AMTG Manager and its compensation for those services. AMTG s business is managed by the AMTG Manager, subject to the supervision and oversight of the AMTG Board, which has established investment guidelines for the AMTG Manager to follow in its day-to-day management of AMTG s business, and subject to the revised investment guidelines included in the merger agreement.

Pursuant to the terms of the AMTG management agreement, the AMTG Manager is paid a base management fee equal to 1.5% per annum of AMTG s stockholders equity (as defined in the management agreement), calculated and payable (in cash) quarterly in arrears.

AMTG incurred management fees of approximately $11.1 million, $11.2 million and $11.6 million for the fiscal years ended December 31, 2015, December 31, 2014 and December 31, 2013 respectively. In addition to the management fee, AMTG is responsible for reimbursing the AMTG Manager for certain expenses paid by the AMTG Manager on behalf of AMTG and for certain services provided by the AMTG Manager to AMTG. Expenses incurred by the AMTG Manager and reimbursed by AMTG are typically included in AMTG s general and administrative expense on AMTG s consolidated statement of operations, or may be reflected on the consolidated balance sheet and associated consolidated statement of changes in stockholders equity, based on the nature of the item. Included in Payable to related party on AMTG s consolidated balance sheet at December 31, 2015 and December 31, 2014, was approximately $5.4 million and $2.8 million, respectively, for management fees payable to the AMTG Manager, with the remainder of such payable reflecting reimbursements due to Apollo for AMTG s general and administrative expenses paid or incurred by Apollo on AMTG s behalf. The AMTG management agreement is automatically renewed each year unless two-thirds of the independent directors on the AMTG Board determine that the performance of the AMTG Manager has been unsatisfactory and materially detrimental to the Company, or that the Management Fee is unfair, and upon any such determination the Company may terminate the AMTG management agreement upon 180 days prior written notice, provided that if the proposed termination is based on a determination that the Management Fee is unfair, the AMTG Manager has the right to attempt to renegotiate its compensation for a period of 45 days. In the event that the AMTG management agreement is terminated in accordance its terms, AMTG shall pay to the AMTG Manager, on the date on which such termination becomes effective, a termination fee (the Termination Fee) equal to three times the sum of the average annual Management Fee during the 24-month period immediately preceding the date of such termination, calculated as of the end of the most recently completed fiscal quarter prior to the date of termination. The obligation of AMTG to pay the Termination Fee shall survive the termination of the AMTG management agreement. If the mergers are consummated, the AMTG management agreement will continue in full force and effect until the consummation of the mergers, at which point the AMTG management agreement will be assigned to ARI.

If the mergers are consummated, the AMTG management agreement will continue in full force and effect until the consummation of the mergers, at which point the AMTG management agreement will be assigned to ARI. If the mergers are consummated, the ARI Manager has agreed that any management fees paid by ARI to the AMTG Manager pursuant to the AMTG management agreement will offset, and therefore reduce (but not below zero), ARI s obligation to pay corresponding management fees to the ARI Manager under the ARI management agreement.

In addition, AMTG has entered into a letter agreement with the AMTG Manager, pursuant to which the AMTG Manager has agreed to perform such services as may be necessary to enable AMTG to consummate the mergers and other transactions contemplated by the merger agreement in accordance with the terms thereof, including assisting AMTG and its subsidiaries in performing and complying with AMTG s obligations under the merger agreement.

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Registration Rights Agreement

AMTG entered into a registration rights agreement with Apollo Principal Holdings I, L.P., Michael Commaroto, Paul Mangione and Keith Rosenbloom, with respect to the AMTG common stock owned by such entity and individuals purchased in a concurrent private placement upon the completion of AMTG s initial public offering in July 2011, which AMTG common stock we refer to as registrable stock. Pursuant to the registration rights agreement, AMTG granted to the aforementioned entity and individuals (1) unlimited demand registration rights to have the registrable stock registered for resale, and (2) in certain circumstances, the right to piggy-back this registrable stock in registration statements AMTG might file in connection with any future public offering. These registration rights with respect to the registrable stock are currently applicable; however, in the event the mergers are consummated, all of the registrable stock will be converted into the right to receive the Per Common Share Merger Consideration and the registration rights agreement will terminate in accordance with its terms.

Equity Interests of AMTG s Directors and Executive Officers in AMTG and ARI; Conversion of Outstanding Shares Pursuant to the Mergers

Shares of AMTG common stock owned by executive officers and directors of AMTG will be converted into the right to receive the Per Common Share Merger Consideration on the same terms and conditions as the other stockholders of AMTG. As of the Record Date, the executive officers and directors of AMTG beneficially owned, in the aggregate, 274,284 shares of AMTG common stock, excluding outstanding AMTG Restricted Shares that vest under the AMTG 2011 Equity Incentive Plan. If all of the shares of AMTG common stock beneficially owned by the executive officers and directors as of the Record Date (other than AMTG Restricted Shares that vest under the AMTG 2011 Equity Incentive Plan) were converted to shares of ARI common stock in connection with the First Merger, then the executive officers and directors would receive an aggregate of 114,530 shares of ARI common stock pursuant to the First Merger, which based on the closing price of ARI common stock on July 22, 2016, would have an aggregate value of $1,910,360.

The following table sets forth the beneficial ownership of the directors and executive officers of AMTG in the equity of (i) AMTG and (ii) ARI, after giving effect to the mergers, each as of the Record Date.

Name of Beneficial Owner	AMTG Common Stock	Percentage of AMTG Common Stock Outstanding	ARI Shares prior to the First Merger	Percentage of ARI Shares Outstanding	ARI Shares after the First Merger	Percentage of ARI Shares Outstanding
Michael A. Commaroto(1)(2)(3)	247,332	*	30,900	*	134,178	*
Gregory W. Hunt(1)(2)						
Frederick N. Khedouri(1)(2)	22,259	*			9,294	*
Mark C. Biderman(1)(4)(5)	32,784	*	51,875	*	65,564	*
Thomas D. Christopoul(1)(4)	27,407	*			11,444	*
James E. Galowski(6)	6,831	*	10,642	*	13,494	*
Frederick J. Kleisner(1)(4)	44,007	*			18,376	*
Hope S. Taitz(1)(4)	27,407	*			11,444	*
All directors and executive officers of AMTG as a group	408,027	1.28%	93,417	*	263,794	*

* Represents less than 1% of issued and outstanding shares.

(1) Each director and executive officer has sole voting and investment power with respect to these shares.

(2) Includes restricted stock units granted under the 2011 Equity Incentive Plan as follows:

(a) Mr. Commaroto 94,900 restricted stock units; (b) Mr. Hunt 0 restricted stock units; and (c) Mr. Khedouri 4,151 restricted stock units. The vesting of all such restricted stock units will accelerate immediately prior to the effective time of the First Merger.

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(3) Includes 30,900 ARI restricted stock units granted under the Parent Equity Plan that vest upon the achievement of certain conditions.

(4) Includes unvested shares of restricted AMTG common stock granted to AMTG directors pursuant to AMTG s 2011 Equity Incentive Plan as follows:
(a) Mr. Biderman 8,673 shares of restricted AMTG common stock; (b) Mr. Christopoul 8,673 shares of restricted AMTG common stock; (c) Mr. Kleisner 8,673 shares of restricted AMTG common stock; and
(d) Ms. Taitz 8,673 shares of restricted AMTG common stock. The vesting of all unvested shares of restricted AMTG common stock will accelerate immediately prior to the effective time of the First Merger.

(5) Includes 21,947 shares of ARI restricted common stock granted under the Parent Equity Plan.
(6) Mr. Galowski holds 6,181 shares jointly with his spouse.

Cash Consideration to be Received by AMTG s Directors and Executive Officers In Exchange of Equity Interests

The following table sets forth the total cash proceeds that the directors and executive officers of AMTG will receive for any shares, options or other securities of AMTG as a result of the transactions contemplated by the merger agreement based upon the amounts beneficially owned by such directors and executive officers of AMTG as of the Record Date.

Name of Beneficial Owner	AMTG Common Stock	Cash Consideration Received
Michael A. Commaroto(1)(2)	247,332	$ 1,696,713
Gregory W. Hunt(1)(2)		
Frederick N. Khedouri(1)(2)	22,259	$ 152,709
Mark C. Biderman(1)(3)	32,784	$ 224,909
Thomas D. Christopoul(1)(3)	27,407	$ 188,019
James E. Galowski(4)	6,831	$ 46,868
Frederick J. Kleisner(1)(3)	44,007	$ 301,889
Hope S. Taitz(1)(3)	27,407	$ 188,019
All directors and executive officers of AMTG as a group	408,027	$ 2,799,126

(1) Each director and executive officer has sole voting and investment power with respect to these shares.
(2) Includes restricted stock units granted under the 2011 Equity Incentive Plan as follows:
(a) Mr. Commaroto 94,900 restricted stock units; (b) Mr. Hunt 0 restricted stock units; and (c) Mr. Khedouri 4,151 restricted stock units. The vesting of all such restricted stock units will accelerate immediately prior to the effective time of the First Merger.

(3) As of the Record Date, includes unvested shares of restricted AMTG common stock granted to AMTG directors pursuant to AMTG s 2011 Equity Incentive Plan as follows:

(a) Mr. Biderman 8,673 shares of restricted AMTG common stock; (b) Mr. Christopoul 8,673 shares of restricted AMTG common stock; (c) Mr. Kleisner 8,673 shares of restricted AMTG common stock; and
(d) Ms. Taitz 8,673 shares of restricted AMTG common stock. The vesting of all unvested shares of restricted AMTG common stock will accelerate immediately prior to the effective time of the First Merger.

(4) Mr. Galowski holds 6,181 shares jointly with his spouse.

Treatment of AMTG Restricted Shares

Under the merger agreement, immediately prior to the First Merger, each outstanding AMTG Restricted Share which was not then vested will vest and, upon consummation of the First Merger, will be converted into the right to receive the Per Common Share Merger Consideration, less applicable tax withholdings.

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As a result of the transactions contemplated under the merger agreement, AMTG s directors and executive officers who hold AMTG Restricted Shares would receive the following consideration in connection with the accelerated vesting prior to the First Merger:

Name	AMTG Restricted Shares (#)	Cash Consideration($)	ARI Shares(#)	Aggregate Consideration($)(1)
Mark C. Biderman	8,673	$ 59,507	3,621	$ 116,336
Thomas D. Christopoul	8,673	$ 59,507	3,621	$ 116,336
Frederick N. Khedouri	4,151	$ 28,482	1,733	$ 55,680
Frederick J. Kleisner	8,673	$ 59,507	3,621	$ 116,336
Hope S. Taitz	8,673	$ 59,507	3,621	$ 116,336
Michael A. Commaroto(2)	94,900	$ 651,024	39,627	$ 1,312,002

(1) Aggregate consideration determined by adding the cash consideration to the value of the shares of ARI common stock using the closing price of ARI common stock on July 22, 2016.

(2) This amount includes 72,380 AMTG Restricted Shares which were granted to Mr. Commaroto following the execution of the merger agreement (on March 17, 2016). Consistent with the treatment of AMTG Restricted Shares described above, these AMTG Restricted Share will vest and be converted into the Per Common Share Merger Consideration upon the consummation of the First Merger.

Other Compensation Arrangements

It is anticipated that Mr. Commaroto will enter into arrangements with the AMTG Manager that will provide for a retention bonus in the amount of $400,000, plus an additional bonus in the amount of $66,667 for each full month Mr. Commaroto s employment continues after July 1, 2016 (subject to proration for any partial month) and severance in the amount of $500,000 in connection with his continuing to provide services for a specified period following the closing of the mergers and his anticipated termination of employment thereafter. The payments will be made by the AMTG Manager or one or more of its affiliates and, other than with respect to liabilities relating to AMTG Restricted Shares, AMTG will have no liability with respect to these arrangements. In addition, at the time of the execution of the merger agreement, Mr. Commaroto was granted ARI restricted stock units with respect to 30,900 shares of ARI common stock that vest based upon the achievement of certain conditions.

Section 16 Matters

Pursuant to the merger agreement, AMTG is permitted to take all steps as may be required to cause to be exempt under Rule 16b-3 under the Exchange Act any dispositions of shares of AMTG common stock (including derivative securities with respect to such shares) that are treated as dispositions under Rule 16b-3 and result from the transactions contemplated under the merger agreement by each officer or director of AMTG who is or will be subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to AMTG.

Indemnification and Insurance

For a period of 10 years after the effective time of the mergers, pursuant to the terms of the merger agreement and subject to certain limitations, the surviving entity will indemnify, defend and hold harmless among others, each individual covered by the AMTG governing documents or any indemnification or similar agreements, for actions at or prior to the effective time of the mergers, including with respect to the transactions contemplated by the merger agreement. In addition, pursuant to the terms of the merger agreement and subject to certain limitations, prior to the effective time of the mergers, AMTG may obtain and pay for a directors and officers liability insurance tail or runoff insurance program for a period of ten years after the closing date with respect to wrongful acts and/or omissions committed or allegedly committed at or prior to the time of the First Merger (such coverage shall have an aggregate coverage limit over the term of such policy in an amount not to exceed the annual aggregate coverage limit under AMTG s existing directors and officers liability policy, and in all other respects shall be comparable to such existing coverage); provided, however, that the annual cost of such program may not exceed 250% of the annual premiums paid as of the date of the merger agreement by AMTG for directors and officers liability insurance (such 250% amount, the Base Premium); provided, further, if such insurance coverage cannot be obtained at all, or can only be obtained at an annual cost in excess of the Base Premium, AMTG may purchase the most advantageous policies of tail or run-off directors and officers insurance obtainable for an annual cost equal to the Base Premium. If AMTG obtains such insurance policy prior to the effective time of the First Merger, ARI shall cause such policy to be maintained in full force and effect, for its full term, and shall honor its obligations thereunder. Some of the directors and executive officers of AMTG are entitled to certain contractual payments, benefits and incentive awards in connection with the mergers, as described below.

Interests of ARI s Directors and Officers in the Transaction

Certain of ARI s executive officers and directors may have interests in the transaction that are different from, or in addition to, those of AMTG s and ARI s stockholders generally. These interests may present such executive officers and directors with actual or potential conflicts of interest. The ARI Board was aware of these interests during its deliberations on the merits of the transaction and in deciding to approve the merger agreement and the other transactions contemplated thereby. These interests include those discussed below.

Overlapping Director

Mark C. Biderman is a member of both the AMTG Board and the ARI Board and has recused himself from all deliberations relating to the mergers.

ARI Special Committee Fees

Each of the members of the ARI Special Committee earned cash committee fees in connection with their service on the ARI Special Committee. The individual members of the ARI Special Committee earned the following fees: Jeffrey Gault, chairman of the ARI Special Committee $75,000; Robert A. Kasdin $50,000; and Scott S. Prince $50,000.

Equity Interests of ARI s Directors in AMTG

As of the Record Date, Stuart Rothstein, ARI s President and Chief Executive Officer and a director of ARI, owns 11,361 shares of AMTG common stock. As of the Record Date, Michael Salvati, a director of ARI, owns 10,300 shares of AMTG common stock and Mark C. Biderman, a director of ARI, owns 32,784 shares (which includes 8,673 unvested Restricted Shares) of AMTG common stock. The shares of AMTG common stock held by each of Mr. Rothstein, Mr. Salvati and Mr. Biderman will be converted into the right to receive Per Common Share Merger Consideration on the same terms and conditions as the other holders of shares of AMTG common stock.

Vote Required for Approval; Quorum

Approval of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of AMTG common stock. In addition, the closing of the mergers is conditioned upon the holders of at least a majority of the outstanding shares of AMTG common stock that are beneficially owned by persons unaffiliated with Apollo approving the proposal to approve the First Merger and the other transactions contemplated by the merger agreement. Approval of the proposal to adjourn the AMTG special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the First Merger and the other transactions contemplated by the merger agreement requires the affirmative vote of a majority of the votes cast on such proposal. Approval of the Merger-Related Named Executive Officer Compensation Proposal requires the affirmative vote of a majority of the votes cast on such proposal. The AMTG common stockholders vote regarding the Merger-Related Named Executive Officer Compensation Proposal is an advisory vote and therefore is not binding on AMTG or the AMTG Board or the AMTG Special Committee.

AMTG s bylaws provide that the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast constitutes a quorum at a meeting of its stockholders. Shares that are voted and shares abstaining from voting are treated as being present at the AMTG special meeting for purposes of determining whether a quorum is present.

Other Offers

No other offers were made within the meaning of Item 1014(f) of Regulation M-A.

Availability of Documents

The reports, opinions or appraisals referenced in this section *Special Factors* will be made available for inspection and copying at the principal executive offices of AMTG during its regular business hours by any interested holder of shares of AMTG common stock or representative who has been designated in writing.

Parties to the Transaction

Apollo Commercial Real Estate Finance, Inc.

ARI is a Maryland corporation that was incorporated in 2009 and that has elected to be taxed as a REIT for U.S. federal income tax purposes. ARI generally is not subject to U.S. federal income taxes on its net taxable income to the extent that it annually distributes its net taxable income to stockholders and maintains its qualification as a REIT. ARI also operates its business in a manner intended to allow it to remain excluded from registration as an investment company under the 1940 Act. ARI primarily originates, acquires, invests in and manages performing first mortgage loans, subordinate financings, CMBS and other commercial real estate-related debt investments. These asset classes are referred to as ARI s target assets.

ARI is externally managed and advised by the ARI Manager, an indirect subsidiary of Apollo, which together with its subsidiaries is a leading global alternative investment manager with a contrarian and value oriented investment approach in private equity, credit and real estate. The ARI Manager is led by an experienced team of senior real estate professionals who have significant experience in underwriting and structuring commercial real estate financing transactions. ARI benefits from Apollo s global infrastructure and operating platform, through which ARI is able to source, evaluate and manage potential investments in ARI s target assets.

ARI s principal business objective is to make investments in its target assets in order to provide attractive risk adjusted returns to its stockholders over the long term, primarily through dividends and secondarily through capital appreciation.

The current business address of ARI and each of its executive officers and directors, is c/o Apollo Global Management, LLC, 9 West 57th Street, 43rd Floor, New York, New York 10019, and the business telephone number of each such entity or person is (212) 515-3200.

During the past five years none of ARI or any of its directors and executive officers have been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws. All of the directors and executive officers of ARI are citizens of the United States.

For additional information regarding the employment history of the officers and directors of ARI, see the information set forth in the proxy statement/prospectus under the caption Management and Board of Combined Company incorporated herein by reference.

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Arrow Merger Sub, Inc.

Merger Sub, a direct wholly owned subsidiary of ARI, is a Maryland corporation formed on February 22, 2016 for the purpose of entering into the merger agreement. Upon completion of the First Merger, Merger Sub will be merged with and into AMTG, with AMTG surviving as a subsidiary of ARI. Merger Sub has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement.

The current business address of Merger Sub and each of its executive officers and directors, is c/o Apollo Global Management, LLC, 9 West 57th Street, 43rd Floor, New York, New York 10019, and the business telephone number of each such entity or person is (212) 515-3200.

During the past five years none of Merger Sub or any of its directors and executive officers have been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws. All of the directors and executive officers of Merger Sub are citizens of the United States.

The names and material occupations, positions, offices or employment during the past five years of the directors and executive officers of Merger Sub are as follows:

Stuart A. Rothstein Director and President. For more information regarding Mr. Rothstein s employment history, see the information set forth in *Management and Board of Combined Company.*

Jai Agarwal Chief Financial Officer, Treasurer and Secretary. For more information regarding Mr. Agarwal s employment history, see the information set forth in *Management and Board of Combined Company.*

Apollo Residential Mortgage, Inc.

AMTG was incorporated in Maryland on March 15, 2011 and commenced operations on July 27, 2011. AMTG is structured as a holding company and conducts its business primarily through ARM Operating, LLC and its other operating subsidiaries. AMTG has elected to be taxed as a REIT for U.S. federal income tax purposes, commencing with its taxable year ended December 31, 2011. AMTG generally is not subject to U.S. federal income taxes on its net taxable income to the extent that it annually distributes its net taxable income to stockholders and maintains its qualification as a REIT. AMTG also operates its business in a manner that it believes will allow it to remain excluded from registration as an investment company under the 1940 Act. AMTG is externally managed and advised by the AMTG Manager, an indirect subsidiary of Apollo.

At March 31, 2016, AMTG s portfolio was comprised of approximately $3.1 billion of Agency RMBS (comprised of pass-through and interest-only securities), non-Agency RMBS, securitized mortgage loans, and other mortgage and mortgage related investment securities and other mortgage related investments.

The current business address of AMTG and each of its executive officers and directors, is c/o Apollo Global Management, LLC, 9 West 57th Street, 43rd Floor, New York, New York 10019, and the business telephone number of each such entity or person is (212) 515-3200.

During the past five years none of AMTG or any of its directors and executive officers have been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

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The names and material occupations, positions, offices or employment during the past five years of the directors and executive officers of AMTG are as follows:

Fredrick N. Khedouri Director. Mr. Khedouri has been the Chairman of the AMTG Board since its initial public offering (the AMTG IPO) in July 2011. Mr. Khedouri has also been a Vice President of AMTG Manager and a member of AMTG Manager s Investment Committee since July 2011. He is a Partner of Apollo Management International LLP and serves as a member of the Investment Committee and as Chief Investment Officer of Apollo European Principal Finance Fund L.P., a fund that commenced operations in 2007 and focuses primarily on financial assets in Western Europe. Mr. Khedouri also serves on the board of directors for Avant Tarjeta, Establecimiento Financiero de Crédito, S.A., a Spanish credit institution, and EVO Banco, S.A., a Spanish bank. Prior to joining Apollo in 2008, Mr. Khedouri spent 22 years in the investment banking and mortgage-backed securities division of Bear Stearns & Co. Inc. Mr. Khedouri became a Senior Managing Director at Bear Stearns & Co. Inc. in 1991. In the course of his career there, he oversaw the firm s activities relating to the U.S. savings and loan crisis from 1989 to 1993, leading over $35 billion of residential and commercial mortgage securities offerings for the Resolution Trust Corporation, the government agency responsible for liquidating the assets of failed institutions. He subsequently served as global head of the financial institutions investment banking group. In 2006, he transferred to London to manage the firm s U.K. and European mortgage and asset-backed securities principal investing, mortgage origination, and advisory and underwriting businesses. Prior to joining Bear Stearns & Co. Inc. in 1987, he served in senior policy posts in the White House under President Reagan. From 1981 to 1985, he was deputy for policy and Associate Director for Natural Resources, Energy and Science in the White House Office of Management and Budget. From 1985 to 1987, he was Assistant to the Vice President for policy and Deputy Chief of Staff to Vice President George Bush. Mr. Khedouri graduated from the University of Chicago with an AB in European History. He graduated from the University of Texas School of Law and joined the State Bar of Texas in 1976. Mr. Khedouri was selected to serve as a director on the AMTG Board because of his depth of knowledge about the real estate industry and his extensive managerial and executive experience. Mr. Khedouri is a citizen of the United States.

Mark C. Biderman Director. Mr. Biderman has been a member of the AMTG Board since the AMTG IPO in July 2011. Mr. Biderman has also served on the board of directors of ARI (the ARI Board) since November 2010. Since February 2011, Mr. Biderman had served as a member of the board of directors of Atlas Energy G.P., LLC, General Partner of Atlas Energy, L.P., an energy-focused master limited partnership. In February of 2015, Atlas Energy G.P., LLC completed a merger with a subsidiary of Targa Resources Group (NYSE: TRGP), forming a new public company. Mr. Biderman then ceased being a director of Atlas Energy G.P., LLC and became a director of Atlas Energy Group, LLC (NYSE: ATLS). Since August 2010, Mr. Biderman has been a member of the board of directors of the Full Circle Capital Corporation (NASDAQ: FULL), an externally managed business development company. Mr. Biderman served as a member of the board of directors of Atlas Energy, Inc., an independent natural gas producer that also owned an interest in an energy services provider, from July 2009 through February 2011. Since January 2009, Mr. Biderman has been a consultant focused on the financial services sector. Mr. Biderman served as Vice Chairman of National Financial Partners Corp. (NYSE: NFP), a benefits, insurance and wealth management services firm, from September 2008 through December 2008. From November 1999 until September 2008, he served as NFP s Executive Vice President and Chief Financial Officer. From 1987 to 1999, Mr. Biderman served as Managing Director and Head of the Financial Institutions Group at CIBC World Markets, or CIBC, an investment banking firm, and its predecessor, Oppenheimer & Co., Inc. Prior to investment banking, he was an equity research analyst covering the commercial banking industry. Mr. Biderman was on the Institutional Investor All American Research Team from 1973 to 1985 and was First Team Bank Analyst in 1974 and 1976. Mr. Biderman chaired the Due Diligence Committee at CIBC and served on the Commitment and Credit Committees. He serves on the Board of Governors and as Treasurer of Hebrew Union College-Jewish Institute of Religion, on the Board of Trustees of Congregation Rodeph Sholom, and as Chairman of the Board of Directors of Center for Jewish Life Princeton University Hillel.
Mr. Biderman is a Chartered Financial Analyst. Mr. Biderman received a BSE degree, with high honors, in chemical

engineering from Princeton University and an MBA from the Harvard Graduate School of Business Administration. Mr. Biderman qualifies as an audit committee financial expert under the guidelines of the SEC. Mr. Biderman was selected to serve as a director on the AMTG Board because of his business acumen and valuable operational experience. Mr. Biderman is a citizen of the United States.

Thomas D. Christopoul Director. Mr. Christopoul has been a member of the AMTG Board since the AMTG IPO in July 2011. Mr. Christopoul has been an executive vice president and co-founder of 54 Madison Partners, LLC since July 2015. Prior to that, from January 2015 to July 2015 he was a Senior Partner of Cain Hoy Enterprises, an affiliate of Guggenheim Partners, where he was Senior Managing Director of Global Real Estate and Infrastructure from April 2012 to December 2014. Prior to that, Mr. Christopoul was Executive Chairman of GPS Industries, LLC, a developer, manufacturer and distributor of cart-mounted global positioningsystem technology for the global golf industry, from 2009 to 2012 and Executive Chairman of Rita s Water Ice, LLC, a company that operates and franchises an Italian ice concept in the United States from 2010 to 2012. From 2009 to 2013, he served as an Operating Partner at Falconhead Capital, LLC, a private equity firm in New York City. From June 2007 to August 2009, he served as President and Chief Executive Officer of Resources Connection, Inc. (NASDAQ: RECN), a multinational professional services firm, where he also served as an independent member of the board of directors from January 2006 to June 2007. Prior to October 2005, Mr. Christopoul served as Chairman and Chief Executive Officer of the Marketing Services Division of Cendant Corporation (NYSE: CD), or Cendant. During his more than 10 years with Cendant, he led worldwide human resources and information technology, marketing and a broad array of corporate staff functions on a global basis through his service in a number of senior executive positions, including: Chairman and Chief Executive Officer of the Financial Services Division of Cendant, where he managed Jackson-Hewitt Tax Services; Senior Executive Vice President and Chief Administrative Officer; Executive Vice President of Corporate Services; Senior Vice President of Human Resources and Vice President of Human Resources for HFS Inc. (Hospitality Franchise Systems, Cendant s predecessor). Prior to HFS Inc. and Cendant, he was the Director of Labor Relations for the Nabisco Biscuit Company from 1992 to 1995 and also worked for the Pepsi-Cola Company from 1998 to 1992. He is a member of the boards of directors of several privately held companies. Mr. Christopoul graduated from Rutgers University with a BA and from Purdue University with an MS degree where he is a distinguished alumnus. Mr. Christopoul qualifies as an audit committee financial expert under the guidelines of the SEC. Mr. Christopoul was selected to serve as a director on the AMTG Board because of his extensive managerial and executive experience. He is also a director of Rexnord Corporation (NYSE: RXN). Mr. Christopoul is a citizen of the United States.

Michael A. Commaroto Director, President and Chief Executive Officer. Mr. Commaroto has been a member of the AMTG Board since 2014 and has served as AMTG s Chief Executive Officer and President since the AMTG IPO in July 2011. Mr. Commaroto is also the Chief Executive Officer and President of AMTG Manager and the head of AMTG Manager s Investment Committee. Mr. Commaroto has also been the Chief Executive Officer-Capital Markets of Vantium Management, L.P., an Apollo sponsored investment manager with a focus on investing in a static pool of residential mortgage loans in both whole loan and securitized forms, since 2008. Prior to joining Vantium Management, L.P., Mr. Commaroto was at Deutsche Bank AG (NYSE: DB), or Deutsche Bank, as the U.S. Head of Whole Loan Trading from 2000 to 2007. Prior to joining Deutsche Bank, Mr. Commaroto spent over 16 years at Credit Suisse First Boston and its predecessor companies, where, among other responsibilities, he managed the whole loan trading and finance business for the Principal Trading Group and the Mortgage Department. Mr. Commaroto started his career at Arthur Andersen & Co. where he focused on auditing broker dealers and investment banks. Mr. Commaroto graduated from Union College with a BA in economics and from the University of Rochester with an MBA with a concentration in accounting and finance. Mr. Commaroto has been selected to serve as a director on the AMTG Board because of his extensive experience in the residential mortgage industry. Mr. Commaroto is a citizen of the United States.

James E. Galowski Director. Mr. Galowski has been a member of the AMTG Board since June 2015. Mr. Galowski has been Senior Portfolio Manager, Corporate Structured Credit at Apollo since April 2012. Prior to joining Apollo, Mr. Galowski was a Partner at Stone Tower Capital (STC) from September 2006 to April 2012, where he was responsible for overseeing STC s investment activities in structured credit. From June 1990 to September 2005, Mr. Galowski served as Managing Director with WestLB in New York, London and

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Singapore. In Singapore, he was responsible for the bank s Financial Markets activities in the Asia Pacific region with trading rooms in Hong Kong, Singapore, Tokyo, Sydney and Shanghai. From March 2012 to September 2005, he was a Managing Director and served on the Board and Executive Committee of WestLB Asset Management (U.S.) LLC, which ultimately became Brightwater Capital Management. While in London, Mr. Galowski focused on the re-organization of the bank s European Treasury operations and served as the acting Group Treasurer of the Thomas Cook Group. While with WestLB in New York, Mr. Galowski was responsible for the ABS portfolio management business. From June 1985 to July 1990, Mr. Galowski served as a Senior Trader with the Canadian Imperial Bank of Commerce. Mr. Galowski graduated from St. John s University with a BS in Finance and from Fordham University s School of Business with an MBA. Mr. Galowski was selected to serve as a director on the AMTG Board because of his extensive background in the financial services industry and management. Mr. Galowski is a citizen of the United States.

Fredrick J. Kleisner Director. Mr. Kleisner has been a member of the AMTG Board since the AMTG IPO in July 2011. Mr. Kleisner served as President and a director of Hard Rock Hotel Holdings, LLC, a destination casino and resort company, from October 2007 to March 2011. From December 2007 until March 2011, Mr. Kleisner also served as Chief Executive Officer of Morgans Hotel Group Co. (NASDAQ: MHGC), or Morgans, a hospitality company, and as President and Chief Executive Officer (including interim President and Chief Executive Officer) of Morgans from September 2007 until March 2009. Mr. Kleisner also served as a director of Morgans from February 2006 until March 2011. From January 2006 to September 2007, Mr. Kleisner was the Chairman and Chief Executive Officer of Rex Advisors, LLC, a hotel advisory firm. From August 1999 to December 31, 2005, Mr. Kleisner served as President, Chief Operating Officer and, from March 2000 to August, 2005, Chief Executive Officer of Wyndham International, Inc., or Wyndham International, a global hotel company. Mr. Kleisner also has served as Chairman of Wyndham International s Board from October 2000 to August 2005. From January 1998 to August 1999, he served as President and Chief Operating Officer of The Americas for Starwood Hotels & Resorts Worldwide, Inc. Hotel Group. He has held senior positions with Westin Hotels and Resorts Worldwide, where he served as President and Chief Operating Officer from 1995 to 1998, Interstate Hotels Company, where he served as Executive Vice President and Group President of Operations from 1990 to 1995, The ITT Sheraton Corporation, where he served as Senior Vice President, Director of Operations, North America Division-East from 1985 to 1990, and Hilton Hotels, Corp. where for 16 years he served as General Manager of several landmark hotels. Since 2013, Mr. Kleisner serves as a director of Caesars Entertainment Corporation (NASDAQ: CZR). Mr. Kleisner has served as a director of Innkeepers USA Trust, a subsidiary of Apollo Investment Corporation (NASDAQ: AINV), from November 2007 to August 2010, and serves as a director of Kindred Healthcare, Inc. (NYSE: KND), a healthcare services company, since April 2009. He is currently a director of Playtime, LLC, a manufacturer of antibacterial and antimicrobial playground equipment and play systems, and Aimbridge Hospitality, Inc., a hotel investment and management firm. He also serves as a Real Estate Investment Management Advisory Board member of Michigan State University s Eli Broad College of Business, School of Hospitality Business. Mr. Kleisner graduated from Michigan State University with a BA in Hotel Management, completed advanced studies at the University of Virginia, Darden School of Business and attended The Catholic University of America. Mr. Kleisner qualifies as an audit committee financial expert under the guidelines of the SEC. Mr. Kleisner was selected to serve as a director on the AMTG Board because of his strong operating, management and real estate investment experience. Mr. Kleisner is a citizen of the United States.

Hope S. Taitz Director. Ms. Taitz has been a member of the AMTG Board since the AMTG IPO in July 2011. Since 2004, Ms. Taitz has acted as a consultant in the retail/consumer industries and, since April 2011, has served as a director of Athene Holding Ltd. and Athene Life Re Ltd. Since July 2011 Ms. Taitz has served as a director of Athene Annuity & Life Assurance Company. Since December 2012, Ms. Taitz has served as a director of Athene Life Insurance Company of New York. Since August 2013, Ms. Taitz has served as a director of Diamond Resorts International, Inc. Since October 2013, Ms. Taitz has served as a director of Athene Annuity and Life Company, Athene USA and Athene Annuity & Life Assurance Company of New York. Since July 2014, Ms. Taitz has served as a director of Lumenis Ltd. (NASDAQ: LMNS), a healthcare company. Since January 2015, Ms. Taitz has served as a director of MidCap FinCo Holdings Limited, MidCap FinCo Limited

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and MC Feeder Limited. From 1995 to 2003, Ms. Taitz was Managing Partner of Catalyst Partners, L.P., a money management firm focused on special situations in both debt and equity in sectors including retail, consumer and specialty finance. From 1990 to 1992, Ms. Taitz was a Vice President at The Argosy Group (now part of the Canadian Imperial Bank of Commerce (NYSE: CM)) specializing in financial restructuring before becoming a Managing Director at Crystal Asset Management, from 1992 to 1995. From 1986 to 1990, Ms. Taitz was at Drexel Burnham Lambert, first as a mergers and acquisitions analyst and then as an associate in the leveraged buyout group. Ms. Taitz is a founding executive member of Youth Renewal Fund, Pencils of Promise and Girls Who Code. Ms. Taitz graduated with honors from the University of Pennsylvania with a BA in Economics. Ms. Taitz was selected to serve as a director on the AMTG Board of because of her extensive background in finance and her management experience. Ms. Taitz is a citizen of the United States.

Gregory W. Hunt Chief Financial Officer, Treasury and Secretary. Mr. Hunt began his term as AMTG s Chief Financial Officer, Treasurer and Secretary in March 2016. Mr. Hunt began his term as Chief Financial Officer and Treasurer of Apollo Investment Corporation in May 2012. Previously, Mr. Hunt was Executive Vice President and Chief Financial Officer for Yankee Candle, which he joined in April 2010. Prior to joining Yankee Candle, Mr. Hunt served as the Executive Vice President of Strategic and Commercial Development for Norwegian Cruise Lines from 2007 to 2009. Prior to joining Norwegian Cruise Lines, Mr. Hunt served as Chief Financial Officer and Chief Restructuring Officer of Tweeter Home Entertainment Group, Inc. from 2006 to 2007 and Chief Financial Officer and Co-Chief Executive of Syratech Corporation from 2001 to 2006. Prior to Syratech, Mr. Hunt held several senior financial leadership positions including Chief Financial Officer of NRT Inc., Culligan Water Technologies, Inc. and Samsonite Corporation. Mr. Hunt also serves as a Director of LogicSource, Inc. and as a member of the Board of Advisors for the University of Vermont School of Business. Mr. Hunt earned a bachelor s degree in accounting and finance from the University of Vermont and is a Certified Public Accountant. Mr. Hunt is a citizen of the United States.

Apollo Participants

The current business address of each of Apollo, AMTG Manager and ARI Manager (collectively, the Apollo Participants) and their respective executive officers, directors or controlling persons, as applicable, is c/o Apollo Global Management, LLC, 9 West 57th Street, 43rd Floor, New York, New York 10019, and the business telephone number of each such entity or person is (212) 515- 3200. For purposes of these disclosures, we have included each of Apollo Capital Management, L.P. (Apollo Capital), Apollo Global Real Estate Management, L.P. (Apollo Global Real Estate), Apollo Capital Management GP, LLC (Apollo Capital Management GP), Apollo Global Real Estate Management GP, LLC (Apollo Global Real Estate GP), Apollo Management Holdings, L.P. (Apollo Management Holdings), Apollo Management Holdings GP, LLC (Apollo Management Holdings GP), and APO Corp., as controlling persons of the Apollo Participants for the reasons described below.

During the past five years none of the Apollo Participants or any of their respective executive officers, directors or controlling persons, as applicable, have been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

Apollo

Founded in 1990, Apollo is a leading global alternative investment manager. Apollo is a contrarian, value-oriented investment manager in private equity, credit and real estate, with significant distressed investment expertise. Apollo has a flexible mandate in many of the funds its manages which enables Apollo funds to invest opportunistically across a company s capital structure. Apollo raises, invests and manages funds on behalf of some of the world s most prominent pension, endowment and sovereign wealth funds, as well as other

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institutional and individual investors. As of December 31, 2015, Apollo had total assets under management of $170 billion, including approximately $38 billion in private equity, $121 billion in credit and $11 billion in real estate. Apollo has consistently produced attractive long-term investment returns in our private equity funds, generating a 39% gross IRR and a 25% net IRR on a compound annual basis from inception through December 31, 2015.

Apollo is led by its managing partners, Leon Black, Joshua Harris and Marc Rowan, who have worked together for more than 25 years and lead a team of 945 employees, including 353 investment professionals, as of December 31, 2015. This team possesses a broad range of transaction, financial, managerial and investment skills. Apollo has offices in New York, Los Angeles, Houston, Chicago, Bethesda, Toronto, London, Frankfurt, Madrid, Luxembourg, Mumbai, Delhi, Singapore, Hong Kong and Shanghai. Apollo operates its private equity, credit and real estate investment management businesses in a highly integrated manner, which Apollo believes distinguishes it from other alternative investment managers. Apollo investment professionals frequently collaborate across disciplines. Apollo believes that this collaboration, including market insight, management, banking and consultant contacts, and investment opportunities, enables the funds it manages to more successfully invest across a company s capital structure. This platform and the depth and experience of the Apollo investment team have enabled Apollo to deliver strong long-term investment performance for our funds throughout a range of economic cycles.

All of the directors and executive officers of Apollo are citizens of the United States, except for Pauline Richards, who is a Bermuda resident with British and Canadian citizenship. The names and material occupations, positions, offices or employment during the past five years of the directors and executive officers of Apollo are as follows:

Leon Black. Mr. Black is the Chairman of the board of directors and Chief Executive Officer of Apollo and a Managing Partner of Apollo Management, L.P. In 1990, Mr. Black founded Apollo Management, L.P. and Lion Advisors, L.P. to manage investment capital on behalf of a group of institutional investors, focusing on corporate restructuring, leveraged buyouts and taking minority positions in growth-oriented companies. From 1977 to 1990, Mr. Black worked at Drexel Burnham Lambert Incorporated, where he served as a Managing Director, head of the Mergers & Acquisitions Group, and co-head of the Corporate Finance Department. Mr. Black also serves on the board of directors of the general partner of AP Alternative Assets, L.P. and previously served on the board of directors of Sirius XM Radio Inc. Mr. Black is a Co-Chairman of The Museum of Modern Art and a trustee of The Mount Sinai Medical Center and The Asia Society. He is also a member of The Council on Foreign Relations and The Partnership for New York City. He is also a member of the boards of directors of FasterCures and the Port Authority Task Force. Mr. Black graduated summa cum laude from Dartmouth College in 1973 with a major in Philosophy and History and received an MBA from Harvard Business School in 1975. Mr. Black has significant experience making and managing private equity investments on behalf of Apollo and has over 36 years experience financing, analyzing and investing in public and private companies.

Joshua Harris. Mr. Harris is a Senior Managing Director and a member of the board of directors of Apollo and a Managing Partner of Apollo Management, L.P., which he co-founded in 1990. Prior to 1990, Mr. Harris was a member of the Mergers and Acquisitions group of Drexel Burnham Lambert Incorporated. Mr. Harris has previously served on the board of directors of Berry Plastics Group Inc., EP Energy Corporation, EPE Acquisition, LLC, CEVA Logistics, Momentive Performance Materials Holdings LLC, Constellium N.V., LyondellBasell Industries B.V., Momentive Specialty Chemicals Inc. and Momentive Specialty Chemicals Holdings LLC. Mr. Harris is a member of the Federal Reserve Bank of New York s Investor Advisory Committee, the Council of Foreign Relations, and is on the Board of Trustees of Mount Sinai Medical Center. He participates on the University of Pennsylvania s Wharton School s Board of Overseers, the Board of Trustees at the Harvard Business School and certain other charitable and educational boards. Mr. Harris is a Managing Member of the Philadelphia 76ers and a Managing Member of the New Jersey Devils. Mr. Harris graduated summa cum laude and Beta Gamma Sigma from the University of Pennsylvania s Wharton School of Business with a B.S. in Economics and received his M.B.A. from the Harvard Business School, where he graduated as a Baker and Loeb Scholar.

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Marc Rowan. Mr. Rowan is a Senior Managing Director and member of the board of directors of Apollo and a Managing Partner of Apollo Management, L.P., which he co-founded in 1990. Prior to 1990, Mr. Rowan was a member of the Mergers & Acquisitions Group of Drexel Burnham Lambert Incorporated, with responsibilities in high yield financing, transaction idea generation and merger structure negotiation. Mr. Rowan currently serves on the boards of directors of, inter alia, Athene Holding Ltd., Caesars Entertainment Corporation and Caesars Acquisition Co. He has previously served on the boards of directors of, inter alia, the general partner of AP Alternative Assets, L.P., AMC Entertainment, Inc., Cablecom GmbH, Caesars Entertainment Operating Co., Culligan Water Technologies, Inc., Countrywide Holdings Limited, Furniture Brands International Inc., Mobile Satellite Ventures, LLC, National Cinemedia, Inc., National Financial Partners, Inc., New World Communications, Inc., Norwegian Cruise Lines, Quality Distribution, Inc., Samsonite Corporation, SkyTerra Communications Inc., Unity Media SCA, Vail Resorts, Inc. and Wyndham International, Inc. Mr. Rowan is also active in charitable activities. He is a founding member and Chairman of the YRF-Darca and is a member of the Board of Overseers of the University of Pennsylvania s Wharton School of Business and serves on the boards of directors of Jerusalem Online and the New York City Police Foundation. Mr. Rowan graduated summa cum laude from the University of Pennsylvania s Wharton School of Business with a B.S. and an M.B.A. in Finance.

Martin Kelly. Mr. Kelly joined Apollo in 2012 as Chief Financial Officer. Mr. Kelly also oversees the Firm s IT, Risk, Operations and Audit groups. From 2008 to 2012, Mr. Kelly was with Barclays Capital and, from 2000 to 2008, Mr. Kelly was with Lehman Brothers Holdings Inc. Prior to departing Barclays Capital, Mr. Kelly served as Managing Director, CFO of the Americas, and Global Head of Financial Control for their Corporate and Investment Bank. Prior to joining Lehman Brothers in 2000, Mr. Kelly spent 13 years with PricewaterhouseCoopers LLP, including serving in the Financial Services Group in New York from 1994 to 2000. Mr. Kelly was appointed a Partner of the firm in 1999. Mr. Kelly received a degree in Commerce, majoring in Finance and Accounting, from the University of New South Wales in 1989.

John Suydam. Mr. Suydam joined Apollo in 2006 and serves as Apollo s Chief Legal Officer. From 2002 to 2006, Mr. Suydam was a partner at O Melveny & Myers LLP where he served as head of Mergers and Acquisitions and co-head of the Corporate Department. Prior to that time, Mr. Suydam served as Chairman of the law firm O Sullivan, LLP which specialized in representing private equity investors. Mr. Suydam serves on the boards of The Legal Action Center, Environmental Solutions Worldwide, Inc. and New York University School of Law, and is a member of the Department of Medicine Advisory Board of the Mount Sinai Medical Center. Mr. Suydam received his J.D. from New York University and graduated magna cum laude with a B.A. in History from the State University of New York at Albany.

Michael Ducey. Mr. Ducey has served as an independent director of Apollo and a member of the audit committee and as Chairman of the conflicts committee of Apollo s board of directors since 2011. Mr. Ducey was with Compass Minerals International, Inc., from March 2002 to May 2006, where he served in a variety of roles, including as President, Chief Executive Officer and Director prior to his retirement in May 2006. Prior to joining Compass Minerals International, Inc., Mr. Ducey worked for nearly 30 years at Borden Chemical, Inc., in various management, sales, marketing, planning and commercial development positions, and ultimately as President, Chief Executive Officer and Director. Mr. Ducey is currently a director of and serves as the Chairman of the audit committee of Verso Paper Holdings, Inc. He is also the Chairman of the compliance and governance committee and the nominations committee of the board of directors of HaloSource, Inc. Mr. Ducey joined Ciner Resources Corporation (formerly OCI Resources LP) as an independent member of the board of directors in September 2014, where he serves on the audit committee and the conflicts committee. From September 2009 to December 2012, Mr. Ducey was the non-executive Chairman of TPC Group, Inc. and served on the audit committee and the environmental health and safety committee. From June 2006 to May 2008, Mr. Ducey served on the board of directors of and as a member of the governance and compensation committee of the board of directors of UAP Holdings Corporation. Also, from July 2010 to May 2011, Mr. Ducey was a member of the board of directors and served on the audit committee of Smurfit-Stone Container Corporation. Mr. Ducey graduated from Otterbein University with a degree in Economics and an M.B.A. in finance from the University of Dayton.

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Paul Fribourg. Mr. Fribourg has served as an independent director of Apollo and as a member of the conflicts committee of the Apollo board of directors since 2011. From 1997 to the present, Mr. Fribourg has served as Chairman and Chief Executive Officer of Continental Grain Company. Prior to 1997, Mr. Fribourg served in a variety of other roles at Continental Grain Company, including Merchandiser, Product Line Manager, Group President and Chief Operating Officer. Mr. Fribourg serves on the boards of directors of Restaurant Brands International Inc., Loews Corporation, Castleton Commodities International LLC and The Estee Lauder Companies, Inc. He also serves as a board member of the Rabobank International North American Agribusiness Advisory Board, the New York University Mitchell Jacobson Leadership Program in Law and Business Advisory Board and Endeavor Global Inc. Mr. Fribourg is also a member of the Council on Foreign Relations and the International Business Leaders Advisory Council for The Mayor of Shanghai. Mr. Fribourg graduated magna cum laude from Amherst College and completed the Advanced Management Program at Harvard Business School.

Robert Kraft. Mr. Kraft has served as an independent director of Apollo and as a member of the conflicts committee of our board of directors since 2014. Mr. Kraft is Chairman and Chief Executive Officer of The Kraft Group, which includes the New England Patriots, New England Revolution, Gillette Stadium, Rand-Whitney Group and International Forest Products Corporation. Mr. Kraft serves on a number of NFL Committees, including the Executive Committee, Finance Committee and Broadcast Committee (Chairman). Since 2006, Mr. Kraft has been a member of the board of directors of Viacom Inc. He also serves as Chairman for both the New England Patriots Charitable Foundation and the Robert and Myra Kraft Family Foundation, and is a director of the Dana Farber Cancer Institute. Mr. Kraft s corporate strategic and operational experience combined with his strong relationships in the business community make him a valuable member of the board of directors.

A.B. Krongard. Mr. Krongard has served as an independent director of Apollo and as a member of the audit committee of our board of directors since 2011. From 2001 to 2004, Mr. Krongard served as Executive Director of the Central Intelligence Agency. From 1998 to 2001, Mr. Krongard served as Counselor to the Director of Central Intelligence. Prior to 1998, Mr. Krongard served in various capacities at Alex Brown, Incorporated, including serving as Chief Executive Officer beginning in 1991 and assuming additional duties as Chairman of the board of directors in 1994. Upon the merger of Alex Brown, Incorporated with Bankers Trust Corporation in 1997, Mr. Krongard served as Vice-Chairman of the Board of Bankers Trust Corporation and served in such capacity until joining the Central Intelligence Agency. Mr. Krongard serves as the Lead Director and audit committee Chairman of Under Armour, Inc. and also serves as a board member of Iridium Communications Inc., Seventy-Seven Energy Inc. and In-Q-Tel, Inc. Mr. Krongard graduated with honors from Princeton University and received a J.D. from the University of Maryland School of Law, where he also graduated with honors. Mr. Krongard also serves as the Vice Chairman of the Johns Hopkins Health System.

Pauline Richards. Ms. Richards has served as an independent director of Apollo and as Chairman of the audit committee of our board of directors since 2011. Ms. Richards currently serves as Chief Operating Officer of Armour Group Holdings Limited, a position she has held since 2008. Ms. Richards also serves as a member of the Audit and Compensation Committees of the board of directors of Wyndham Worldwide, a position she has held since 2006; is a director of Hamilton Insurance Group, serving on the audit and investment committees, a position she has held since 2013; and is the Treasurer of the board of directors of PRIDE Bermuda, a drug prevention organization of which she has been a member for over 20 years. Prior to 2008, Ms. Richards served as Director of Development of Saltus Grammar School from 2003 to 2008, as Chief Financial Officer of Lombard Odier Darier Hentsch (Bermuda) Limited from 2001 to 2003, and as Treasurer of Gulf Stream Financial Limited from 1999 to 2000. Ms. Richards also served as a member of the Audit Committee and chair of the Corporate Governance Committee of the board of directors of Butterfield Bank from 2006 to 2013. Ms. Richards graduated from Queen s University, Ontario, Canada, with a BA in psychology and has obtained certification as a CPA, CMA.

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The AMTG Manager

The sole managing member of the AMTG Manager is Apollo Capital which is principally engaged in serving as the sole managing member of the AMTG Manager.

The general partner of Apollo Capital, the sole managing member of the AMTG Manager, is Apollo Capital Management GP, which is principally engaged in serving as the general partner of Apollo Capital. Apollo Management Holdings serves as the sole member and manager of Apollo Capital Management GP and other Apollo related entities. Apollo Management Holdings GP is the general partner of Apollo Management Holdings and is principally engaged in serving as the general partner of Apollo Management Holdings. The sole member of Apollo Management Holdings GP is APO Corp., which is principally engaged in serving as the sole member or shareholder of various holding companies in the Apollo structure.

The names and material occupations, positions, offices or employment during the past five years of the managers of Apollo Management Holdings GP are as follows:

Leon Black Manager. For more information regarding Mr. Black s employment history, see the information set forth under *Parties to the Transaction Apollo Participants Apollo*.

Joshua Harris Manager. For more information regarding Mr. Harris s employment history, see the information set forth under *Parties to the Transaction Apollo Participants Apollo*.

Marc Rowan Manager. For more information regarding Rowan&