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NOVEMBER 2019  
BANK OF AMERICA FUTURE  
OF FINANCIALS  
CONFERENCE

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CO-CHIEF EXECUTIVE OFFICER

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**THE CARLYLE GROUP**

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The fund return information reflected in this presentation is not indicative of the performance of The Carlyle Group L.P. and is also not necessarily indicative of the future performance of any particular fund. There can be no assurance that any of Carlyle's funds or its other existing and future funds will achieve similar returns. See "Risk Factors — Risks Related to Our Business Operations — The historical returns attributable to our funds, including those presented in this report, should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in our common units" in the Annual Report. As used throughout this document, and unless otherwise indicated, "Gross IRR" represents the annualized internal rate of return for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value before management fees, expenses and carried interest, which will reduce returns and, in the aggregate are substantial. "Net IRR" represents the annualized internal rate of return for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value after management fees, expenses and carried interest (but not taxes borne by investors). "Gross MOIC" represents total fair value, before management fees, expenses and carried interest, divided by cumulative invested capital. An investment is considered realized when the investment fund has completely exited, and ceases to own an interest in, the investment. An investment is considered partially realized when the total proceeds received in respect of such investment, including dividends, interest or other distributions and/or return of capital represents at least 85% of invested capital and such investment is not yet fully realized. In considering investment performance information contained in this presentation, prospective investors should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that Carlyle or any Fund will achieve comparable results. Actual realized value of currently unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based. Accordingly, the actual realized values of unrealized investments may differ materially from the values indicated herein. Unless otherwise specified, LTM, or last twelve months refers to the period of Q4 2018 through Q3 2019, and the prior rolling 12-month period refers to the period Q4 2017 to Q3 2018.

This presentation includes comparisons of certain private equity indices to various indexes including certain MSCI indexes (MSCI) and the S&P 500 and other indexes. The private equity indices do not represent the performance of any Fund or family of Funds. Recipients should not infer that any Fund is top quartile. There are significant differences between the types of securities and assets typically acquired by U.S. and global buyout funds, the investments covered by the MSCI, S&P 500 and other indexes. Specifically, U.S. and global buyout funds typically make investments in securities and other assets that have a greater degree of risk and volatility, and less liquidity, than those securities included in these indexes and companies included in the indexes are not subject to certain of the management fees, carried interest or expenses to which investors in U.S. and global buyout funds are typically subject. Comparisons between private equity funds, Carlyle sponsored funds, the MSCI, S&P 500 and other indexes are included for informational purposes only. The private equity returns do not represent the performance of any Fund or family of Funds. Recipients should not infer that any Fund is top quartile.

Detailed information about Carlyle's management fees and performance revenues is available in Carlyle's public filings. Please note that certain metrics and projections contained in this Presentation include the Legacy Energy Funds and funds advised by NGP Energy Capital Management. Please note that the Legacy Energy Funds (as defined in Carlyle's public filings), are managed with Riverstone Holdings LLC and its affiliates. Affiliates of both Carlyle and Riverstone act as investment advisers to each of the Legacy Energy Funds. Currently, Carlyle is only entitled to carried interest and management fees in certain funds advised by NGP Energy Capital Management. The NGP Energy Capital Management funds which solely earn management fees are referred to herein as "NGP predecessor funds."

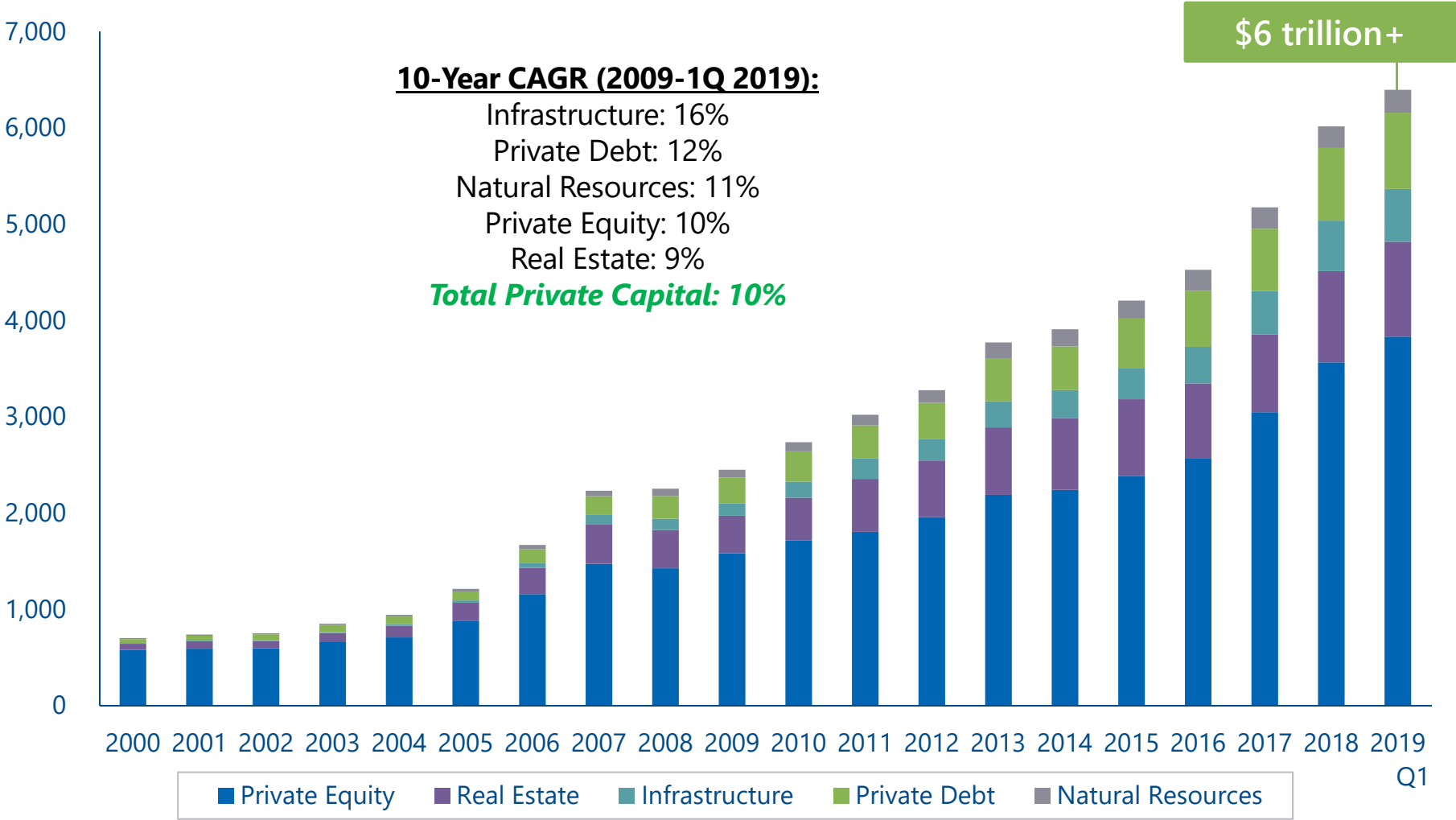
For purposes of the non-financial operating and statistical data included in this presentation, including the aggregation of our non-U.S. dollar denominated investment funds, foreign currencies have been converted to U.S. dollars at the spot rate as of the last trading day of the reporting period when presenting period end balances, and the average rate for the period has been utilized when presenting activity during such period. With respect to capital commitments raised in foreign currencies, the conversion to U.S. dollars is based on the exchange rate as of the date of closing of such capital commitment.

This presentation includes certain Non-GAAP financial measures, Distributable Earnings ("DE") and Distributable EBITDA. These Non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measured prepared in accordance with GAAP. Please see Carlyle's public filings for the definition of "carry funds," "Fee-earning assets under management" or "Fee-earning AUM," (FEAUM), and "Assets under management" or "AUM."

THE PRIVATE CAPITAL INDUSTRY  
IS NO LONGER "ALTERNATIVE"

# Private Capital Industry Stronger Than Ever

## Historical Assets Under Management (\$billions)

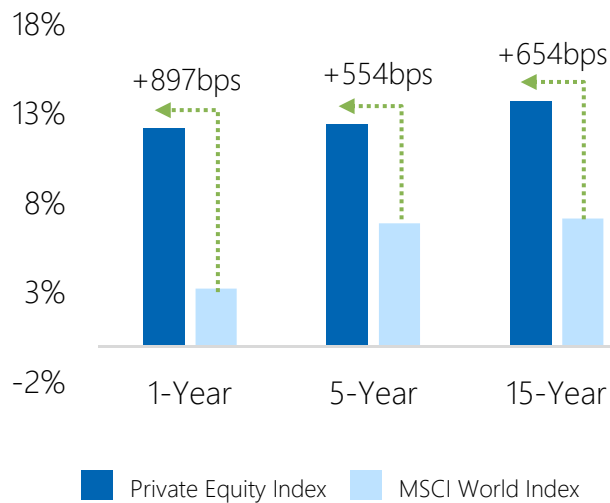


Source: Preqin accessed October 2019. Data as of 3/31/2019. There is no guarantee that this trend will continue.

# Private Capital Continues to Outperform

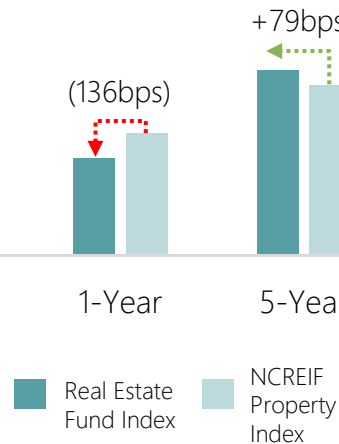
## Private Equity<sup>1</sup>

POOLED BUYOUT RETURNS (NET) COMPARED TO PUBLIC MARKET EQUIVALENT



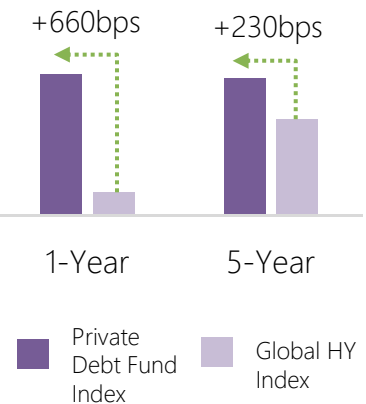
## Real Estate<sup>2</sup>

POOLED REAL ESTATE RETURNS (NET) VS NCREIF PROPERTY INDEX PUBLIC MARKET EQUIVALENT



## Private Credit<sup>3</sup>

PRIVATE DEBT FUND RETURNS (NET) VS GLOBAL HY INDEX (TOTAL RETURN)



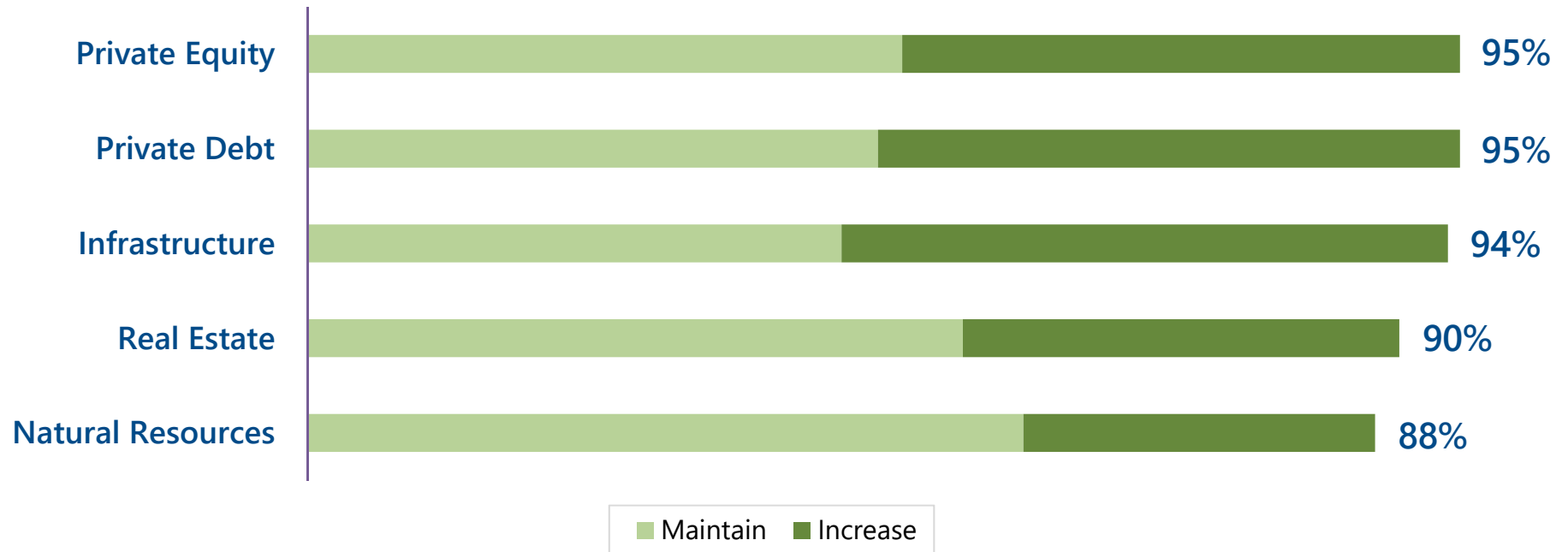
1) Cambridge Associates, Buyout & Growth Equity Index & Selected Benchmark Statistics; 3/31/2019. Buyout: Fund Index Summary: Horizon Pooled Return Compared to CA Modified Public Market Equivalent (mPME). Buyout Index Return represent net-returns to Limited Partners. CA Modified Public Market Equivalent (mPME) replicates private investment performance under public market conditions. The public index's shares are purchased & sold according to the private fund cash flow schedule, with distributions calculated in the same proportion as the private fund, & mPME NAV is a function of mPME cash flows & public index returns.

2) Real Estate: Cambridge Associates, Real Estate Index & Selected Benchmark Statistics; 3/31/2019. Fund Index returns are net of fees, expenses, & carried interest. Benchmark return represents the Cambridge Modified Public Market equivalent, which replicates private investment performance under public market conditions.

3) Preqin Quarterly Update: Private Debt Q1 2019. Represent Horizon Net IRRs (Annualized) as of 9/30/2018. Global HY Index Total Returns sourced from S&P Capital IQ; returns as of 9/30/2018. Please see "Important Information" for more information about the use of, & comparisons to, indexes. There is no assurance that this trend will continue.

# Investment Outperformance Leading to Larger Allocations Which Help Achieve Targeted Investment Returns

## Investors Expected to Increase or Maintain Allocations in the Longer-Term



## Driving Investment Returns For...



Teachers



Students



Government Employees



First Responders



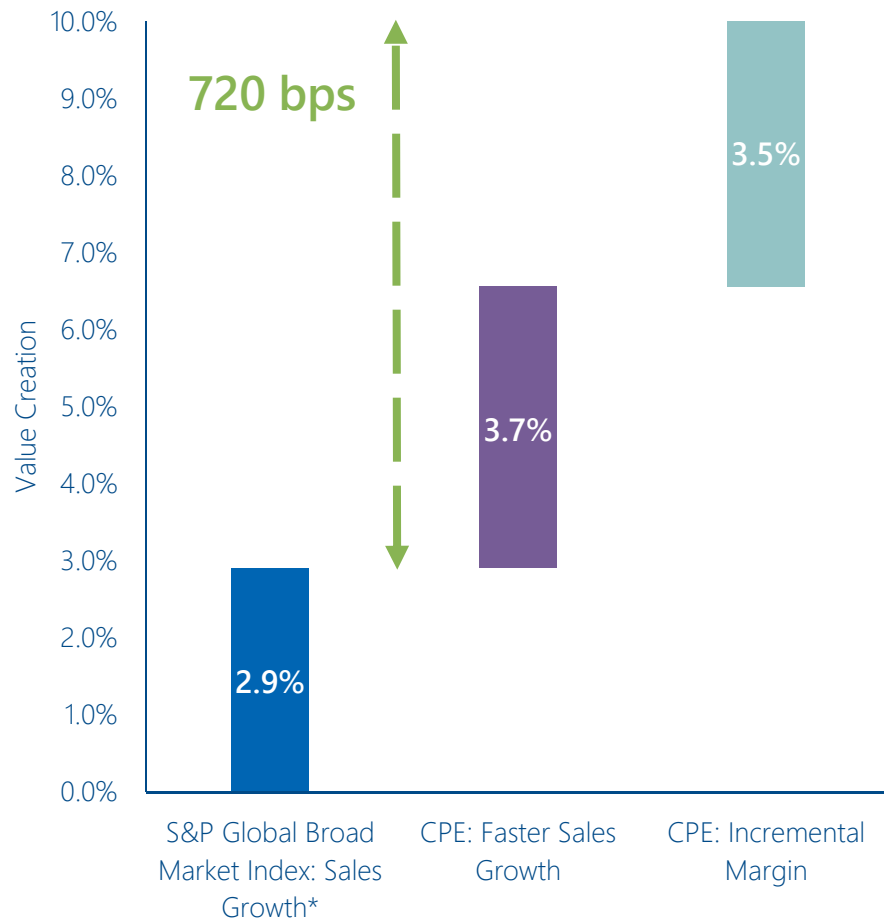
Retirees & Beneficiaries



Global Citizens

# Private Equity Is An Engine for Growth

## Carlyle's Private Equity Value Creation Relative to Publicly Traded Companies



## Impact of Private Capital

- Support good companies to grow into great companies
- Enable businesses to grow by providing access to capital to expand
- CapEx to develop or refurbish hundreds of office building, medical centers, warehouses and multi-family apartment buildings
- Modernize public infrastructure
- Provide investors with access to some of the world's fastest growing companies

\*CAGR from Q4 2015 to Q4 2018.

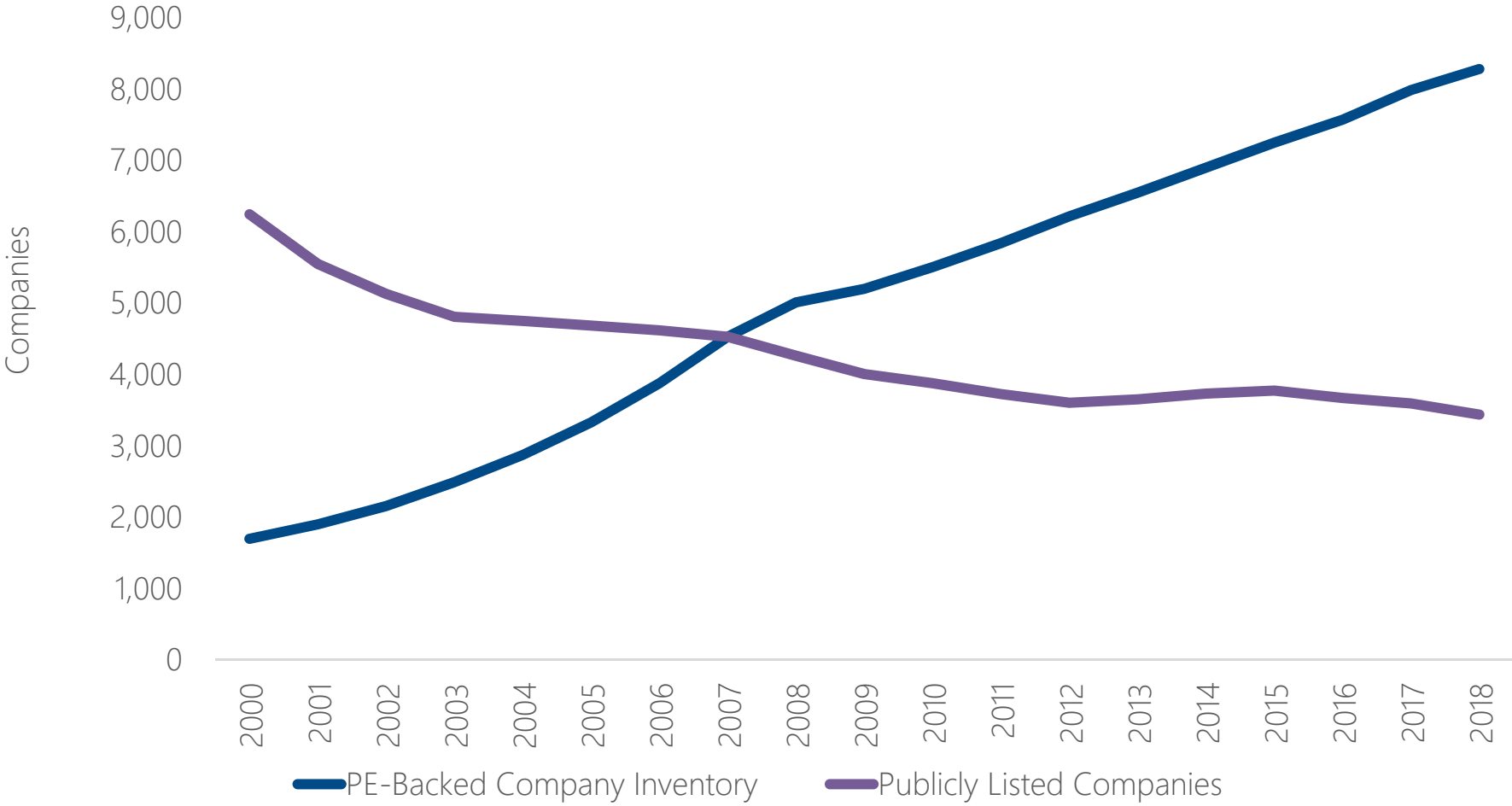
Carlyle data representative of all companies in the CPE portfolio from Q4 2015 to Q4 2018.

Source: Carlyle Analysis of Proprietary Portfolio Company Data, S&P Capital IQ, September 2019.

Please see "Important Information" for more information about the use of, & comparisons to, indexes. There is no assurance that this trend will continue

# Growth in PE-Backed Companies Mirrors Fall in Public Listings

Companies increasingly looking to stay private longer and require private capital to grow



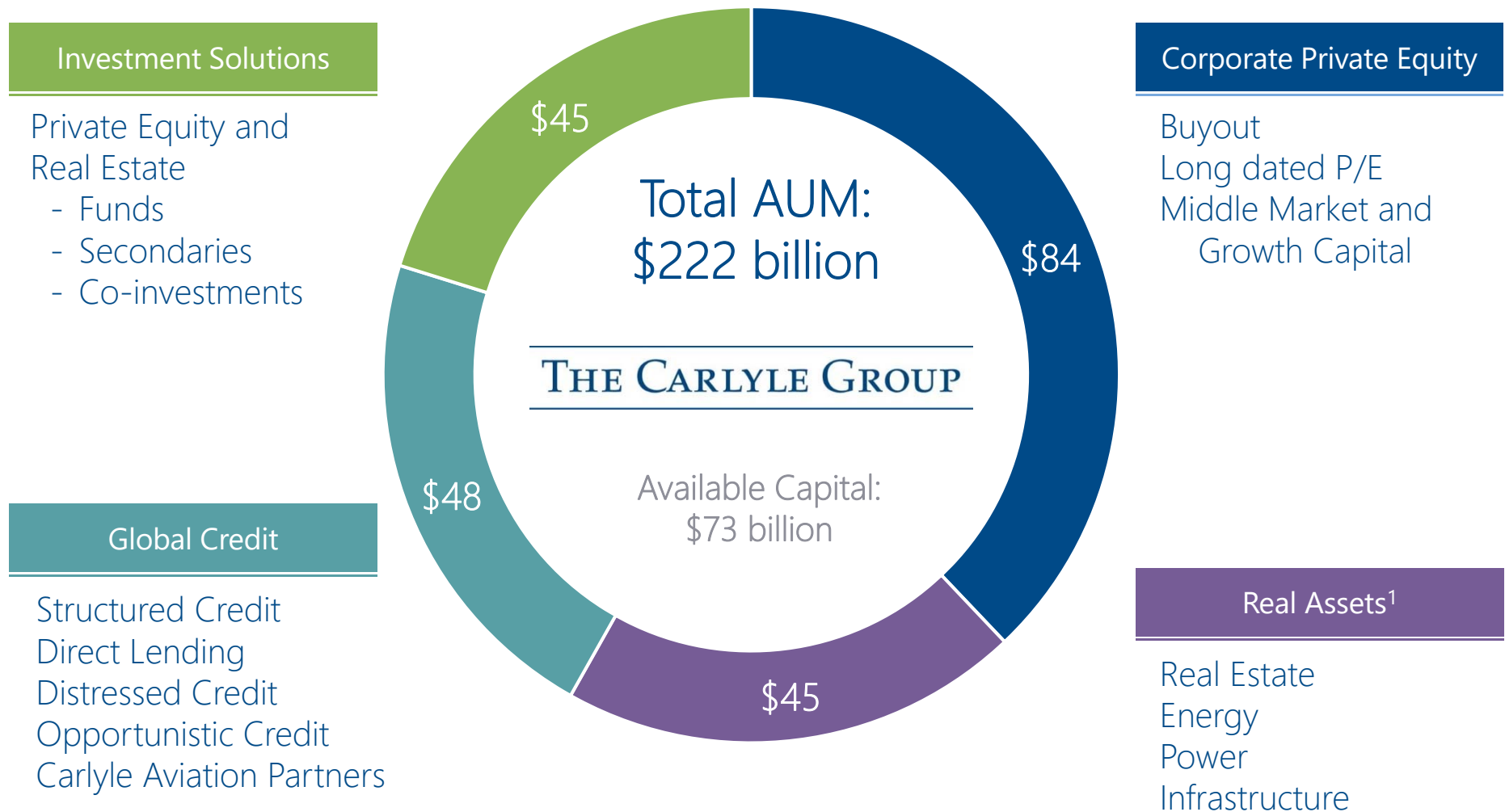
Source: PitchBook 3Q 2018 M&A Report; CRSP. There is no guarantee these trends will continue.



CARLYLE PLATFORM HAS STRONG  
OPERATING MOMENTUM

# Carlyle Is A Global Leader In Private Capital Investing

Carlyle is diversified across sectors and with industry leading positions

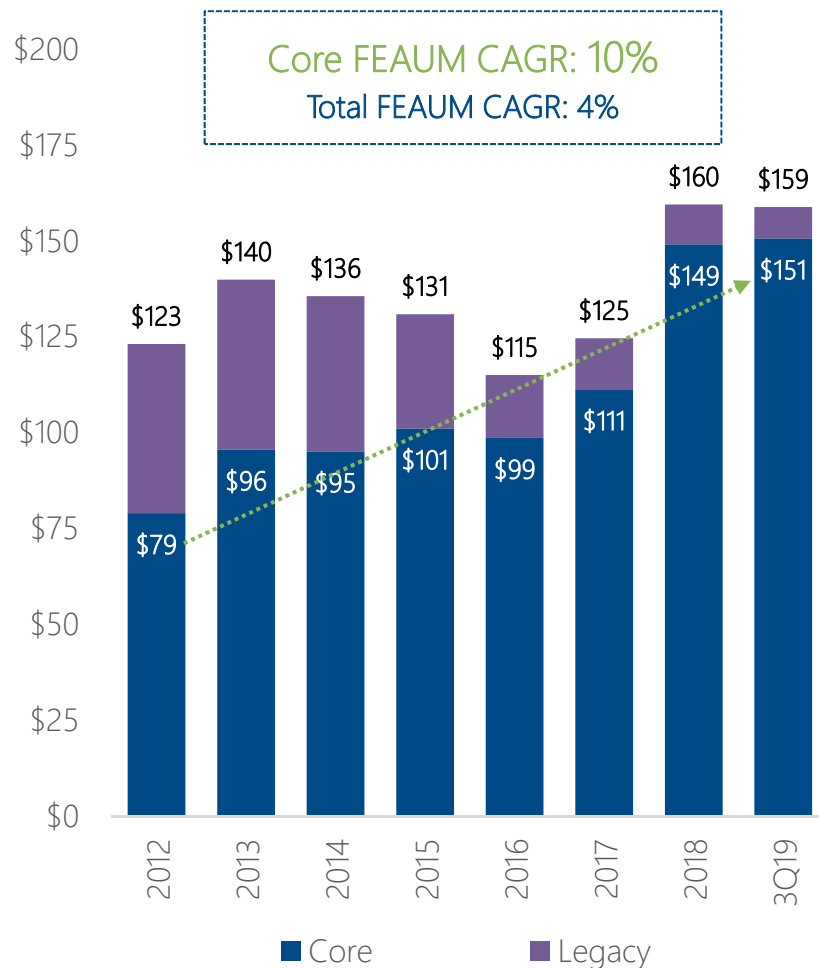


Note: Data as of 9/30/2019. See The Carlyle Group L.P.'s filings with the U.S. Securities and Exchange Commission for more information on fund performance.

1) Includes three Energy & Power and Renewable funds jointly advised with Riverstone Holdings, L.L.C. and seven funds advised by NGP Energy Capital Management.

# Fee-earning AUM Has Accelerated With Significant Fundraising Success

## FEE-EARNING AUM (\$BN)



- Fee-earning AUM of **\$159 billion near record levels** in CPE, Real Assets & Global Credit
- Recently **surpassed multi-year \$100 billion fundraising target**
- **Strong Core Fee-earning AUM<sup>1</sup> CAGR of 10%** since 2012
- 98% of Fee-earning AUM in **locked up, long term fund structures** not subject to quarterly redemption
- **\$7.6 billion in Pending Fee-earning AUM** will activate fees upon fund initiation or capital deployment<sup>2</sup>

Note: Data as of 9/30/2019. There is no guarantee these trends will continue.

1) Core excludes Legacy FEAUM which consists of Hedge Funds, Legacy Energy, and Legacy APG / PGGM FEAUM.

2) Pending Fee-earning AUM of \$7.6 billion as of 9/30/2019 includes approximately \$1.5 billion in fund commitments that will activate as new funds turn on fees. The remaining amount will generally become fee-earning as the commitments are invested.

# Fee Related Earnings And Margins Moving Higher And We Expect The Trend To Continue

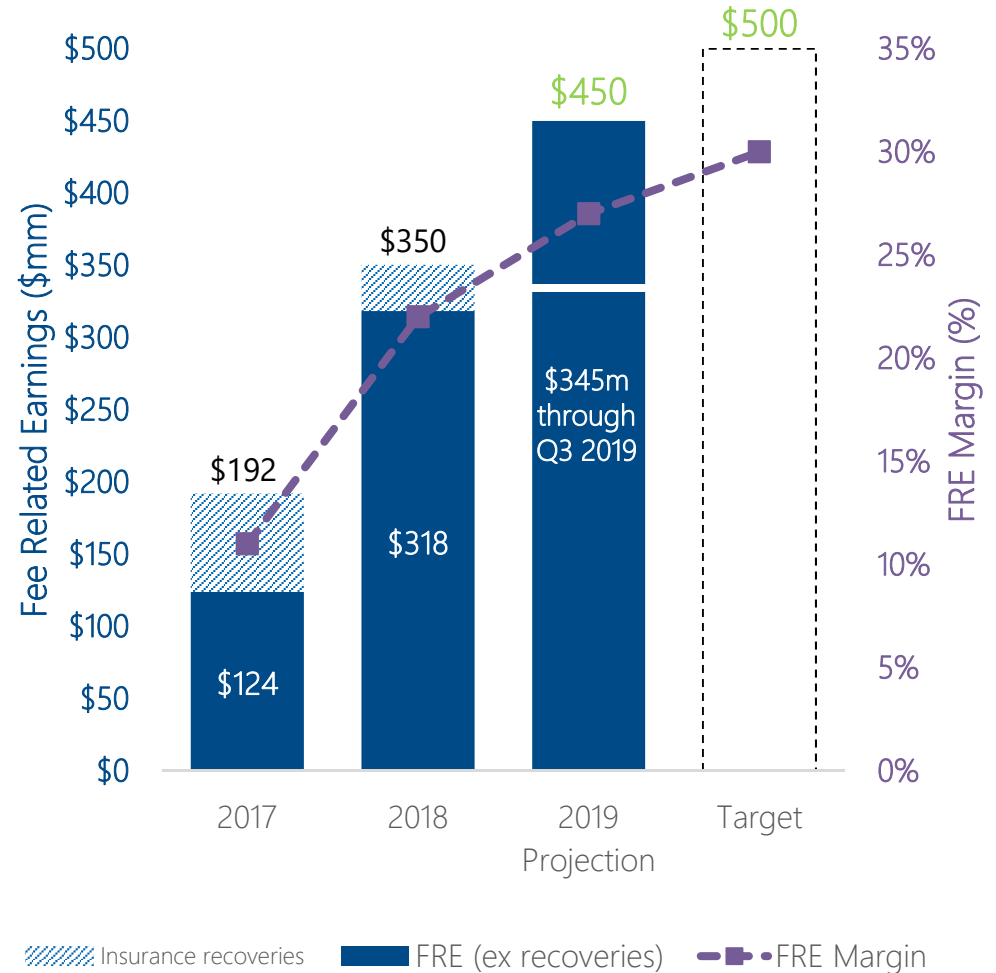
Fee Related Earnings growth accelerated over the last few years

FRE of \$345 million through Q3 2019 positions CG to generate approximately \$450 million for FY 2019 & we expect continued growth from here

FRE Margin was 28% through Q3 2019 benefiting from high incremental margin revenue, up substantially from the prior 2 years

We are targeting \$500 million in annual FRE over the next couple years and the expansion of pre-tax FRE margins to  $\geq$  30% over the next several years

FRE & MARGIN TRENDS<sup>1</sup>

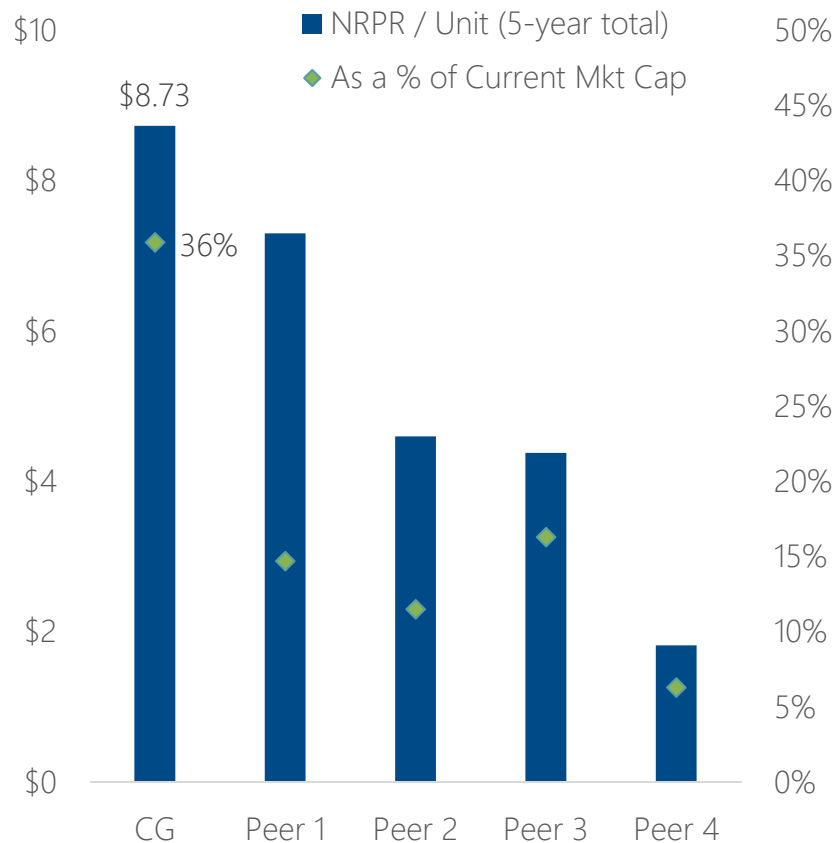


Note: Data as of 9/30/2019. There is no guarantee that these trends will continue. Reflects Management's views as of 11/5/2019. Please see "Important Information" slides for information about the use of and reliance on projections.

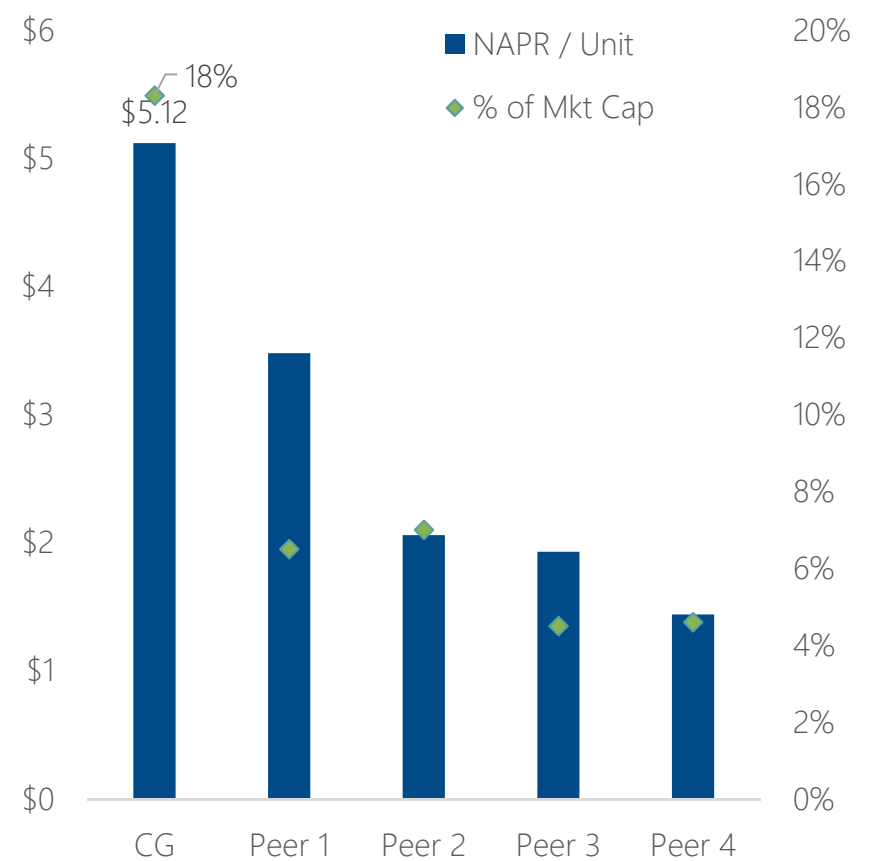
1) 2017 Fee Related Earnings were \$192 million, and \$124 million net of \$68 million in net insurance recoveries. 2018 Fee Related Earnings were \$350 million, and \$318 million net of \$32 million in insurance recoveries. FRE Margins are based on Fee Related Earnings excluding the impact of insurance recoveries.

# Our Investment Platform Has Produced Industry Leading Performance Revenues And Positioned For Continued Outperformance

## NET REALIZED PERFORMANCE REVENUE (PER UNIT, 2014-2018 AGGREGATE)



## NET ACCRUED PERFORMANCE REVENUE (PER UNIT, AS OF 3Q 2019)



Note: Data as of 9/30/2019, except market capitalization estimate which is based on share price as of 11/01/2019. Per unit calculations are derived based on units outstanding as of 6/30/2019, sourced from available public disclosures. Net realized performance revenue per unit reflects 2014-2018 aggregate net realized performance revenue divided by units outstanding as of 6/30/2019. Peers include Apollo, ARES, Blackstone and KKR.

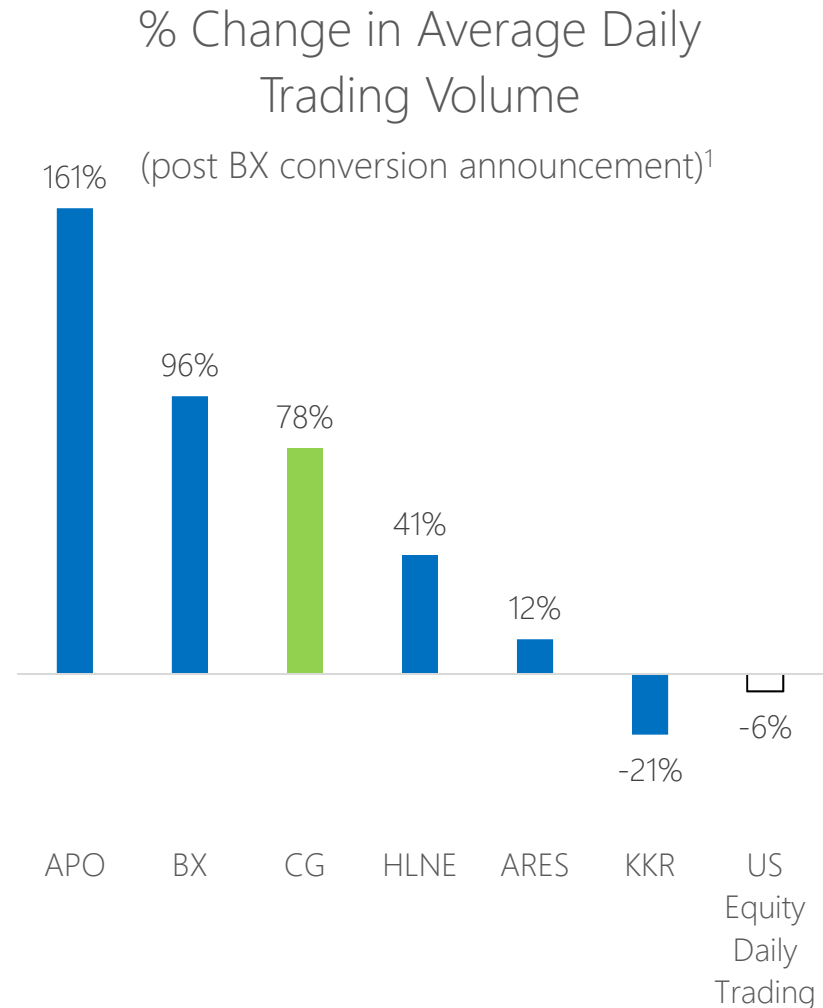
C-CORP CONVERSION WILL HELP  
UNLOCK SHAREHOLDER VALUE

# Conversion to Full C-Corp (Effective January 2020) Will Help Unlock Shareholder Value and Trading Liquidity

## Expect Significant Index Inclusion in 1H20

- CRSP Indices – 1Q 2020
- S&P TMI Indices – 1Q 2020
- MSCI Indices – 1Q or 2Q 2020
- Russell Indices – 2Q 2020
- S&P Indices – quarterly rebalance – CG best positioned for inclusion amongst peers, but no guarantee of inclusion

## Alts Have Seen Significant Uptick in Volume



1. As of April 18, 2019. Measures average daily trading volume from April 18, 2019 compared to the YTD average until April 17, 2019.

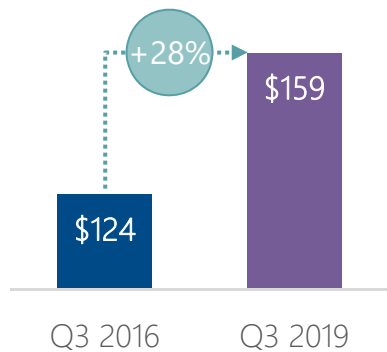
Note: There is no guarantee CG will be included in any index family. These views reflect management current expectations as of November 5, 2019 and may be subject to change at any time. Data as of November 4, 2019.

Source: Factset, Nasdaq.

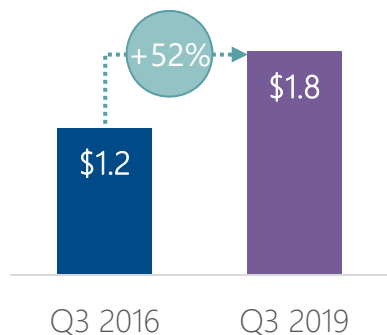
# Carlyle Presents An Attractive Investment Opportunity

## Platform Growth

### FEE-EARNING AUM (\$BN)

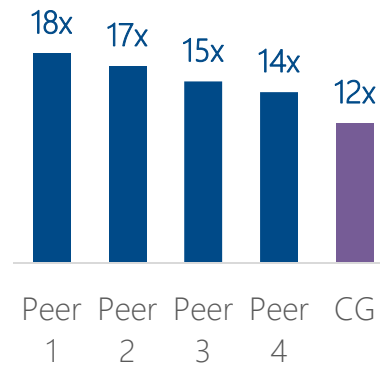


### NET ACCRUED PERFORMANCE REVENUE (\$BN)

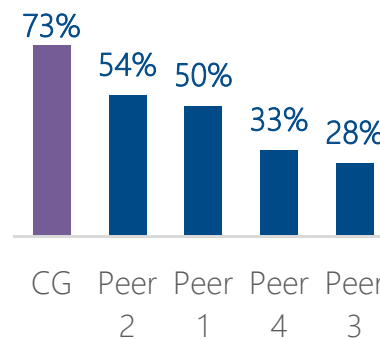


## Value<sup>1</sup>

### PRICE TO 2020E



### CONSENSUS EPS GROWTH (2019E – 2021E)



## Technical Improvement

- Carlyle will convert to a Full C-Corp effective January 1, 2020
- Removal of K-1 reporting likely to improve relative attractiveness to investors
- CG inclusion into indices and benchmarks could drive significant active and passive buying demand

1) Source: Factset. Peers include Apollo, ARES, Blackstone, KKR. Consensus EPS growth is calculated as the total EPS growth from 2019E to 2021E.



## We Are Performing Well And Positioned For Growth

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Carlyle is a **global leader in the growing private capital industry**

We are **committed to delivering strong results** for all of our stakeholders (fund investors, unitholders, employees, our communities)

Continued **margin expansion and growth initiatives** driving further FRE growth

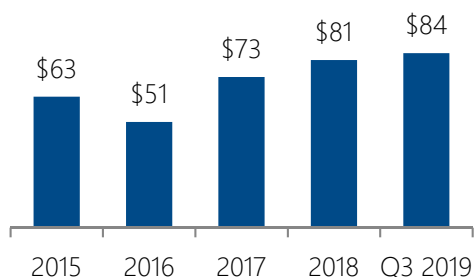
Latest vintage of **flagship investment funds generally tracking in line with predecessor funds**, with \$1.8 billion of accrued performance revenues underpinning **future net realized performance revenue growth**

Our **Full C-Corp Conversion** Expected to Help Unlock Shareholder Value

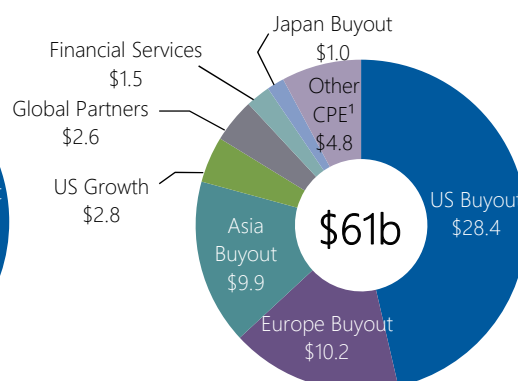
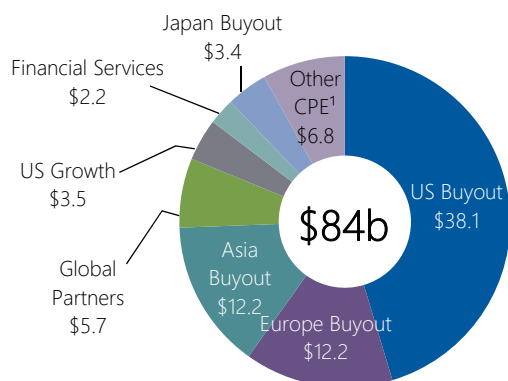
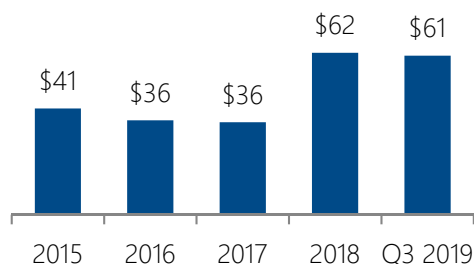
# SEGMENT SUMMARIES

# Corporate Private Equity: Platform Continues to Scale While Maintaining Superior Long Term Performance

**TOTAL AUM (\$BN)**



**FEE-EARNING AUM (\$BN)**



**Financial Metrics (\$mm)**

	2016	2017	2018	LTM Q3 2019
Fee Related Earnings	\$116	\$26	\$124	\$278
Net Realized Performance Revenues	588	459	221	55
Distributable Earnings	739	488	350	309

## Key Points

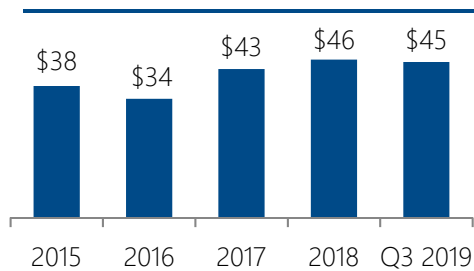
- Superior, diversified track record
  - 2.4X MOIC on realized and partially realized investments
  - Experience across multiple deployment and exit cycles
  
- Successor funds continue to scale CPE platform
  - US/Asia/Europe buyout fundraising scaled latest funds by more than 50%
  - \$32 bn of Available Capital
  - Deployment of \$14.1 bn LTM
  
- Positioned to deliver future performance fees
  - \$52 bn Remaining Fair Value
  - \$1.1 bn of Net Accrued Performance Revenue

Note: Data as of 9/30/2019 unless otherwise noted. See The Carlyle Group L.P.'s filings with the U.S. Securities and Exchange Commission for more information on fund performance.

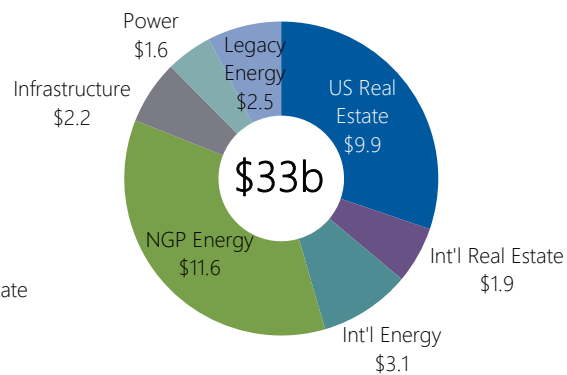
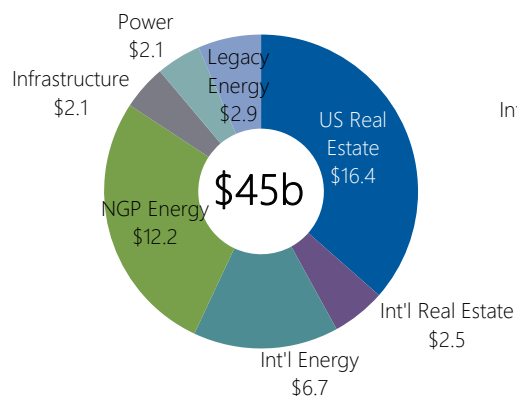
1) Comprised of South America Buyout, Europe Growth, Asia Growth, Sub-Saharan Africa Buyout, CPE Platform Accounts, Peru Buyout, Ireland Buyout and MENA Buyout.

# Real Assets: Growing Real Estate Platform & Opportunities in Natural Resources, Power and Infrastructure

TOTAL AUM (\$BN)



FEE-EARNING AUM (\$BN)



Financial Metrics (\$mm)

	2016	2017	2018	LTM Q3 2019
Fee Related Earnings	\$69	\$52	\$121	\$143
Net Realized Performance Revenues	16	50	84	62
Distributable Earnings	49	25	207	272

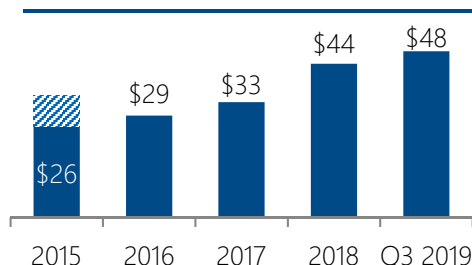
Note: Data as of 9/30/2019.

## Key Points

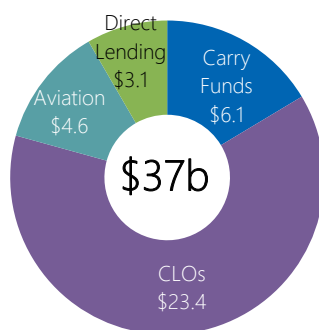
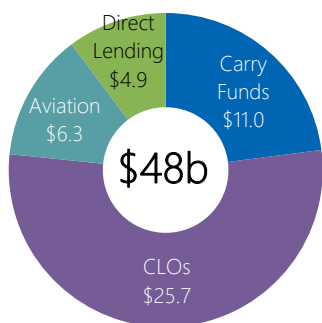
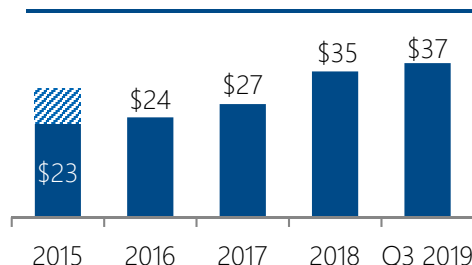
- US Real Estate business delivering strong performance
  - Strong performance (13% LTM appreciation) and substantial scaling in opportunistic funds
  - Core Plus market an attractive opportunity to leverage USRE expertise
  
- Natural Resources actively deploying capital In Challenging Markets
  - Invested Capital of \$1.8 bn over the LTM
  - International Energy (+10% LTM appreciation) performing well despite industry headwinds
  
- Global Infrastructure opportunity
  - New global infrastructure fund well positioned to take advantage of massive need for domestic and international private investment in infrastructure

# Global Credit: Significant Growth Potential as We Build a Larger Diversified Credit Platform

TOTAL AUM (\$BN)



FEE-EARNING AUM (\$BN)



Financial Metrics (\$mm)

	2016	2017	2018	LTM Q3 2019
Fee Related Earnings	\$(175)	\$82	\$72	\$76
Net Realized Performance Revenues	19	40	5	3
Distributable Earnings	(157)	127	78	77

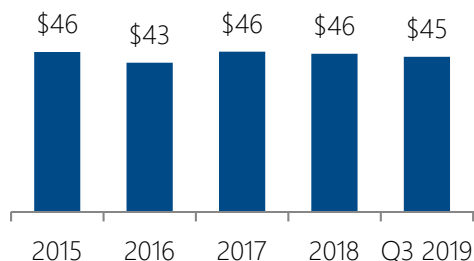
## Key Points

- Focused on enhancing and scaling Global Credit platform
  - Private credit accelerating as an asset class
  - New credit teams capable of managing much higher AUM
  - Growth via organic/inorganic means to address significant white space
  
- Solid core platform
  - \$26 bn US/Europe CLO business with strong fee margins
  - Direct Lending AUM of \$4.9 bn with 68% of portfolio in a first lien position<sup>2</sup>
  - Latest vintage Distressed Credit fund significantly larger than predecessor fund
  
- Launch or acquire new capabilities
  - Opportunistic credit
  - Infrastructure Credit
  - Carlyle Aviation Partners

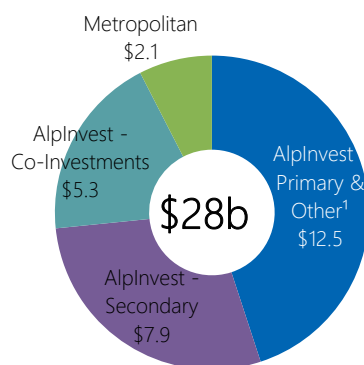
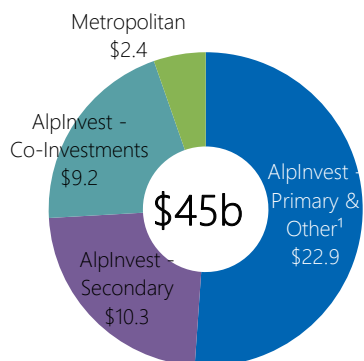
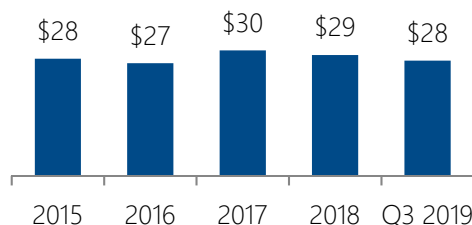
Note: Data as of 9/30/2019. (1) 2015 Total AUM and Fee-earning AUM reflect breakout of the former hedge fund platform. 2) 2016, 2017 and 2018 include net (charges)/recoveries of \$(175) million, \$68 million and \$32 million, respectively, associated with our commodities business. (2) First lien statistics for BDC I.

# Investment Solutions: Successful Fundraising Efforts & Consistent Strong Performance Support Future Upside Potential

**TOTAL AUM (\$BN)**



**FEE-EARNING AUM (\$BN)**



**Financial Metrics (\$mm)**

	2016	2017	2018	LTM Q3 2019
Fee Related Earnings	\$23	\$32	\$34	\$24
Net Realized Performance Revenues	2	3	10	9
Distributable Earnings	20	30	39	28

## Key Points

- AlpInvest has great investment performance with performance fee upside
  - 12% net IRR & 1.6x MOIC with LTM appreciation of 16%<sup>2</sup>
  - Performance revenues well positioned to improve as post acquisition European waterfall funds mature
  
- Effective management fee rate should rise over time
  - New commitments from third party investors have higher fee yield than prior AUM
  - Expect older/low fee commitments to drive FEAUM runoff over next few years

Note: Data as of 9/30/2019. See The Carlyle Group L.P.'s filings with the U.S. Securities and Exchange Commission for more information on fund performance.

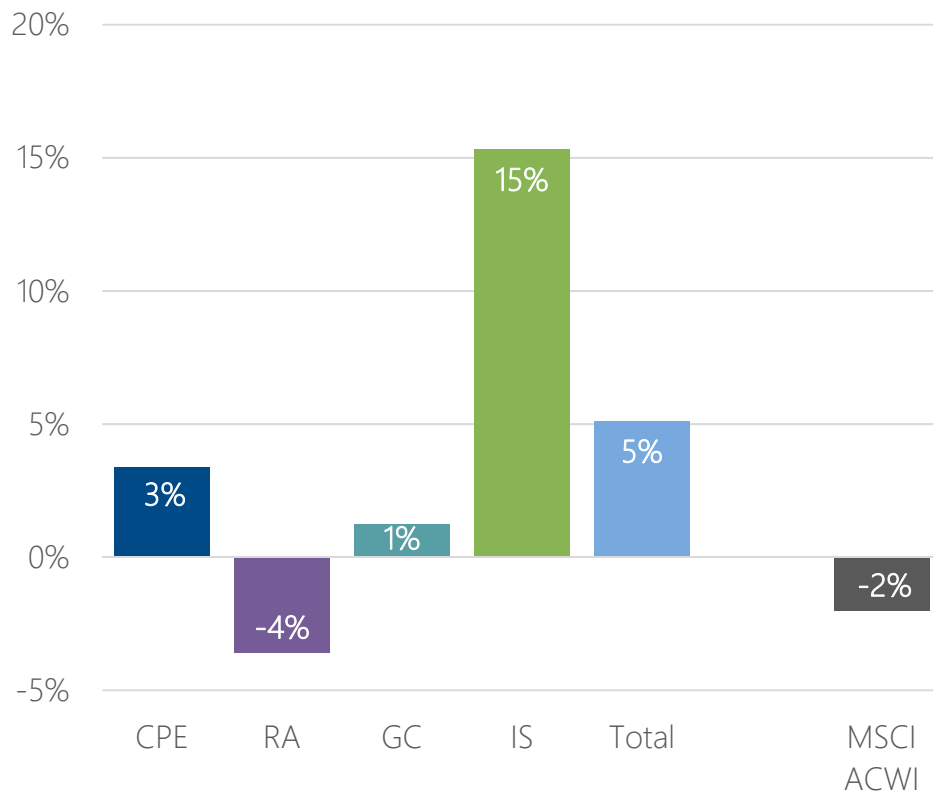
1) Includes Mezzanine funds.

2) Includes impact from foreign exchange gain/loss in underlying fund investments.

# APPENDIX

# Exceptional Investment Performance Is Our Primary Goal

## LTM CARRY FUND APPRECIATION VS MAJOR EQUITY INDEX PERFORMANCE<sup>1</sup>



- Carry Fund Appreciation outpaced the MSCI ACWI by **~700 basis points** over the LTM
- Realized/Partially Realized CPE investments generated a **2.4x MOIC & 27% Gross IRR** since inception
- **61% of Remaining Fair Value** in CPE/RA/GC carry funds accruing performance revenue as of 9/30/19
- TCG BDC **dividend yield of 10% on NAV<sup>2</sup>**
- **Exceptional CLO performance** with default rates of 0.7%/1.6% for US/EU CLOs<sup>3</sup>

Note: Data as of 9/30/2019. See The Carlyle Group L.P.'s filings with the U.S. Securities and Exchange Commission for more information on fund performance. 1) Appreciation/(Depreciation) represents unrealized gain/(loss) for the period on a total return basis before fees and expenses. The percentage of return is calculated as: ending remaining investment fair market value plus net investment outflow (sales proceeds minus net purchases) minus beginning remaining investment fair market value divided by beginning remaining investment fair market value. Fund only, does not include co-investment. The MSCI ACWI – All Cap Index represents the performance of the MSCI All Country World Index across all market capitalization sizes of the global equity market. Please see the “Important Information” slide for more information related to comparisons with indices. 2) Reflects latest annualized dividend for BDC 1 divided by 2Q19 reported NAV. 3) Inception to date default rate for U.S. (since 1999) and Europe CLOs (since 2005).

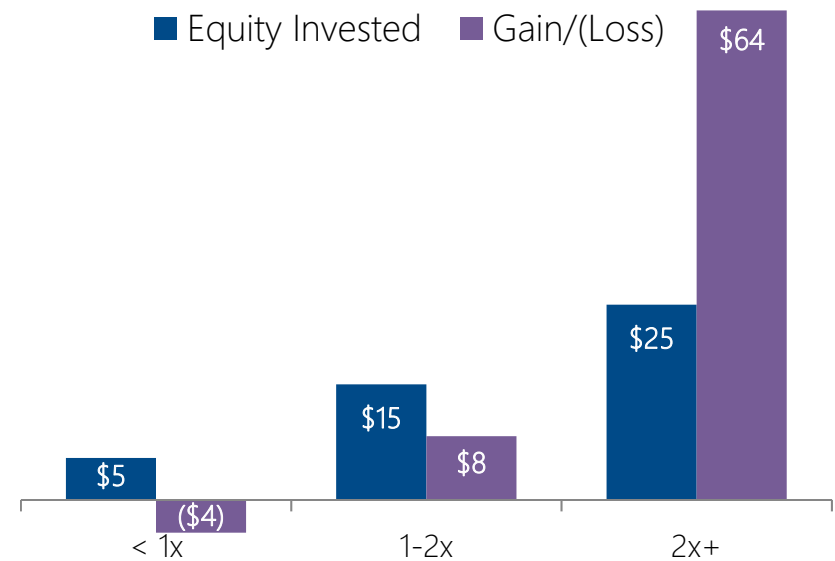


# CPE's Proven, Disciplined Investment Process Drives Strong Results

## Portfolio Construction In Today's Challenging Investment Environment

- ✓ Find or create growth not tied solely to GDP Growth
- ✓ Earnings growth strong enough to offset multiple contraction
- ✓ Build a portfolio to perform during continued slow GDP growth or modest economic downturn
- ✓ Management talent and depth must be world class
- ✓ Maintain appropriate diversification
- ✓ Pursue exit opportunities while valuations are favorable

## REALIZED & PARTIALLY REALIZED INVESTMENTS US/EU/ASIA BUYOUT



# of Realized/Partially Realized Investments	192
Total Equity Invested	\$46 bn
Average Deal MOIC <sup>1</sup>	2.6x
Median Deal MOIC <sup>1</sup>	2.1x

Note: Data as of 6/30/2019. Represents realized and partially realized deals in Carlyle Partners, Carlyle Europe Partners and Carlyle Asia Partners since inception. Includes fund and external coinvestment. Past performance is not indicative of future results and there is no guarantee these trends will continue.

1) Reflects the simple average and median of individual investment multiples without weighting for investment size

## Many Of Our Largest Fund Families Have Consistently Delivered Strong Performance

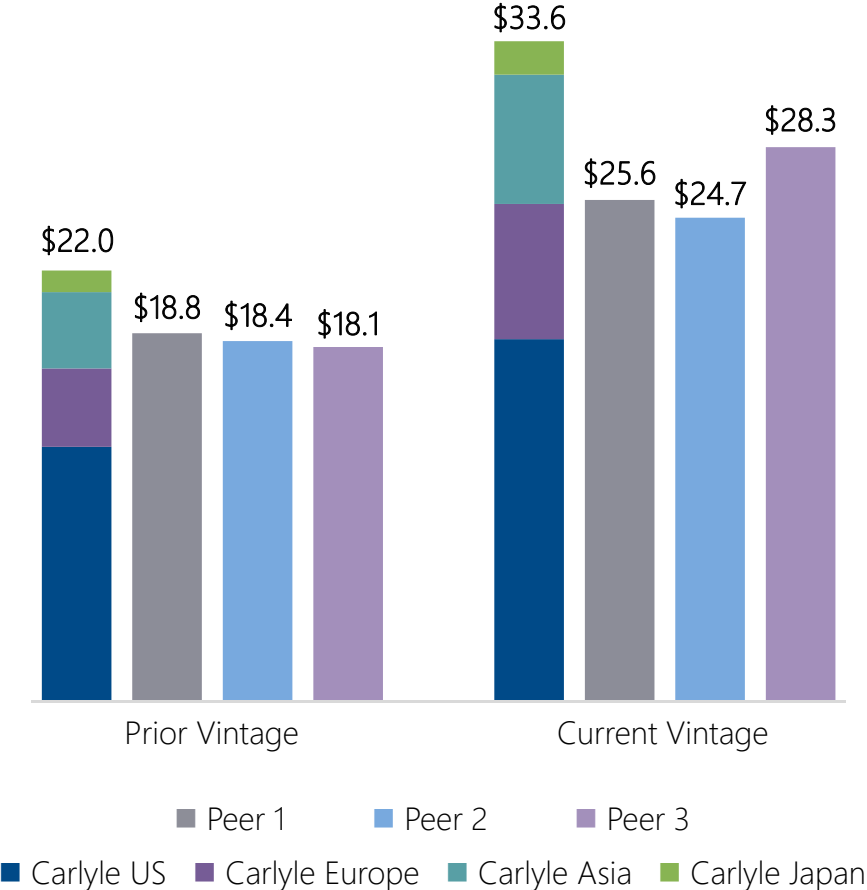
	Inception Year	Committed Capital (bn)	Gross IRR	Net IRR	Total MOIC
Carlyle Partners IV (U.S.)	2004	\$7.9	16%	13%	2.4x
Carlyle Partners V (U.S.)	2007	\$13.7	18%	14%	2.1x
Carlyle Partners VI (U.S.)	2012	\$13.0	15%	10%	1.5x
Carlyle Partners VII (U.S.)	2018	\$18.5	NM	NM	1.0x
Carlyle Asia Partners II	2006	\$1.8	11%	8%	1.9x
Carlyle Asia Partners III	2008	\$2.6	17%	11%	1.8x
Carlyle Asia Partners IV	2012	\$3.9	12%	8%	1.4x
Carlyle Asia Partners V	2018	\$6.6	NM	NM	1.2x
Carlyle Europe Partners II	2003	€1.8	36%	20%	2.0x
Carlyle Europe Partners III	2006	€5.3	19%	14%	2.3x
Carlyle Europe Partners IV	2013	€3.7	14%	8%	1.3x
Carlyle Europe Partners V	2018	€6.3	NM	NM	1.0x
Carlyle Realty Partners V (U.S.)	2006	\$3.0	13%	9%	1.8x
Carlyle Realty Partners VI (U.S.)	2010	\$2.3	28%	19%	1.8x
Carlyle Realty Partners VII (U.S.)	2014	\$4.2	21%	14%	1.6x
Carlyle Realty Partners VIII (U.S.)	2017	\$5.5	NM	NM	1.1x
Natural Gas Partners X	2012	\$3.6	4%	1%	1.1x
Natural Gas Partners XI	2014	\$5.3	12%	8%	1.3x
Natural Gas Partners XII	2017	\$4.3	NM	NM	1.1x
Carlyle International Energy Partners I	2013	\$2.5	26%	14%	1.6x
Carlyle International Energy Partners II	2019	\$1.6	N/A	N/A	N/A
Carlyle Strategic Partners II	2007	\$1.4	17%	11%	1.8x
Carlyle Strategic Partners III	2011	\$0.7	26%	16%	1.6x
Carlyle Strategic Partners IV	2016	\$2.5	NM	NM	1.2x

Note: Data as of 9/30/2019. Past performance is not indicative of future results. Does not represent all Carlyle carry funds. For a full list of the firm's significant funds and information about their performance, see information in our latest earnings release or quarterly or annual reports filed with the U.S. Securities and Exchange Commission. Bold represents funds currently in the investment period.

1) CIEP II is currently in fundraising; Committed Capital reflects fundraising to date.

# Diversified Investment Platform Creates The Opportunity For Larger Committed Capital Per Strategy

## FLAGSHIP PE FUND COMMITMENTS (\$BN)

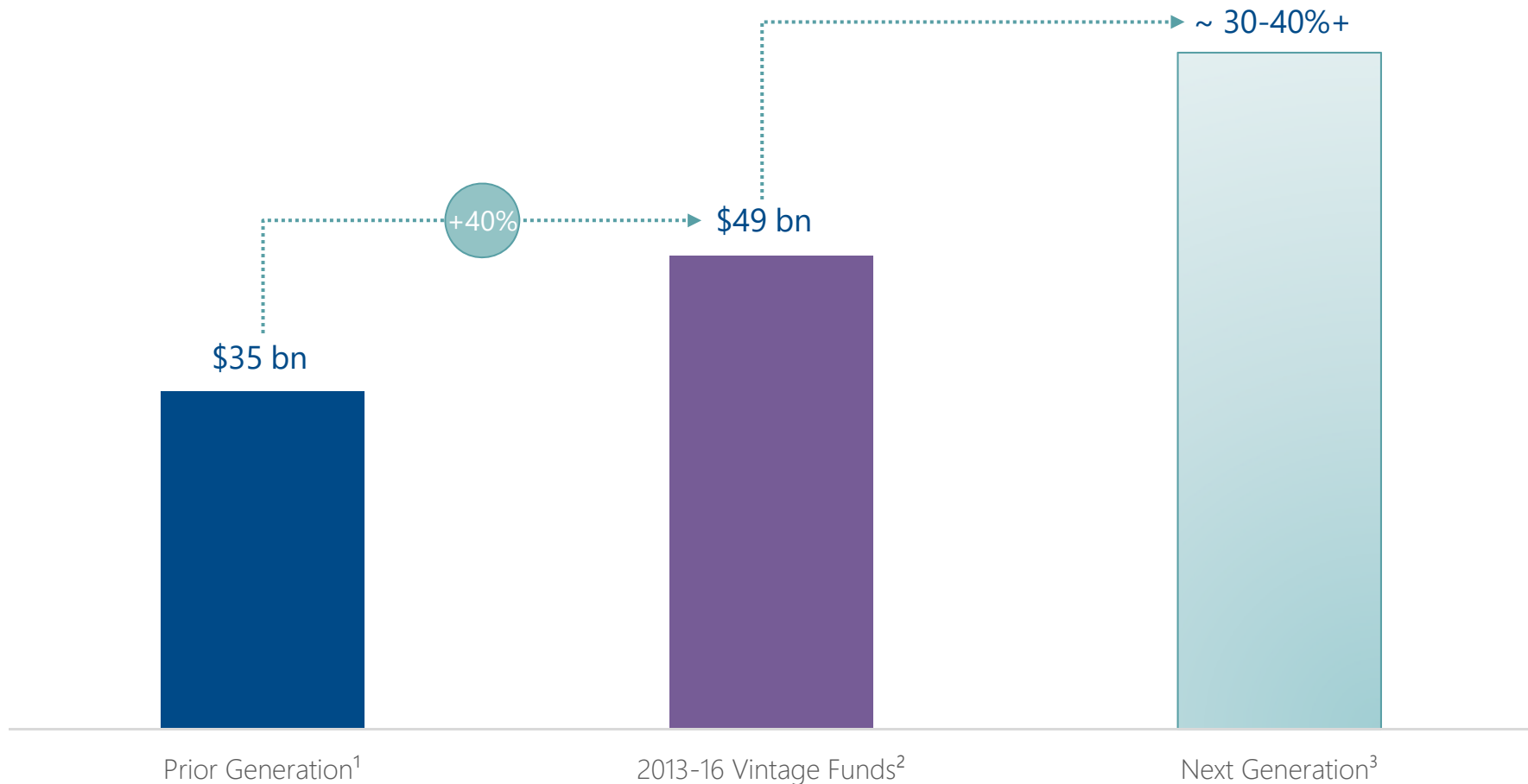


Carlyle’s geographically diverse fund structure (relative to a single large global fund) enables us to collectively raise more capital and diversification provides better likelihood of generating performance fees

Presented for illustrative purposes only. Source: Company filings. Peer commitments include flagship global buyout funds, as well as any comparable buyout funds focused on Europe or Asia. Note: Data as of 9/30/2019.

# FRE Growth Supported By A Growing Carry Fund Investment Platform

## Fund Commitments for Major CPE/RA/GC Carry Funds



Note: Data as of 9/30/2019. Reflects Management's views as of 11/5/2019. Please see "Important Information" slides for information about the use of and reliance on projections. There is no guarantee these trends will continue.

1) Prior Generation of funds includes direct predecessors to Current Generation where applicable.

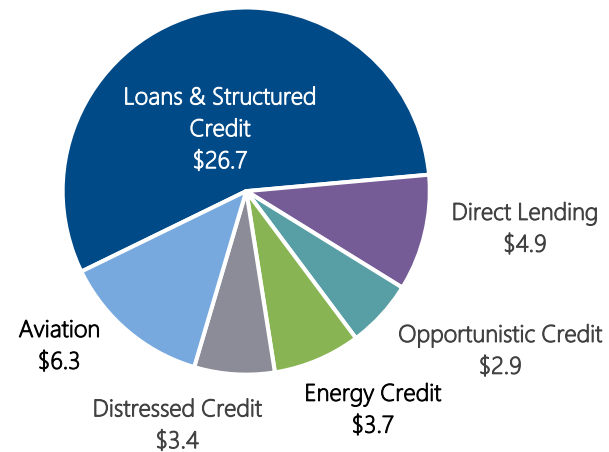
2) Current Generation of funds includes: CP VI, CEP IV, CAP IV, CJP III, CGFSP II, CEOF II, CETP III, CGP, CRP VII, NGP XI, CIEP, CPP II, CSP IV, CEMOF II.

3) Next Generation of funds includes follow on funds for Current Generation as well as new fund families and new product initiatives. There is no assurance these trends will continue or that we will be able to raise the capital required to achieve these targets.

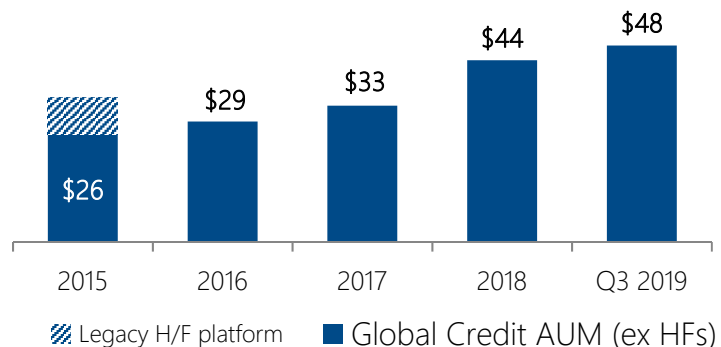
## Scaling and Broadening Global Credit Will Support FRE Growth

- Global Credit now generates more than \$300 million in annual run-rate management fees, up 25% YoY
- Continue to build out capabilities to manage larger amounts of capital
  - Fortitude relationship is expected to help Global Credit develop incremental scale
- Launch/acquire new funds & products
  - Opportunistic Credit
  - New Direct Lending funds and vehicles
  - Managed Accounts
- Leverage functional platform to scale broadening investment capabilities

### AUM: \$48 BILLION



### GLOBAL CREDIT AUM<sup>1</sup>



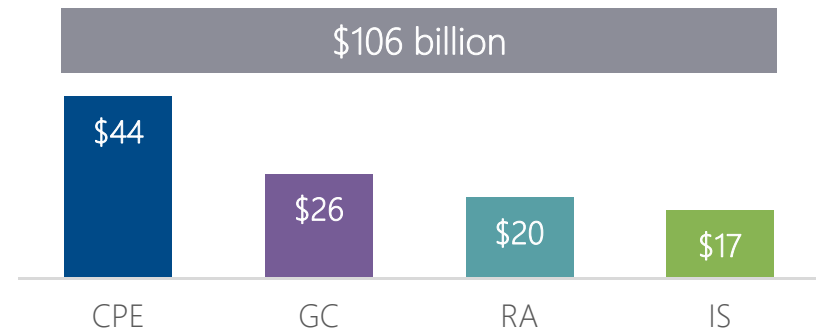
Note: Data as of 9/30/2019.

1) 2015 Total AUM reflects breakout of the former hedge fund platform.

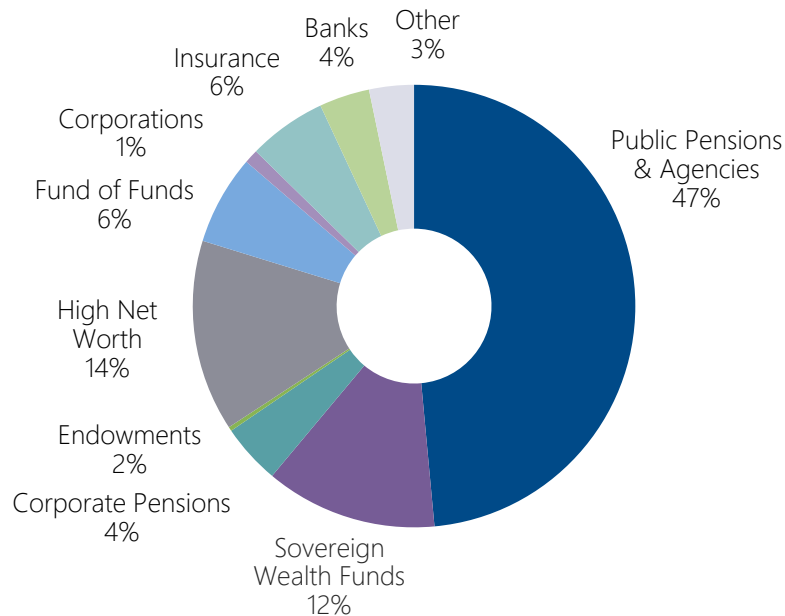
# Breadth Of Fundraising Resources And Capabilities Drive New Investor Relationships

- Team of more than **100 fundraising employees** across all regions
- More than **2,600 fund investors** from 94 countries
- More than **410 new fund investors** over the past 3 years have committed \$8.8 billion
- **76% of fund investor capital** is invested across six or more carry funds, up from 50% in 2006

## GROSS FUNDRAISING SINCE Q1 2016

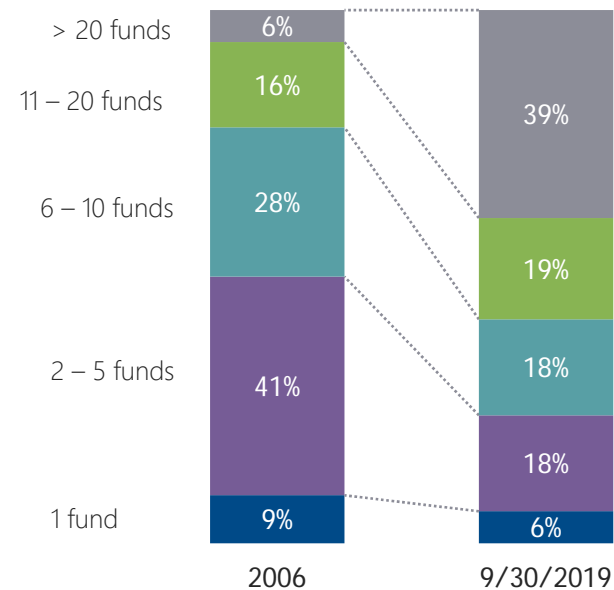


## DIVERSE SOURCE OF CAPITAL COMMITMENTS



## CROSS SELLING ACROSS FUNDS<sup>1</sup>

% OF \$ COMMITMENTS ACROSS MULTIPLE FUNDS



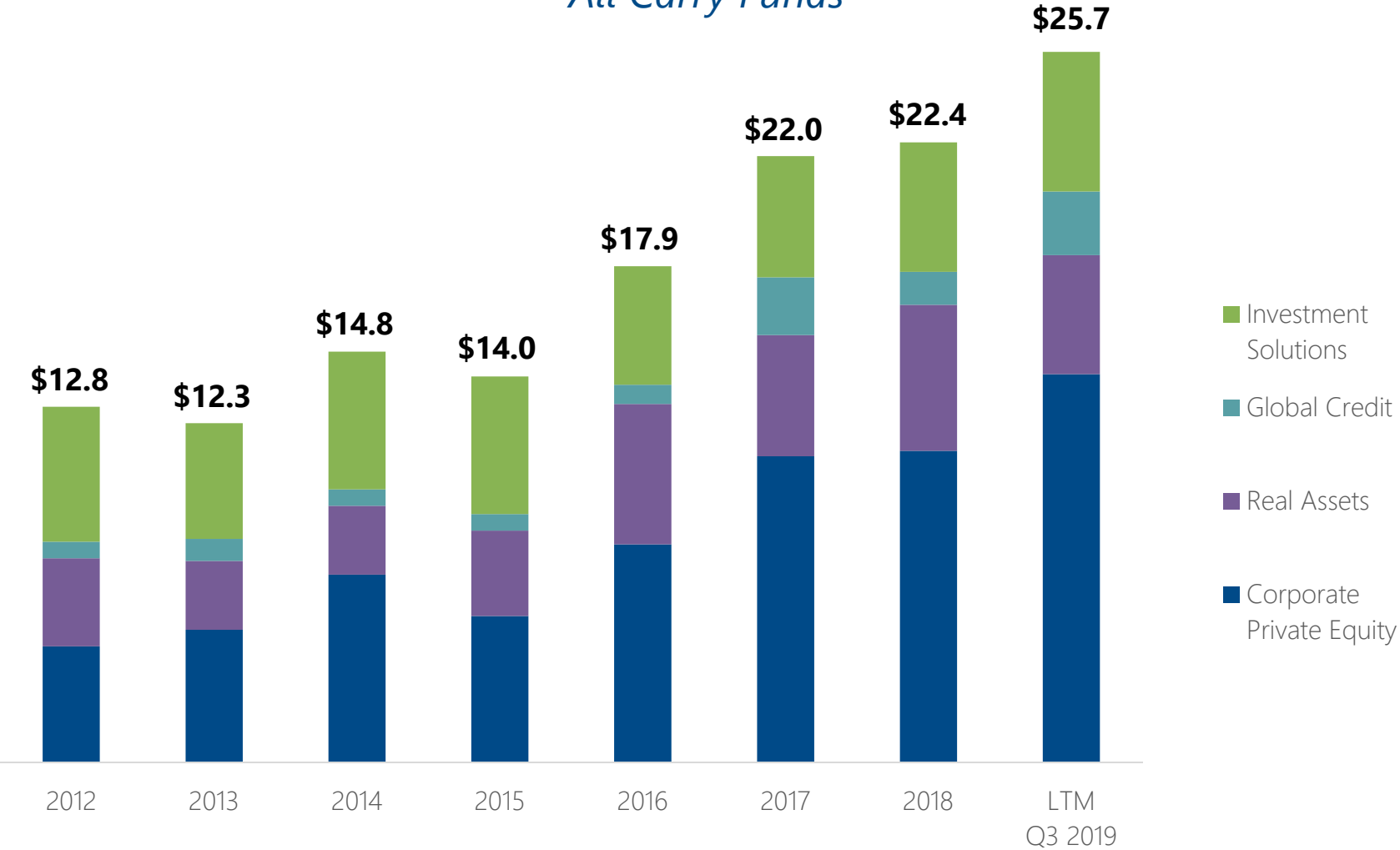
Note: Data as of 9/30/2019.

Number of fund investors for prior years is shown as of September 30<sup>th</sup> of each year.

1) Percentage of capital committed by investors to active carry funds, segmented by the number of active carry funds in which the investors were committed as of 12/31/2006 and 9/30/2019.

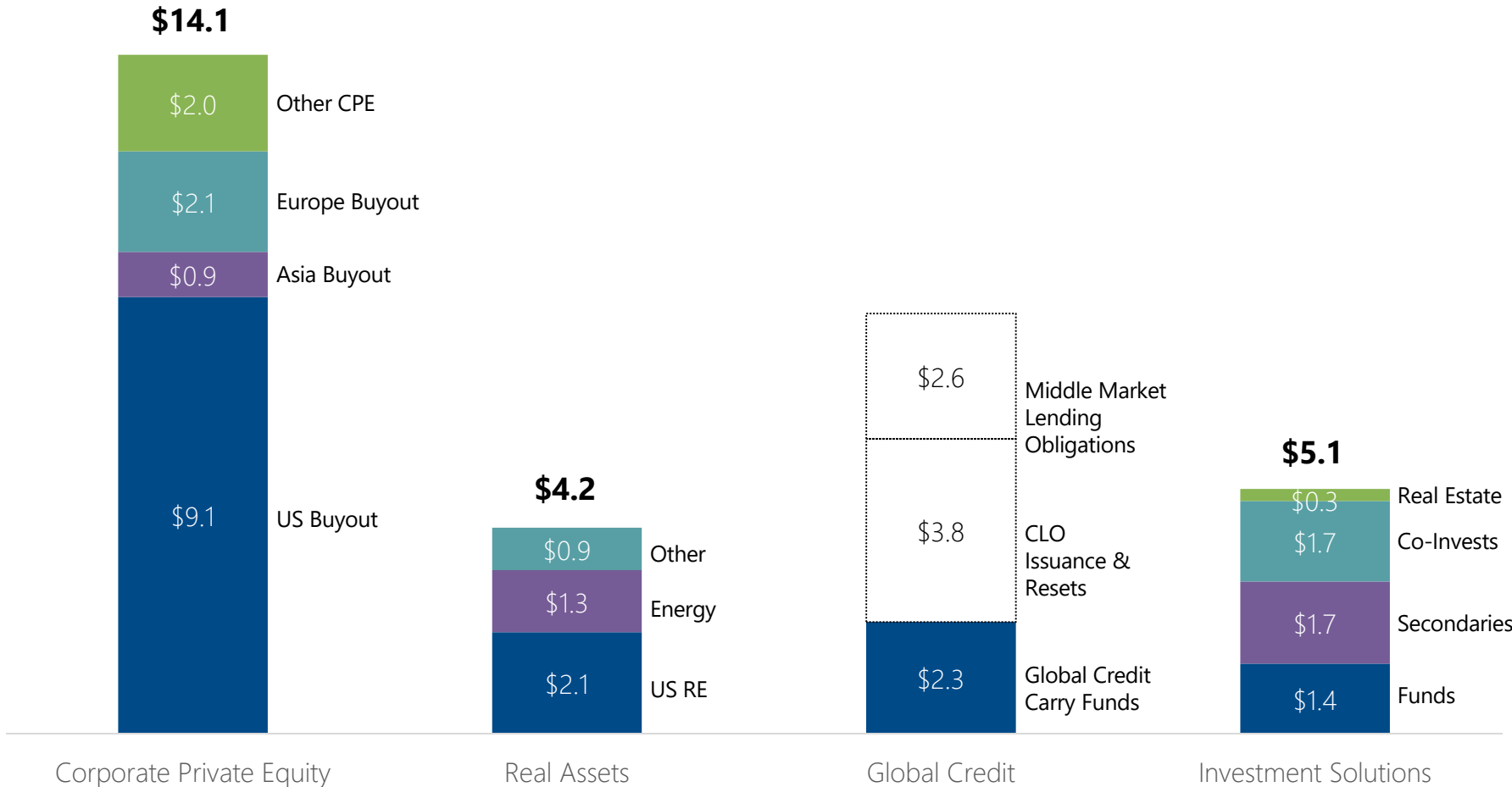
# Deployment Has Increased As Our Investment Platform Has Grown

Invested Capital (\$ billions)  
*All Carry Funds*



# Diverse Investment Activity Across Carry Funds And Credit Despite Competitive Global Markets

**LTM Total Investment Activity (\$ billions)**  
 Carry Fund Deployment: \$25.7  
 Credit Investment Activity (Non-Carry Fund): \$6.4

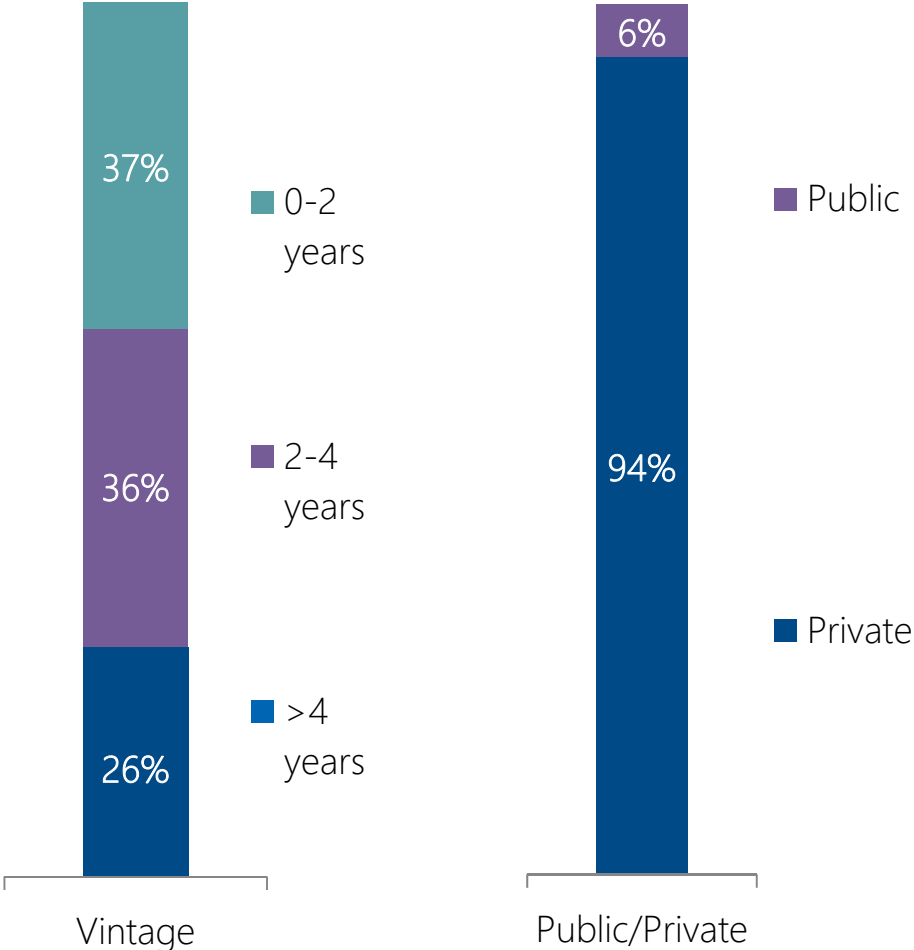


Note: Data as of 9/30/2019.

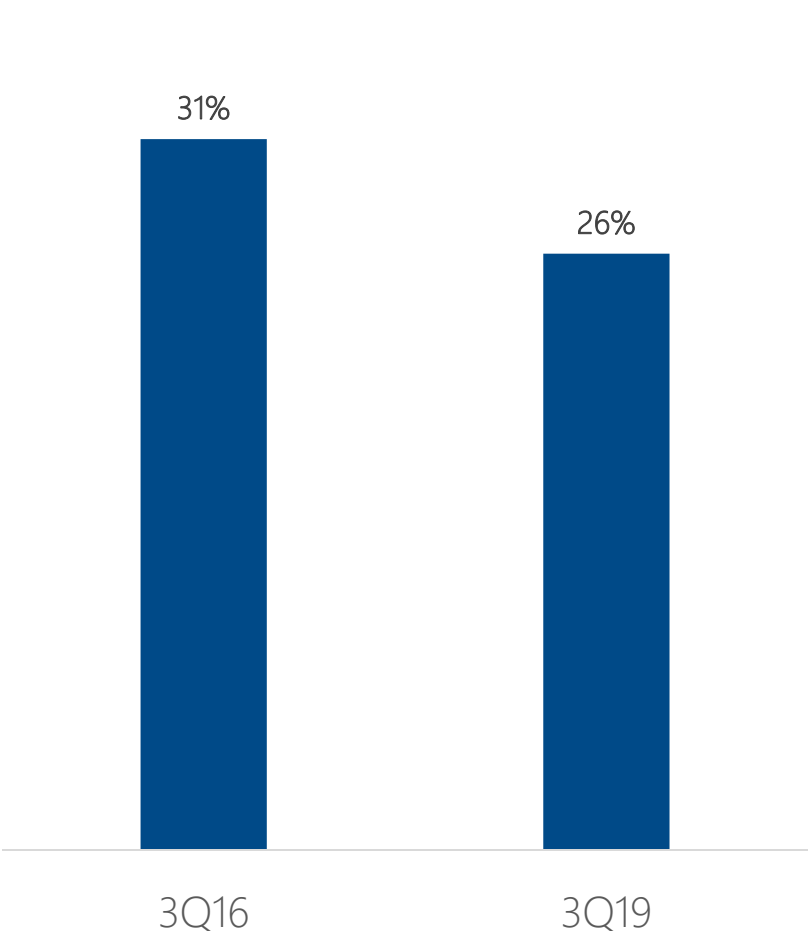


# Remaining Fair Value Concentrated Among Relatively Newer Private Investments

REMAINING FAIR VALUE OF CPE/RA/GC CARRY FUND PORTFOLIO<sup>1</sup> - \$83 BILLION



RFV AGED 4 OR MORE YEARS HAS DECLINED, LEADING TO A YOUNGER PORTFOLIO

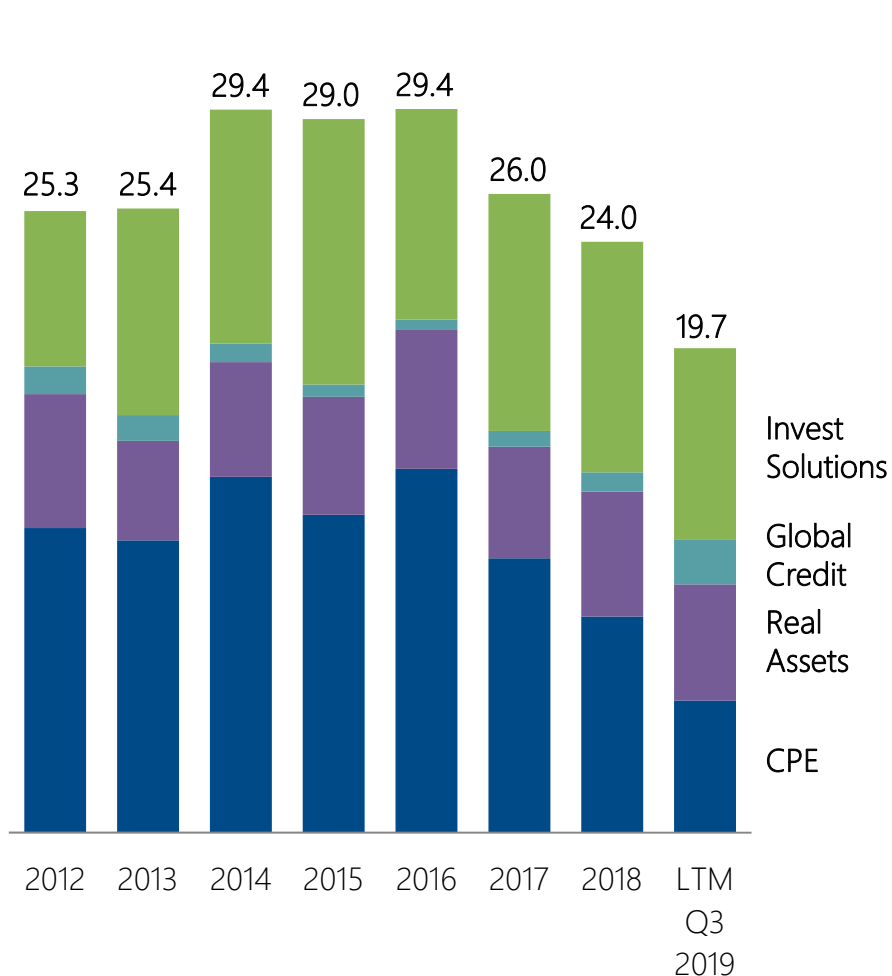


Note: Data as of 9/30/2019.

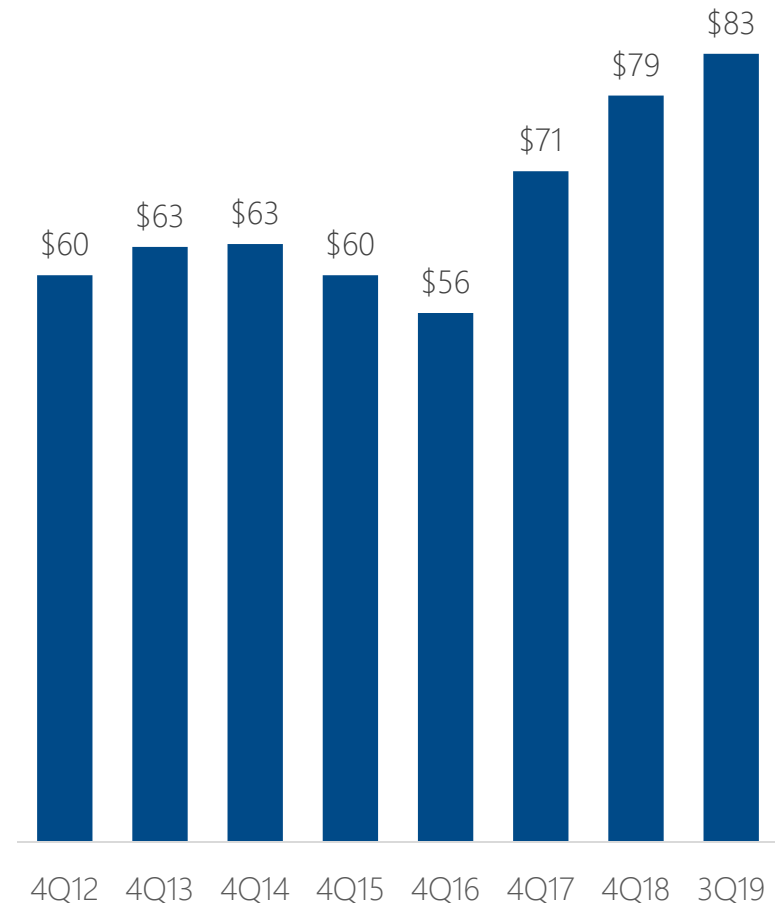
1) Remaining Fair Value reflects the unrealized carrying value of investments for all carry funds and related vehicles, the aggregate collateral balance of our CLOs and the gross asset value of our business development companies. Totals may not sum due to rounding.

# Annual Realized Proceeds Slowing In The Short Term, But Record Level Of Remaining Fair Value Highlights Positive Future Opportunity

REALIZED PROCEEDS (\$BN, ALL CARRY FUNDS)



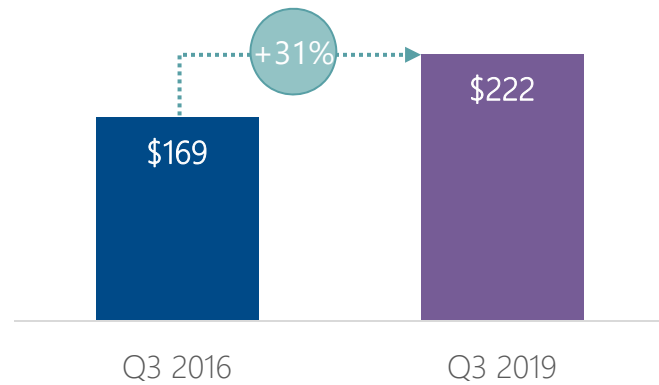
REMAINING FAIR VALUE OF CAPITAL (\$BN, ALL CPE/RA/GC CARRY FUNDS)



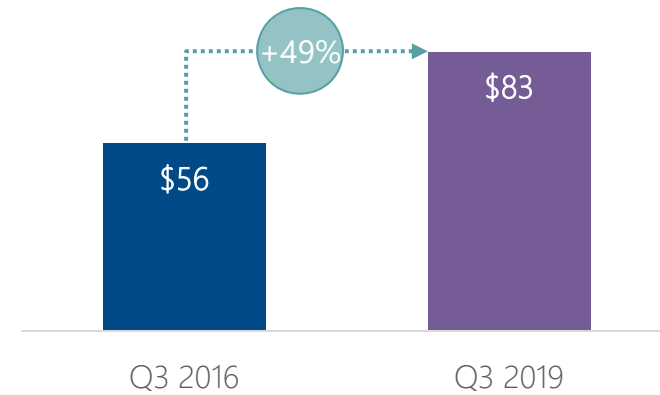
Note: Data as of 9/30/2019. There is no guarantee these trends will continue.

# Investment Metrics Support Growing Future Performance Revenue

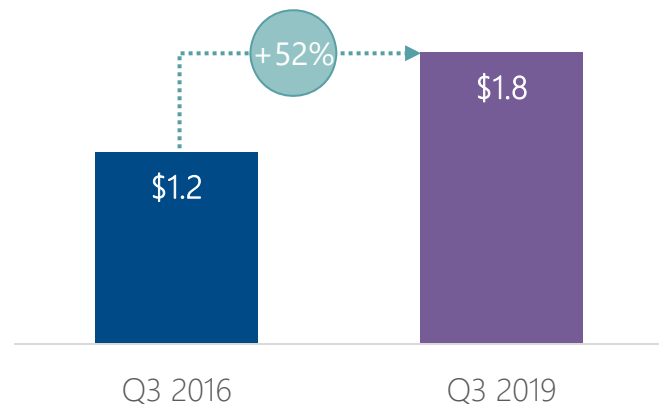
## TOTAL AUM (\$BN)



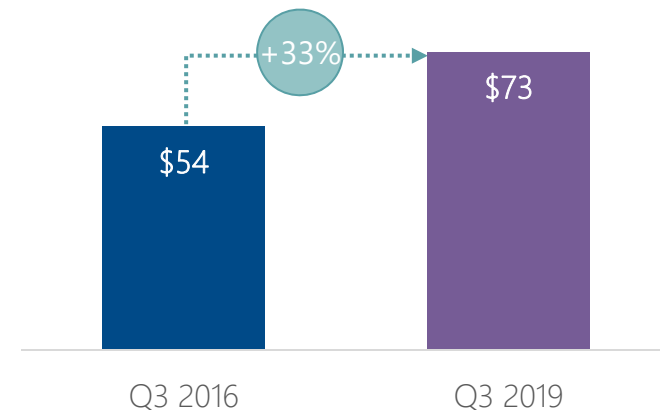
## REMAINING FAIR VALUE (\$BN) CPE/RA/GC CARRY FUNDS



## NET ACCRUED PERFORMANCE REVENUE (\$BN)



## AVAILABLE CAPITAL (\$BN)

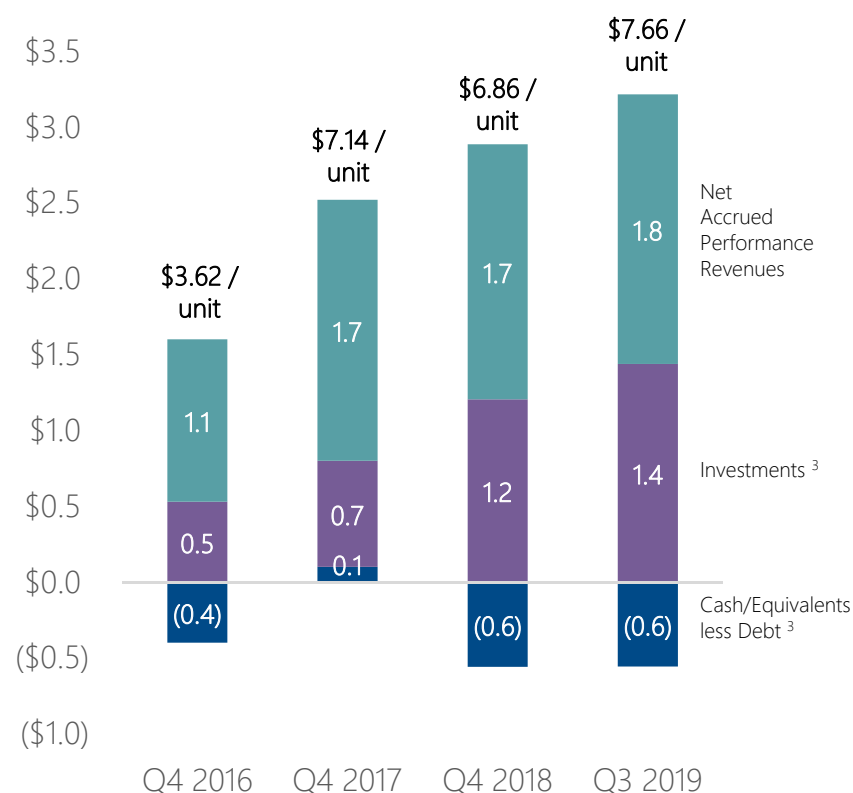


## Strong Balance Sheet With Growing Value Per Unit

Key Balance Sheet Items <sup>1</sup> (\$bn)	9/30/2019
Cash, Cash Equivalents and Corporate Treasury Investments <sup>2</sup>	\$1.1
Net accrued performance revenues <sup>3</sup> (net of giveback and accrued performance fee compensation)	\$1.8
Investments attributable to Carlyle unitholders <sup>4</sup>	\$1.4
Loans Payable and Senior Notes <sup>5</sup> (Pro forma for Sept 2019 debt issuance)	\$1.6
Drawn revolving credit line	\$0

- Balance sheet amounts presented exclude the effect of U.S. GAAP consolidation eliminations on investments and accrued performance revenues, as well as cash and debt associated with Carlyle's consolidated funds.
- Excludes \$405 million of cash that was used to redeem the Preferred Units on October 7, 2019.
- Net accrued performance revenues as of September 30, 2019 are net of \$63 million in accrued giveback obligations and \$2,041 million in accrued performance allocations and investment fee compensation related to non-controlling interests.
- Investments include the \$565 million investment in Fortitude Re, excluding the impact of unrealized gains on embedded derivatives included in Fortitude Re's U.S. GAAP financial statements. Investments exclude the equity investments by Carlyle in NGP Energy Capital Management and the portion of CLO investments attributable to Carlyle unitholders that were financed with debt.
- Excludes approximately \$320 million of loans used to finance investments in CLOs and \$293 million of lease liabilities.

### KEY BALANCE SHEET ITEMS (\$BN, EXCEPT PER ADJUSTED UNIT AMOUNTS)



## Our Conversion to Full C-Corp: Best Way To Unlock Shareholder Value

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- ❖ Carlyle will convert to a Corporation as of January 1, 2020
- ❖ Implementing a fixed \$1.00/share dividend for 2020 (current yield: ~4%)

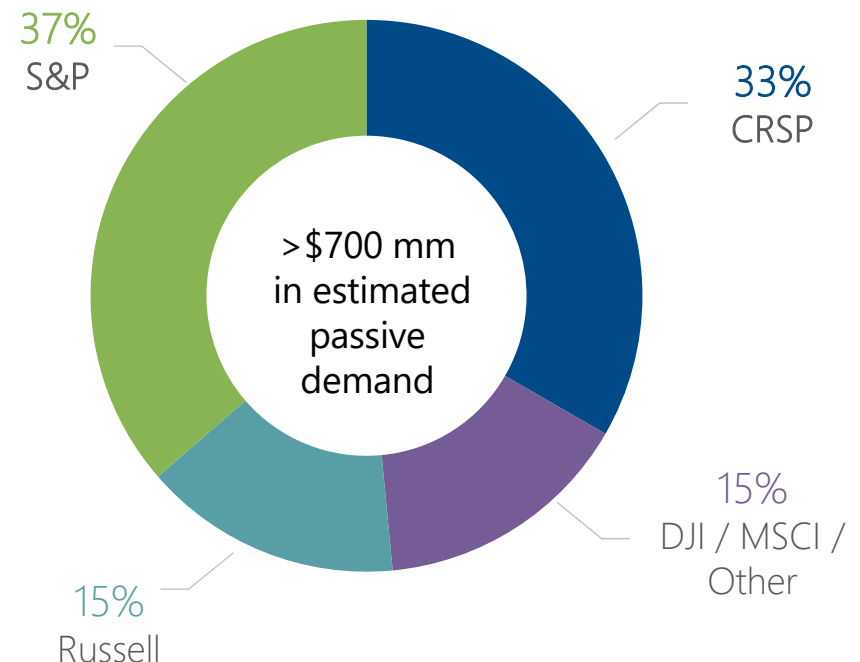


# Conversion to Full C-Corp Produces the Greatest Potential Investor Demand

## Conversion Is Expected to Increase the Eligible Investor Universe...

- With the conversion to a “Full C-Corporation,” we expect to be added to most potential indices and benchmarks based on our tradeable market capitalization
- There is a more than \$3 trillion addressable passive index universe and over \$4 trillion of active AUM benchmarked to potential indices into which CG shares may be added<sup>1</sup>
- The top 25 financial investors have more than \$500 billion<sup>2</sup> invested in financial stocks with less than \$100 million invested in CG, which could increase with C-corp conversion and inclusion into active management benchmarks
- We estimate more than \$700 million in potential passive investment demand for CG shares; mutual funds benchmarked to Russell and S&P indices could add significantly more demand

## Resulting in Meaningful Incremental Active and Passive Buying Demand



Presented for illustrative purposes only.

1) Source: Nasdaq.

2) Source: Factset.

# Key Metrics Summary

Quarterly Data								
	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
<b>Total AUM(1) (\$ bn)</b>	195.1	201.5	209.7	212.3	216.5	221.5	222.7	221.8
Corporate Private Equity	72.6	75.0	81.2	81.6	80.8	84.3	83.9	84.1
Real Assets	42.9	44.0	45.4	46.0	45.6	46.2	46.8	44.9
Global Credit	33.3	33.8	35.5	37.4	44.4	45.6	46.6	48.0
Investment Solutions	46.3	48.7	47.6	47.3	45.7	45.4	45.4	44.8
<b>Fee-earning AUM(1) (\$ bn)</b>	124.6	125.8	146.5	147.4	159.6	160.0	158.4	158.8
Corporate Private Equity	35.6	35.3	56.3	56.3	62.4	61.9	60.5	61.2
Real Assets	31.6	32.1	31.5	31.6	33.0	32.9	33.2	32.7
Global Credit	27.3	27.8	28.8	30.1	35.2	36.5	35.9	37.1
Investment Solutions	30.2	30.5	29.8	29.5	29.1	28.7	28.8	27.7
<b>Fundraising(2)(3) (\$ bn)</b>	24.7	7.7	12.3	6.0	7.1	6.9	3.5	5.7
Corporate Private Equity	19.1	3.9	8.8	1.8	2.4	3.6	0.5	1.9
Real Assets	3.2	1.3	0.7	1.1	2.6	0.6	1.6	0.6
Global Credit	1.7	0.8	2.0	2.0	1.4	1.5	1.0	2.8
Investment Solutions	0.7	1.7	0.7	1.2	0.6	1.2	0.4	0.4
<b>Invested Capital(4) (\$ bn)</b>	7.2	4.0	3.5	3.3	11.5	3.4	7.3	3.4
Corporate Private Equity	3.6	0.7	1.6	1.1	7.8	1.1	4.2	1.0
Real Assets	1.6	1.9	0.9	0.8	1.7	0.8	0.9	0.8
Global Credit	0.8	0.4	0.2	0.1	0.4	0.4	0.8	0.7
Investment Solutions	1.2	1.0	0.8	1.3	1.6	1.1	1.4	0.9
<b>Realized Proceeds(4) (\$ bn)</b>	8.0	5.6	7.0	6.4	4.9	4.7	4.4	5.7
Corporate Private Equity	3.4	2.7	2.9	1.5	1.7	0.9	1.6	1.1
Real Assets	1.3	1.1	1.4	1.7	0.9	1.6	0.6	1.7
Global Credit	0.3	0.2	0.3	0.1	0.2	0.4	0.3	1.0
Investment Solutions	2.9	1.7	2.4	3.1	2.2	1.8	1.9	1.9
<b>Fund Appreciation(5)</b>	5%	3%	5%	3%	(2%)	3%	2%	2%
Corporate Private Equity	8%	4%	3%	1%	(2%)	3%	1%	1%
Real Assets	4%	2%	7%	3%	(7%)	3%	0%	(0%)
Global Credit	1%	2%	3%	1%	(2%)	5%	1%	(2%)
Investment Solutions	3%	4%	8%	5%	2%	3%	4%	7%

Annual Data						
	2014	2015	2016	2017	2018	YTD 2019
<b>Total AUM(1) (\$ bn)</b>	194.5	182.6	157.6	195.1	216.5	221.8
Corporate Private Equity	64.7	63.1	50.9	72.6	80.8	84.1
Real Assets	42.3	38.0	34.3	42.9	45.6	44.9
Global Credit	36.7	35.3	29.4	33.3	44.4	48.0
Investment Solutions	50.8	46.2	43.1	46.3	45.7	44.8
<b>Fee-earning AUM(1) (\$ bn)</b>	135.6	131.0	115.0	124.6	159.6	158.8
Corporate Private Equity	40.2	40.9	36.3	35.6	62.4	61.2
Real Assets	28.4	30.9	27.5	31.6	33.0	32.7
Global Credit	33.9	31.0	24.1	27.3	35.2	37.1
Investment Solutions	33.1	28.2	27.1	30.2	29.1	27.7
<b>Fundraising(2)(3) (\$ bn)</b>	24.3	16.4	8.2	43.3	33.1	16.1
Corporate Private Equity	7.6	8.0	0.8	20.5	17.0	6.0
Real Assets	9.2	3.9	1.2	10.2	5.7	2.7
Global Credit	6.9	2.9	3.5	6.6	6.3	5.3
Investment Solutions	0.5	1.6	2.8	5.9	4.2	2.0
<b>Invested Capital(4) (\$ bn)</b>	14.8	14.0	17.9	22.0	22.4	14.2
Corporate Private Equity	6.8	5.3	7.9	11.1	11.3	6.3
Real Assets	2.5	3.1	5.1	4.4	5.2	2.6
Global Credit	0.6	0.6	0.7	2.1	1.2	1.9
Investment Solutions	5.0	5.0	4.3	4.4	4.7	3.5
<b>Realized Proceeds(4) (\$ bn)</b>	29.4	29.0	29.4	26.0	24.0	14.8
Corporate Private Equity	14.5	12.9	14.8	11.2	8.8	3.7
Real Assets	4.7	4.8	5.6	4.5	5.1	3.9
Global Credit	0.7	0.5	0.4	0.6	0.8	1.6
Investment Solutions	9.5	10.8	8.6	9.6	9.4	5.6
<b>Fund Appreciation(5)</b>	19%	12%	12%	20%	9%	7%
Corporate Private Equity	23%	13%	11%	32%	5%	5%
Real Assets	(2%)	(3%)	18%	19%	5%	3%
Global Credit	20%	(8%)	(11%)	11%	5%	2%
Investment Solutions	26%	23%	12%	10%	19%	14%

Note: segments may not add to total due to rounding; for definitions of the operating metrics above, please see The Carlyle Group LP's filings with the Securities and Exchange Commission. In early 2018, our Global Market Strategies business was renamed to Global Credit.

1) For purposes of aggregation, funds denominated in a currency other than U.S. Dollars have been converted at the spot rate as of the end of each period presented.

2) For purposes of aggregation, commitments denominated in a currency other than U.S. Dollars have been converted at the spot rate as of the date of closing of such commitment.

3) Excludes acquisitions.

4) Amounts represent Carry Fund transactions only (including related coinvestments and separately managed accounts). Does not include hedge funds, mutual funds, structured credit funds, and NGP Predecessor funds. For purposes of aggregation, transactions denominated in a currency other than U.S. Dollars have been converted at the average rate for the period presented.

5) Appreciation / (Depreciation) represents unrealized gain / (losses) for the period on a total return basis before fees and expenses. The percentage of return is calculated as: Ending Remaining Investment FMV plus net investment outflow (sales proceeds minus net purchases) minus Beginning Remaining Investment FMV divided by Beginning Remaining Investment FMV. Excludes external coinvestment.

# Summary Financial Results

Pre-tax Segment Measures (\$ millions)	Quarterly				Annual				
	4Q18	1Q19	2Q19	3Q19	2015	2016	2017	2018	YTD 2019
<b>Segment Revenues</b>									
Fund Management Fees	391	382	415	385	1,198	1,086	1,081	1,362	1,181
Portfolio Advisory Fees, net and Other	6	6	5	5	33	29	32	31	16
Transaction Fees, net	25	5	10	6	10	31	27	32	20
<b>Total Segment Fee Revenues</b>	<b>422</b>	<b>392</b>	<b>429</b>	<b>396</b>	<b>1,240</b>	<b>1,146</b>	<b>1,140</b>	<b>1,425</b>	<b>1,217</b>
Realized Performance Revenues	112	49	42	118	1,435	1,216	1,085	682	209
Realized Principal Investment Income (Loss)	5	4	74	7	(65)	45	(26)	48	85
Interest Income	7	6	6	7	5	10	17	30	18
<b>Total Segment Revenues</b>	<b>545</b>	<b>451</b>	<b>551</b>	<b>528</b>	<b>2,615</b>	<b>2,417</b>	<b>2,216</b>	<b>2,186</b>	<b>1,529</b>
<b>Segment Expenses</b>									
Cash-based Compensation and Benefits	193	202	207	194	650	601	658	741	604
Realized Performance Revenues Related Compensation	69	42	21	61	646	591	533	363	124
<b>Total Compensation and Benefits</b>	<b>262</b>	<b>245</b>	<b>228</b>	<b>255</b>	<b>1,296</b>	<b>1,192</b>	<b>1,191</b>	<b>1,103</b>	<b>727</b>
General, Administrative, and Other Indirect Expenses	44	76	80	81	313	484	259	299	237
Depreciation & Amortization Expense	10	10	10	12	26	29	31	35	32
Interest Expense	19	20	20	20	58	61	66	75	59
<b>Total Segment Expenses</b>	<b>335</b>	<b>350</b>	<b>337</b>	<b>367</b>	<b>1,693</b>	<b>1,766</b>	<b>1,546</b>	<b>1,512</b>	<b>1,055</b>
<b>Distributable Earnings</b>	<b>\$ 211</b>	<b>\$ 101</b>	<b>\$ 213</b>	<b>\$ 161</b>	<b>\$ 923</b>	<b>\$ 652</b>	<b>\$ 670</b>	<b>\$ 674</b>	<b>\$ 475</b>
(-) Realized Net Performance Revenues	43	7	21	58	789	625	553	320	86
(-) Realized Principal Investment Income (Loss)	5	4	74	7	(65)	45	(26)	48	85
(+) Net Interest	13	14	14	13	53	51	49	44	41
<b>Fee Related Earnings</b>	<b>\$ 175</b>	<b>\$ 103</b>	<b>\$ 133</b>	<b>\$ 109</b>	<b>\$ 252</b>	<b>\$ 33</b>	<b>\$ 192</b>	<b>\$ 350</b>	<b>\$ 345</b>
<b>Per Unit Measures</b>									
Distributable Earnings Per Common Unit (after-tax)	\$0.57	\$0.25	\$0.57	\$0.41	\$2.73	\$1.85	\$1.88	\$1.78	\$1.23
Distribution per Common Unit	\$0.43	\$0.19	\$0.43	\$0.31	\$2.07	\$1.55	\$1.41	\$1.34	\$0.93

Note: Data as of 9/30/2019.

See "Selected Financial Data" in Carlyle's periodic and annual reports filed with the U.S. Securities and Exchange Commission.



## Reconciliation of GAAP to Non-GAAP Financials

(\$ millions)	Quarterly					Annual				
	3Q18	4Q18	1Q19	2Q19	3Q19	2015	2016	2017	2018	YTD 2019
<b>Income (loss) before provision for income taxes</b>	\$ 61	\$ (79)	\$ 470	\$ 542	\$ 261	\$ 402	\$ 45	\$ 1,132	\$ 360	\$ 1,274
<b>Adjustments:</b>										
Net unrealized performance revenues	55	253	(156)	(82)	126	397	232	(625)	50	(112)
Unrealized principal investment income <sup>(1)</sup>	(7)	(23)	(239)	(235)	(199)	(42)	(5)	(73)	(49)	(672)
Adjusted unrealized principal investment income from investment in Fortitude Re	-	(12)	(27)	(40)	(68)	-	-	-	(12)	(135)
Equity-based compensation <sup>(2)</sup>	52	44	39	38	39	381	343	365	252	117
Acquisition related charges, including amortization of intangibles and impairment	2	6	12	15	11	289	94	36	22	39
Other non-operating expense (income)	0	0	0	0	0	(7)	(11)	(71)	1	1
Tax (expense) benefit associated with performance revenues	(13)	10	(6)	4	(11)	(15)	(15)	(9)	(2)	(13)
Net (income) loss attributable to non-controlling interests in Consolidated entities	(15)	8	5	(40)	(11)	(538)	(41)	(73)	(34)	(46)
Reserve for litigation and contingencies	-	-	-	-	-	50	-	(25)	-	-
Lease assignment and termination costs	64	-	-	-	-	-	-	-	67	-
Debt extinguishment costs	8	-	0	-	-	-	-	-	8	0
Corporate conversion costs, severance and other adjustments	3	4	2	11	11	6	10	13	9	23
<b>Distributable Earnings</b>	<b>\$ 210</b>	<b>\$ 211</b>	<b>\$ 101</b>	<b>\$ 213</b>	<b>\$ 161</b>	<b>\$ 923</b>	<b>\$ 652</b>	<b>\$ 670</b>	<b>\$ 674</b>	<b>\$ 475</b>
(-) Realized Net Performance Revenues	124	43	7	21	58	789	625	553	320	86
(-) Realized Principal Investment Income (Loss)	7	5	4	74	7	(65)	45	(26)	48	85
(+) Net Interest	10	13	14	14	13	53	51	49	44	41
<b>Fee Related Earnings</b>	<b>\$ 89</b>	<b>\$ 175</b>	<b>\$ 103</b>	<b>\$ 133</b>	<b>\$ 109</b>	<b>\$ 252</b>	<b>\$ 33</b>	<b>\$ 192</b>	<b>\$ 350</b>	<b>\$ 345</b>

Note: Data as of 9/30/2019.

- 1) The three months ended September 30, 2019, June 30, 2019, March 31, 2019 and December 31, 2018 include \$214 million, \$231 million, \$229 million and \$46 million, respectively, in gains from changes in the fair value of embedded derivatives at Fortitude Re as a result of accounting principles related to derivatives and hedging.
- 2) Equity-based compensation for the three months ended September 30, 2019 includes \$3.4 million which is included in principal investment income and general, administrative and other expenses in our U.S. GAAP statement of operations, as well as \$0.1 million related to units issued in conjunction with a previous acquisition.