



JUNE 2020

MORGAN STANLEY  
FINANCIAL SERVICES  
CONFERENCE

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GLENN YOUNGKIN  
CO-CHIEF EXECUTIVE OFFICER

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THE CARLYLE GROUP

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On January 1, 2020, we completed our conversion from a Delaware limited partnership named The Carlyle Group L.P. into a Delaware corporation named The Carlyle Group Inc. Unless the context suggests otherwise, references in this report to "Carlyle", the "Company", "we", "us", and "our" refer (i) prior to the consummation of the conversion, to The Carlyle Group L.P. and its consolidated subsidiaries and (ii) from and after the consummation of the conversion, to The Carlyle Group Inc. and its consolidated subsidiaries. References to our common stock in periods prior to the conversion refer to the common units of The Carlyle Group L.P. References to our dividends in periods prior to the conversion refer to the distributions of The Carlyle Group L.P.

This presentation provides an overview of Carlyle and is not intended to be taken by, and should not be taken by, any individual recipient as investment advice, a recommendation to buy, hold or sell any security, or an offer to sell or a solicitation of offers to purchase any security. An offer or solicitation for an investment in any investment fund managed or sponsored by Carlyle or its affiliates ("Fund") will occur only through an offering memorandum and related purchase documentation, and subject to the terms and conditions contained in such documents and in such Fund's operative agreements. The offering memorandum relating to any Fund contains additional information about the investment objective, terms and conditions of such Fund, tax information and risk disclosure that should be reviewed prior to making an investment decision regarding a Fund. This presentation is qualified in its entirety by such offering memorandum, which should be read completely before making any investment. An investment in a Fund would be speculative and would involve significant risks. Nothing in this presentation is intended to be taken by, and should not be taken by, any individual recipient as investment advice, a recommendation to buy, hold or sell any security, or an offer to sell or a solicitation of offers to purchase any security.

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Statements contained in this presentation that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of Carlyle. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain information contained in this presentation constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "seek," "expect," "anticipate," "forecast," "project," "estimate," "intend," "continue," "target," or "believe" or the negatives thereof or other variations thereon or comparable terminology. These statements are subject to risks, uncertainties and assumptions, including those described under the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended 12/31/2019 filed with the SEC on February 12, 2020, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov). These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in our filings with the SEC. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

The fund return information reflected in this presentation is not indicative of the performance of The Carlyle Group Inc. 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 Q2 2019 through Q1 2020, and the prior rolling 12-month period refers to the period Q2 2018 to Q1 2019.

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 measure 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."

# Carlyle Investor Overview

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- Carlyle is a **leading global investment manager** with \$217 billion in AUM
  - Entered 2020 with good momentum and in a position of strength across our business
  - Significant fundraising over the past few years has provided us with \$74 billion in available capital
  - Our globally diversified series of funds continue to offer attractive investment opportunities to our fund investors
- Amidst the pandemic, **Carlyle's intense focus on our people and our portfolio** has served us well, while there remains much work to do
  - Working closely with all of our portfolio companies amid the COVID pandemic
  - Tracking selective investment and deployment opportunities across all segments
- **We continue to execute on our business priorities** by expanding key businesses lines and growing earnings
  - Improving the breadth and composition of our Fee Related Earnings remains a key focus area
  - Recently closed Fortitude Re transaction creates new growth opportunities and income streams to Carlyle
  - Our Global Credit platform, with \$49 billion in Assets Under Management, is well positioned for the current environment
- Carlyle continues to offer **attractive shareholder value and investment proposition**
  - Attractive mix of earnings growth, earnings mix and valuation
  - Our one share/one vote construct positions us for the widest amount of index inclusion

# We Are Focused On Both Internal and External Opportunities

## Managing The COVID Impact

- Ensuring the safety and security of our people remains our top priority, and supporting our portfolio in every way possible (“OneCarlyle”)
- Moved 100% of workforce to work remotely by March
- Beginning to carefully reopen offices in Asia

## Focusing on Investment Performance and Execution

- Evaluating global deployment opportunities, notably in Credit and Asia
- Opportunistically exiting certain assets amid strengthening global markets
- Continuing to closely monitor and stress test investment portfolio
- Delivering investment management services to Fortitude and other insurers

## Navigating Through Uncertain Markets

- The global economy has taken initial steps forward, beginning in Asia
- Heavily disrupted Europe market unthawing as economies reopen
- Significant risks remain as industrial orders remain depressed with tepid hiring expectations

# Carlyle Entered 2020 With Good Momentum And in a Position of Strength

Focused on Growing  
Fee Related Earnings

**\$453 million** in 2019, more than double  
2017 (margin up to 28% from 17% in 2017)

Fee-earning AUM  
Sticky & Long Term

**98%** of FEAUM in long term, locked up  
fee structures

Substantial Dry Powder  
To Address Opportunity

**\$74 billion** of available capital

Well Positioned For Future  
Performance Revenue

**\$1.2 billion** in net accrued carry as of  
Q1 2020

Global Credit Business  
Well Positioned

**\$49 billion** of Global Credit AUM  
(+18% CAGR over past 3 years)

# Focus on Fee Related Earnings Growth Building Upon Recent Momentum

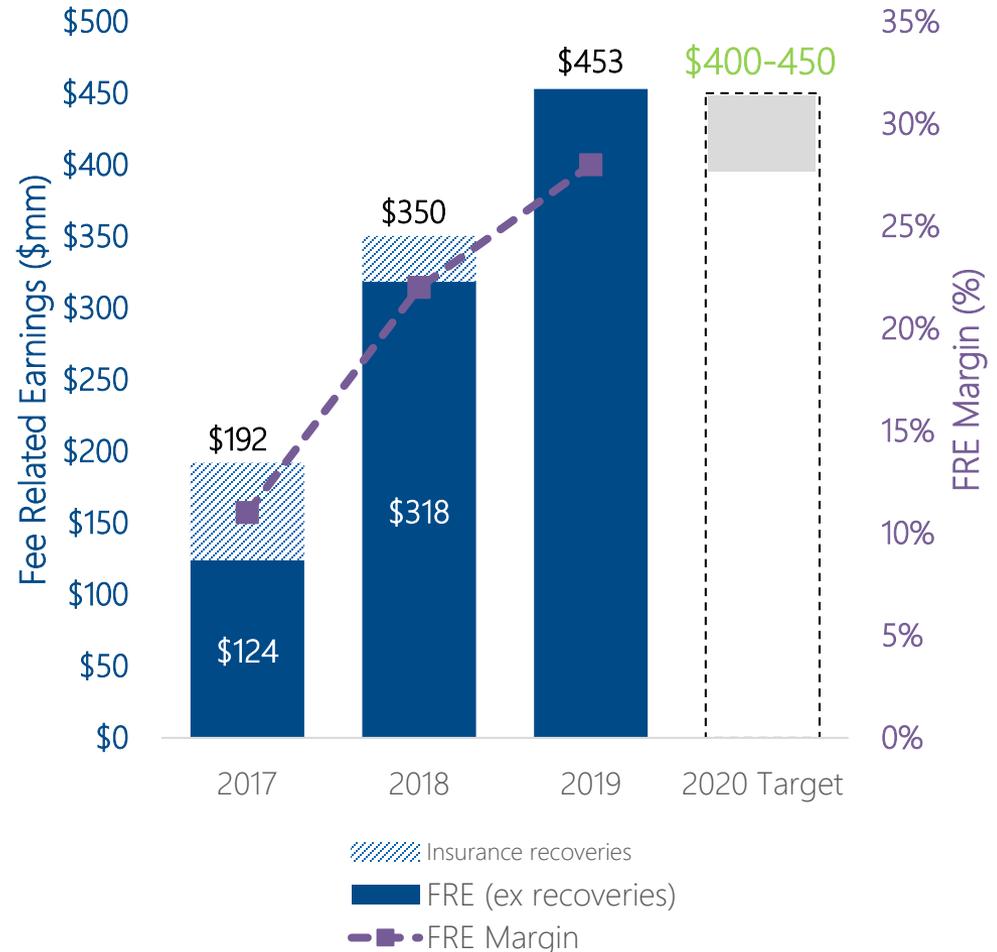
Fee Related Earnings growth accelerated over the last few years

We are confident in our ability to grow Fee Related Earnings over the long term through:

- Scaling of existing businesses
- Pursuing opportunistic growth
- Carefully managing expenses

We expect to generate FRE in a range of \$400-450 million for 2020

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



Note: Data as of March 31, 2020. Reflects management's views as of June 5, 2020. 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.

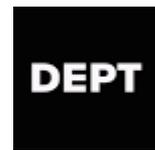
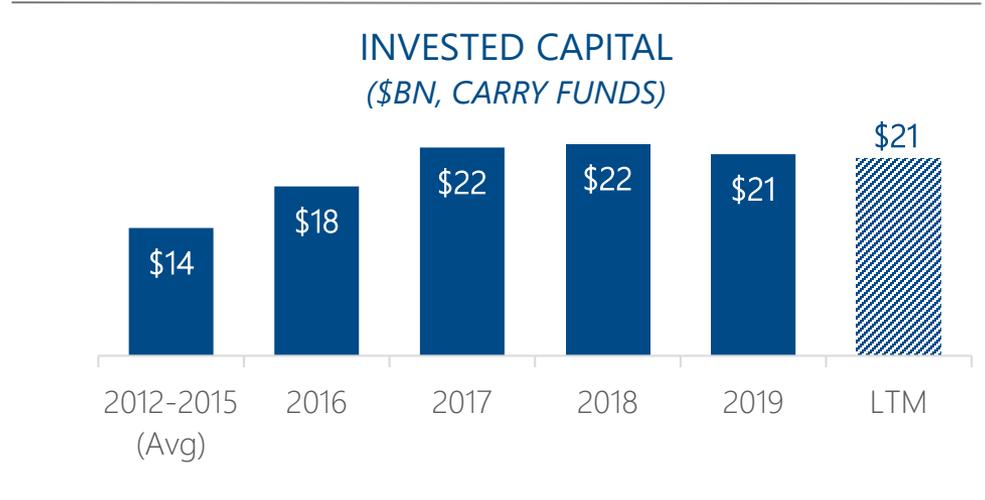
# Substantial Dry Powder To Address Investment Opportunities

Amassed **\$74 billion of Available Capital** via a highly successful multi-year fundraising campaign

We have scaled our capacity to invest capital over the last few years with **larger fund sizes and platform expansion**

Market volatility **may slow near term deployment**, but new opportunities already emerging in Credit, Asia, and certain global growth sectors

We are still finding attractive investments



Note: Data as of March 31, 2020. Reflects management's views as of June 5, 2020. References to portfolio companies are presented for illustrative purposes only and are not intended as, and should not be construed as, a recommendation for any particular company or security. There is no guarantee these trends will continue. References to portfolio companies are presented

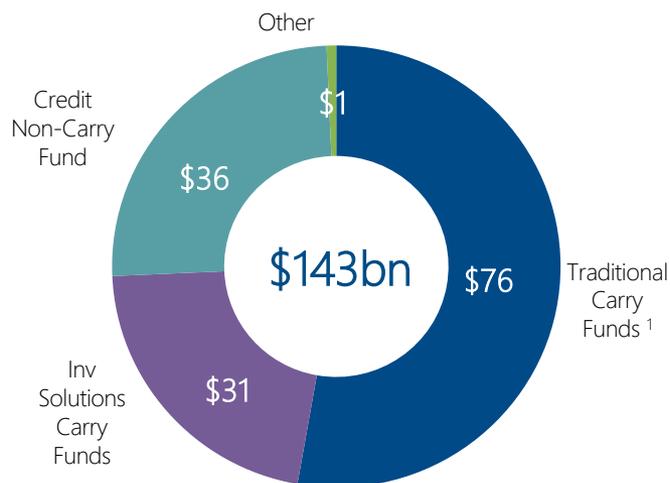
# We Are Confident Our Portfolio Is Well Positioned Amidst A Challenging Market Environment

Focused on supporting our portfolio companies and investments comprising our **\$143 billion of fair value “in the ground”**

Large buyout funds have a **strong track record** through prior periods of volatility

**Carlyle does its best work** investing and managing portfolios through volatile markets

## FAIR VALUE OF INVESTMENTS (\$BN)



## STRONG FUND PERFORMANCE OVER MARKET CYCLES

Fund	Investing Period	Total MOIC
Carlyle Partners IV	2004-2007	2.4X
Carlyle Partners V	2007-2012	2.1X
Carlyle Europe Partners II	2003-2007	2.0X
Carlyle Europe Partners III	2007-2013	2.2X
Carlyle Asia Partners II	2006-2008	1.9X
Carlyle Asia Partners III	2008-2013	1.8X

Note: Data as of March 31, 2020. Past performance is not a guarantee of future performance and there is no guarantee these trends will continue.

1) Includes Corporate Private Equity, Real Assets and Global Credit carry funds

## Significant Opportunity in Global Credit

Growing our Global Credit platform remains a key strategic focus for the firm

**Total AUM** has grown at an **18% CAGR** over the past 3 years

Global Credit **Fee Related Earnings** have expanded to **nearly \$50 million** in 2019

Launched or acquired **new strategies** which are performing well:

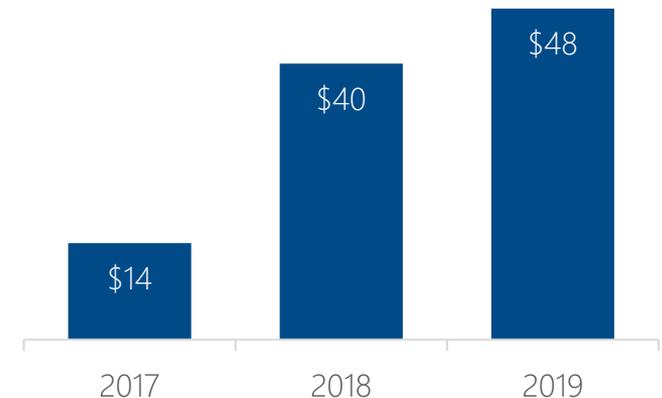
- Opportunistic Credit
- Carlyle Aviation Partners

Current environment presents **tactical deployment and fundraising opportunity**

GLOBAL CREDIT  
TOTAL AUM (\$BN)



GLOBAL CREDIT  
FEE RELATED EARNINGS<sup>1</sup> (\$MM)



Note: Data as of March 31, 2020. There is no guarantee these trends will continue.

1) 2017 and 2018 Fee Related Earnings for Global Credit exclude the positive impact of \$68 million and \$32 million of non-recurring insurance recoveries in the respective period.

# Fortitude Platform Enables Strategic Growth Opportunities

Fortitude is a leading Bermuda-based run-off reinsurer with more than **\$43 billion in total assets**

Carlyle, Carlyle investors, and T&D Holdings now **own approximately 97% of Fortitude**

Our investment in Fortitude helps us **extend our investment capabilities** into the insurance sector

Fortitude is a **source of long-term capital** for Carlyle products

Fortitude is well-positioned to **grow through the acquisition** of additional run-off blocks of insurance

## Broad Income Generation Capacity

### Fee Revenue

Earn recurring management fees on equity raised for Fortitude and assets rotated to Carlyle from Fortitude, as well transaction and capital markets fees

### Investment Income

Earn investment income over time from dividends from Fortitude, realized when distributed to investors

### Performance Revenue

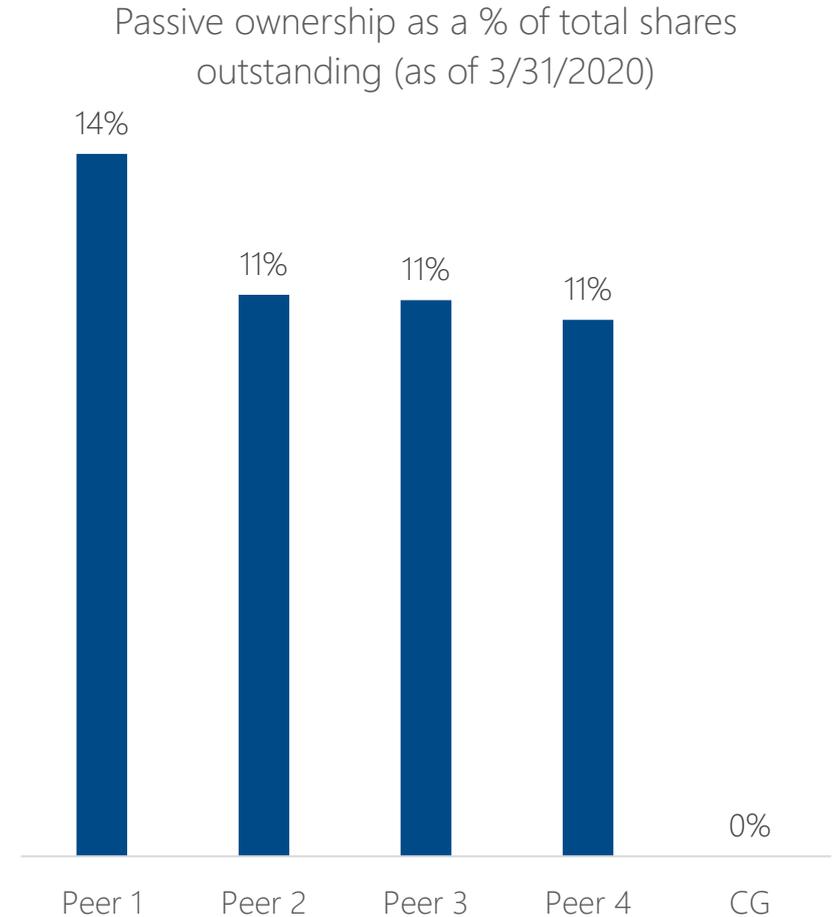
Earn performance fees on assets invested into vehicles which have the capacity for performance fee generation

# Expected Near Term Index Inclusion Could Drive Material CG Share Purchases

## CG Has Been Added To Various Indexes

- Added to the **MSCI USA index series** as part of their Global Standard Indexes, enacted on May 29<sup>th</sup>.
- Several additional index additions have been announced, some with substantial active management benchmarks
  - Will be added to both the **Russell 1000/Russell 3000** indexes upon their reconstitution on June 26<sup>th</sup>
  - Expect **CRSP index inclusion**, with transitional reconstitution date between June 17 and June 23
- Expect to be added to the **S&P and DJI Total Market indexes**
- **S&P flagship index opportunity** remains outstanding
  - Believe we are eligible for S&P 500 inclusion, though there is no expected timing

## Significant Passive Investment Buying Expected



# Carlyle Presents An Attractive Investment Opportunity

## Platform Growth & Diversification



## Value<sup>1</sup>

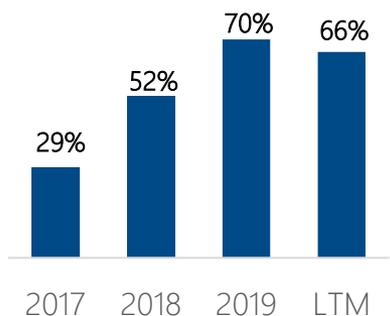


## Technical Improvement

### FEE RELATED EARNINGS |(\$MM)



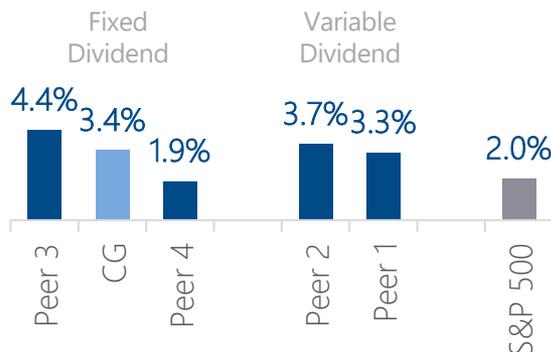
### % OF DISTRIBUTABLE EARNINGS FROM FRE



### PRICE TO 2021E



### Dividend Yield (NTM)



- Carlyle converted to a Full C-Corp effective January 1, 2020
- CG inclusion into indices and benchmarks could drive significant active and passive buying demand throughout 2020
- CG trading liquidity up more than 300% YTD 2020 vs 2019 driving more efficient ownership (YTD trading volume/day of 2.6 mm shares/day, or \$68 mm/day)

Note: Valuation and trading data as of June 5, 2020. Source: Factset. Presented for illustrative purposes only. Please see "Important Information" slides for information about the use of and reliance on projections.

1) Peers include Apollo, ARES, Blackstone, KKR.

## We Are A Well Positioned Global Investment Management Firm

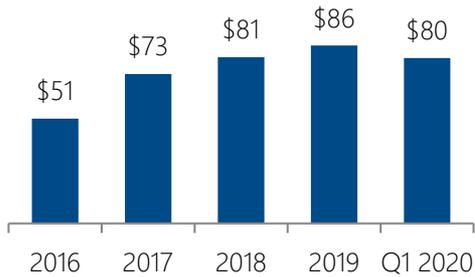
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- Carlyle is a **global leader in the growing private capital industry**
- We are **committed to delivering strong results** for all of our stakeholders (including fund investors, shareholders, employees and our communities)
- **Well positioned to manage through the impact of COVID-19** on our portfolio and we are positioned to invest in new opportunities as they emerge
- **Fee Related Earnings have strengthened** over the past few years and provides significant support to Distributable Earnings
- Currently have \$1.2 billion of accrued performance revenues underpinning significant **future net realized performance revenue growth**
- **Significant index inclusion** expected over the near to mid term

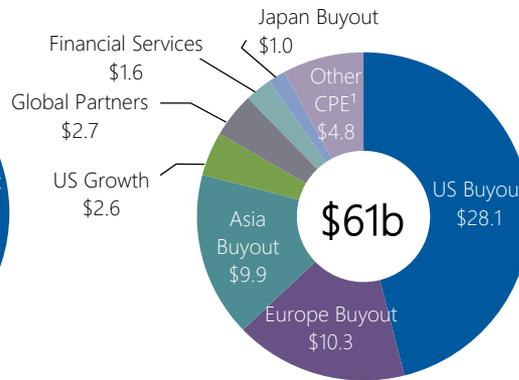
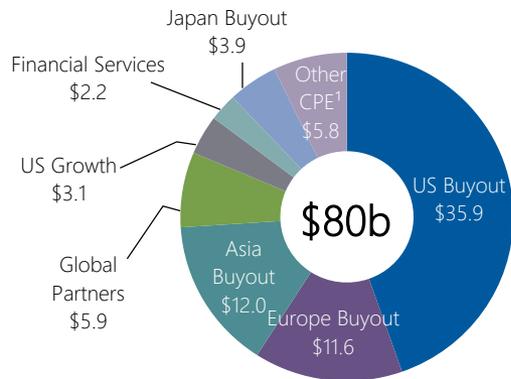
# SEGMENT SUMMARIES

# Corporate Private Equity: Scaled Market Leader With Superior Long Term Performance

TOTAL AUM (\$BN)



FEE-EARNING AUM (\$BN)



Financial Metrics (\$mm)

	2017	2018	2019	LTM Q1 2020
Fee Related Earnings	\$26	\$124	\$261	\$280
Net Realized Performance Revenues	459	221	67	83
Distributable Earnings	488	350	297	342

## Key Points

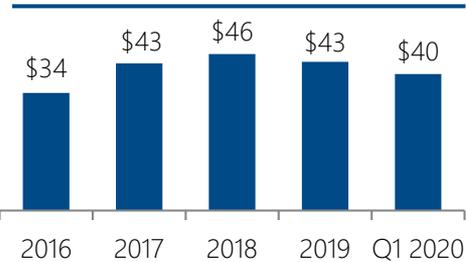
- Superior, diversified track record
  - 2.3x MOIC on realized and partially realized investments
  - Experience across multiple deployment and exit cycles
  
- Recent successor funds significantly scaled CPE platform
  - US/Asia/Europe buyout fundraising scaled latest funds by more than 50%
  - \$33 bn of Available Capital
  - Deployment of \$7.8 bn LTM
  
- Positioned to deliver future performance fees
  - \$48 bn Remaining Fair Value
  - \$0.8 bn of Net Accrued Performance Revenue

Note: Data as of March 31, 2020. See The Carlyle Group Inc.'s filings with the U.S. Securities and Exchange Commission for more information on fund performance.

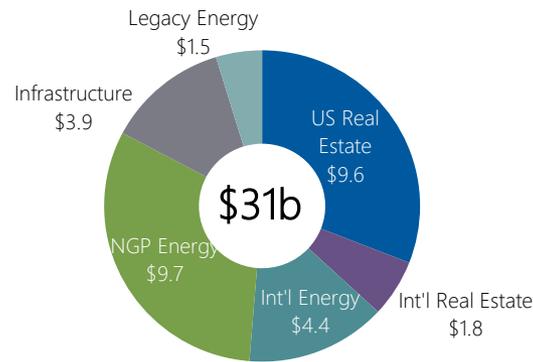
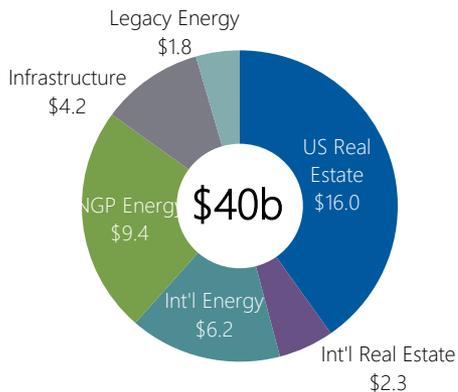
1) Comprised of South America Buyout, Europe Growth, Asia Growth, Sub-Saharan Africa Buyout, CPE Platform Accounts, Peru Buyout, Ireland Buyout and MENA Buyout.

# Real Assets: High Performing Real Estate Platform & Global Scale in Natural Resources and Infrastructure

TOTAL AUM (\$BN)



FEE-EARNING AUM (\$BN)



Financial Metrics (\$mm)

	2017	2018	2019	LTM Q1 2020
Fee Related Earnings	\$52	\$121	\$127	\$125
Net Realized Performance Revenues	50	84	90	103
Distributable Earnings	25	207	283	292

## Key Points

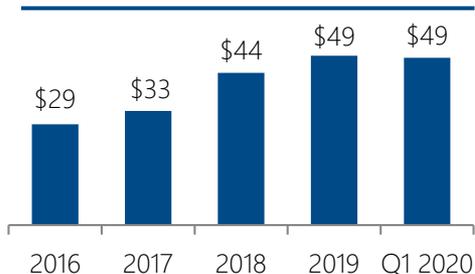
- US Real Estate business delivering strong performance
  - Strong performance and substantial scaling in opportunistic funds
  - Core Plus market an attractive opportunity to leverage USRE expertise
  
- Infrastructure platform opportunity
  - More than \$4 bn of AUM across 6 focus areas
  - New global infrastructure fund has closed three investments with a strong pipeline<sup>1</sup>
  - Launched Renewable Energy strategy with team already in place
  
- Natural Resources carefully deploying capital in challenging environment
  - Invested Capital of \$2.7 bn LTM

Note: Data as of March 31, 2020.

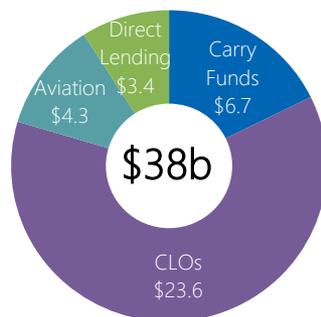
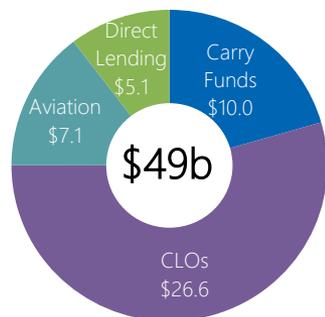
1) There is no guarantee the infrastructure fund will consummate any transaction in its pipeline on the anticipated terms or at all.

# Global Credit: Well Positioned To Take Advantage of Market Dislocations Across Our Diversified Global Credit Platform

**TOTAL AUM (\$BN)**



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



**Financial Metrics (\$mm)**

	2017	2018	2019	LTM Q1 2020
Fee Related Earnings <sup>1</sup>	\$82	\$72	\$48	\$55
Net Realized Performance Revenues	40	5	1	13
Distributable Earnings <sup>1</sup>	127	78	48	66

Note: Data as of March 31, 2020.

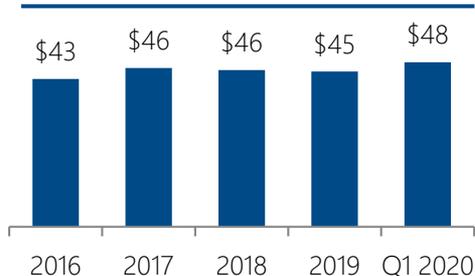
<sup>1</sup> 2016, 2017 and 2018 include net (charges)/recoveries of \$(175) million, \$68 million and \$32 million, respectively, associated with our commodities business.

## Key Points

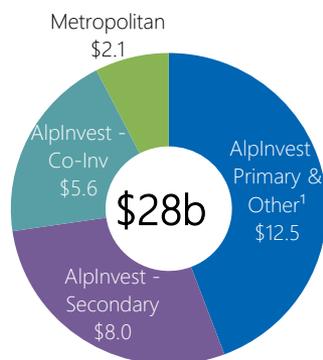
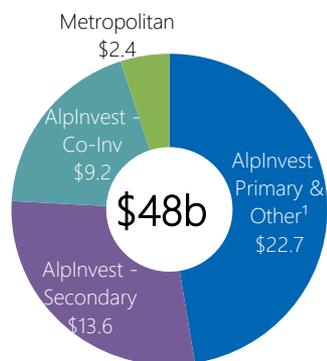
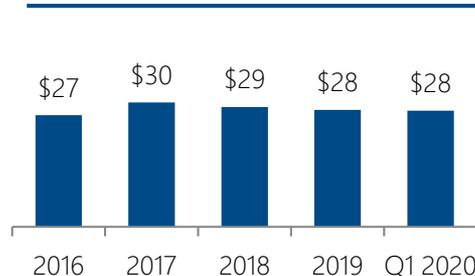
- Focused on enhancing and scaling Global Credit platform
  - Private credit accelerating as an asset class
  - New credit teams capable of managing higher AUM with limited new investment
  - Growth via organic/inorganic means to address significant white space
  
- Solid core platform
  - Leading US/Europe CLO business
  - \$10 bn carry fund platform across Aviation, Opportunistic Credit, Distressed, Structured Credit and Energy Mezzanine
  - Growing Direct Lending platform with \$5.1 bn of AUM
  
- Well positioned to invest into dislocated investment opportunities across broad based platform inclusive of large SMA capabilities

# Investment Solutions: Consistently Strong Investment Performance

TOTAL AUM (\$BN)



FEE-EARNING AUM (\$BN)



Financial Metrics (\$mm)

	2017	2018	2019	LTM Q1 2020
Fee Related Earnings	\$32	\$34	\$17	\$19
Net Realized Performance Revenues	3	10	6	6
Distributable Earnings	30	39	19	21

## Key Points

- AlpInvest has great investment performance with performance fee upside
  - 12% net IRR since inception & 1.6x MOIC with LTM appreciation of 13%<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 March 31, 2020. See The Carlyle Group Inc.'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.

# RECONCILIATION & DISCLOSURES

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# Reconciliation for Distributable Earnings Per Share (Unaudited)

(Dollars in millions, except per share data and where noted)

	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	LTM 1Q'20	QoQ	YoY	LTM
FEE RELATED EARNINGS	\$ 103.3	\$ 132.7	\$ 108.8	\$ 108.0	\$ 128.8	\$ 478.3	19%	25%	12%
DISTRIBUTABLE EARNINGS	\$ 100.8	\$ 213.4	\$ 160.7	\$ 171.7	\$ 175.0	\$ 720.8	2%	74%	13%
<b>DISTRIBUTABLE EARNINGS, TAX AND PER SHARE INFORMATION <sup>1</sup></b>									
Distributable Earnings	\$ 100.8	\$ 213.4	\$ 160.7	\$ 171.7	\$ 175.0	\$ 720.8			
Less: Estimated current corporate, foreign, state and local taxes <sup>2</sup>	8.3	8.8	8.5	5.2	7.7	30.2			
Less: Preferred share distributions	5.9	5.9	7.3	—	—	13.2			
<b>DISTRIBUTABLE EARNINGS, NET attributable to common stockholders</b>	\$ 86.6	\$ 198.7	\$ 144.9	\$ 166.5	\$ 167.3	\$ 677.4			
DISTRIBUTABLE EARNINGS, NET per common share outstanding	\$ 0.25	\$ 0.57	\$ 0.41	\$ 0.47	\$ 0.48	\$ 1.93			
Dividend per common share*	\$ 0.19	\$ 0.43	\$ 0.31	\$ 0.25	\$ 0.25	\$ 1.24			
<b>TOTAL OUTSTANDING SHARES (in millions)</b>	340.9	341.2	346.7	347.2	348.4	348.4			
Shares eligible for dividend (in millions)**	110.5	116.1	117.8	349.4	348.7	348.7			

\* Our dividend policy as a Corporation is to pay dividends in an initial amount of \$0.25 per share of common stock (\$1.00 annually), beginning with the 4Q'19 dividend paid to shareholders in February 2020. See Notes at the end of the document for our Dividend Policy.

\*\* Shares eligible for dividend include 0.3 million common shares that will be issued in May 2020 in connection with the vesting of restricted stock units. For purposes of this calculation, these common shares have been added to the common shares outstanding as of March 31, 2020 because they will participate in the dividend paid on common shares in May 2020.

Totals may not sum due to rounding. Information reported for periods prior to the Conversion on January 1, 2020 reflect the results of the Partnership. See Notes at end of document.

# Reconciliation of GAAP to Total Segment Information

(Dollars in millions)	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	LTM 1Q'19	LTM 1Q'20	FY'18	FY'19
<b>INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES</b>	\$ 470.3	\$ 542.0	\$ 261.4	\$ (40.3)	\$ (789.0)	\$ 705.0	\$ (25.9)	\$ 360.2	\$ 1,233.4
Adjustments:									
Net unrealized performance revenues	(155.8)	(82.4)	126.2	69.7	528.9	(48.7)	642.4	50.2	(42.3)
Unrealized principal investment (income) loss <sup>1</sup>	(238.6)	(234.9)	(198.7)	81.3	264.7	(276.5)	(87.6)	(48.8)	(590.9)
Adjusted unrealized principal investment (income) loss from Fortitude Re	(27.0)	(40.1)	(68.1)	(5.7)	22.8	(38.7)	(91.1)	(11.7)	(140.9)
Equity-based compensation <sup>2</sup>	39.4	38.3	38.9	34.9	31.7	203.8	143.8	252.2	151.5
Acquisition related charges, including amortization of intangibles and impairment	12.0	15.4	11.2	13.4	3.0	29.7	43.0	22.3	52.0
Other non-operating expense (income)	0.3	0.4	0.3	0.3	0.2	1.1	1.2	1.1	1.3
Tax (expense) benefit associated with certain foreign performance revenues	(6.1)	3.6	(10.8)	(1.0)	11.2	(5.5)	3.0	(1.5)	(14.3)
Net (income) loss attributable to non-controlling interests in consolidated entities	4.5	(39.8)	(10.5)	9.2	97.0	(18.4)	55.9	(33.9)	(36.6)
Lease assignment and termination costs	—	—	—	—	—	66.9	—	66.9	—
Debt extinguishment costs	0.1	—	—	—	—	7.9	—	7.8	0.1
Corporate conversion costs, severance and other adjustments	1.7	10.9	10.8	9.9	4.5	9.2	36.1	9.1	33.3
<b>DISTRIBUTABLE EARNINGS</b>	\$ 100.8	\$ 213.4	\$ 160.7	\$ 171.7	\$ 175.0	\$ 635.8	\$ 720.8	\$ 673.9	\$ 646.6
Realized net performance revenues	7.0	20.8	57.7	78.6	48.2	223.6	205.3	319.7	164.1
Realized principal investment income	4.1	73.9	7.3	1.7	15.9	33.5	98.8	48.1	87.0
Net interest	13.6	14.0	13.1	16.6	17.9	46.8	61.6	44.3	57.3
<b>FEE RELATED EARNINGS</b>	\$ 103.3	\$ 132.7	\$ 108.8	\$ 108.0	\$ 128.8	\$ 425.5	\$ 478.3	\$ 350.4	\$ 452.8

(1) The three month periods ended March 31, 2019, June 30, 2019, September 30, 2019, December 31, 2019 and March 31, 2020 include \$229 million, \$231 million, \$214 million, \$(92) million, and \$(89) million, respectively, in gains (losses) 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 includes amounts reflected in principal investment income and general, administrative and other expense in our U.S. GAAP statement of operations, as well as amounts related to shares issued in conjunction with a previous acquisition and amounts related. LTM 1Q'19 and FY'18 include amounts related to the IPO.

Information reported for periods prior to January 1, 2020 reflect the results of the Partnership.

# Reconciliation of GAAP to Total Segment Information, continued

(Dollars in millions)	Three Months Ended March 31, 2019					Twelve Months Ended March 31, 2019				
	Total Reportable Segments	Consolidated Funds	Reconciling Items	Carlyle Consolidated <sup>1</sup>		Total Reportable Segments	Consolidated Funds	Reconciling Items	Carlyle Consolidated <sup>1</sup>	
Revenues	\$ 450.9	\$ 52.4	\$ 583.7	\$ 1,087.0	<sup>2</sup>	\$ 2,100.2	\$ 219.6	\$ 491.6	\$ 2,811.4	<sup>2</sup>
Expenses	\$ 350.1	\$ 43.7	\$ 208.7	\$ 602.5	<sup>2</sup>	\$ 1,464.4	\$ 212.7	\$ 417.6	\$ 2,094.7	<sup>2</sup>
Other income (loss)	\$ —	\$ (14.2)	\$ —	\$ (14.2)	<sup>3</sup>	\$ —	\$ (11.7)	\$ —	\$ (11.7)	<sup>3</sup>
Distributable Earnings	\$ 100.8	\$ (5.5)	\$ 375.0	\$ 470.3	<sup>4</sup>	\$ 635.8	\$ (4.8)	\$ 74.0	\$ 705.0	<sup>4</sup>
	Three Months Ended June 30, 2019					Twelve Months Ended March 31, 2020				
Revenues	\$ 550.7	\$ 45.8	\$ 464.6	\$ 1,061.1	<sup>2</sup>	\$ 2,240.3	\$ 199.8	\$ (895.8)	\$ 1,544.3	<sup>2</sup>
Expenses	\$ 337.3	\$ 36.8	\$ 154.2	\$ 528.3	<sup>2</sup>	\$ 1,519.5	\$ 175.7	\$ (247.8)	\$ 1,447.4	<sup>2</sup>
Other income (loss)	\$ —	\$ 9.2	\$ —	\$ 9.2	<sup>3</sup>	\$ —	\$ (122.8)	\$ —	\$ (122.8)	<sup>3</sup>
Distributable Earnings	\$ 213.4	\$ 18.2	\$ 310.4	\$ 542.0	<sup>4</sup>	\$ 720.8	\$ (98.7)	\$ (648.0)	\$ (25.9)	<sup>4</sup>
	Three Months Ended September 30, 2019					Year Ended December 31, 2018				
Revenues	\$ 527.8	\$ 51.3	\$ 189.5	\$ 768.6	<sup>2</sup>	\$ 2,185.9	\$ 214.5	\$ 26.8	\$ 2,427.2	<sup>2</sup>
Expenses	\$ 367.1	\$ 44.1	\$ 94.1	\$ 505.3	<sup>2</sup>	\$ 1,512.0	\$ 213.3	\$ 346.2	\$ 2,071.5	<sup>2</sup>
Other income (loss)	\$ —	\$ (1.9)	\$ —	\$ (1.9)	<sup>3</sup>	\$ —	\$ 4.5	\$ —	\$ 4.5	<sup>3</sup>
Distributable Earnings	\$ 160.7	\$ 5.3	\$ 95.4	\$ 261.4	<sup>4</sup>	\$ 673.9	\$ 5.7	\$ (319.4)	\$ 360.2	<sup>4</sup>
	Three Months Ended December 31, 2019					Year Ended December 31, 2019				
Revenues	\$ 580.7	\$ 49.7	\$ (170.1)	\$ 460.3	<sup>2</sup>	\$ 2,110.1	\$ 199.2	\$ 1,067.7	\$ 3,377.0	<sup>2</sup>
Expenses	\$ 409.0	\$ 41.0	\$ 33.6	\$ 483.6	<sup>2</sup>	\$ 1,463.5	\$ 165.6	\$ 490.6	\$ 2,119.7	<sup>2</sup>
Other income (loss)	\$ —	\$ (17.0)	\$ —	\$ (17.0)	<sup>3</sup>	\$ —	\$ (23.9)	\$ —	\$ (23.9)	<sup>3</sup>
Distributable Earnings	\$ 171.7	\$ (8.3)	\$ (203.7)	\$ (40.3)	<sup>4</sup>	\$ 646.6	\$ 9.7	\$ 577.1	\$ 1,233.4	<sup>4</sup>
	Three Months Ended March 31, 2020									
Revenues	\$ 581.1	\$ 53.0	\$ (1,379.8)	\$ (745.7)	<sup>2</sup>					
Expenses	\$ 406.1	\$ 53.8	\$ (529.7)	\$ (69.8)	<sup>2</sup>					
Other income (loss)	\$ —	\$ (113.1)	\$ —	\$ (113.1)	<sup>3</sup>					
Distributable Earnings	\$ 175.0	\$ (113.9)	\$ (850.1)	\$ (789.0)	<sup>4</sup>					

(1) The Distributable Earnings in the Carlyle Consolidated column is income before provision for income taxes, which is the GAAP measure that is most directly comparable to Distributable Earnings.

(2) See detailed breakdown of revenue and expense adjustments on page 33.

(3) The Other Income (Loss) adjustment results from the Consolidated Funds which were eliminated in consolidation to arrive at Carlyle's total Other Income (Loss).

(4) See the reconciliation for Distributable Earnings and Fee Related Earnings on page 31.

# Reconciliation of GAAP to Total Segment Information, continued

(Dollars in millions)

	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	LTM 1Q'19	LTM 1Q'20	FY'18	FY'19
<b>REVENUE RECONCILING ITEMS</b>									
Unrealized performance revenues	\$ 301.8	\$ 167.3	\$ (87.4)	\$ (113.9)	\$ (1,109.0)	\$ 152.6	\$ (1,143.0)	\$ (42.7)	\$ 267.8
Unrealized principal investment income (loss)	238.6	234.9	198.7	(81.3)	(264.7)	276.5	87.6	48.8	590.9
Adjusted unrealized principal investment income (loss) from Fortitude Re	27.0	40.1	68.1	5.7	(22.8)	38.7	91.1	11.7	140.9
Adjustments related to expenses associated with NGP Management and its affiliates	(4.0)	(4.1)	(4.1)	(4.0)	(3.9)	(18.2)	(16.1)	(18.9)	(16.2)
Tax expense (benefit) associated with certain foreign performance revenues	—	—	0.2	0.1	—	(5.2)	0.3	(4.9)	0.3
Non-Carlyle economic interests in acquired businesses and other adjustments to present certain costs on a net basis	20.4	42.7	29.3	25.1	(77.7)	92.6	19.4	92.5	117.5
Elimination of revenues of Consolidated Funds	(0.1)	(16.3)	(15.3)	(1.8)	98.3	(45.4)	64.9	(59.7)	(33.5)
<b>Total Revenue Reconciling Items</b>	<b>\$ 583.7</b>	<b>\$ 464.6</b>	<b>\$ 189.5</b>	<b>\$ (170.1)</b>	<b>\$ (1,379.8)</b>	<b>\$ 491.6</b>	<b>\$ (895.8)</b>	<b>\$ 26.8</b>	<b>\$ 1,067.7</b>
<b>EXPENSE RECONCILING ITEMS</b>									
Unrealized performance revenues related compensation	\$ 146.0	\$ 84.9	\$ 38.8	\$ (44.2)	\$ (580.1)	\$ 103.9	\$ (500.6)	\$ 7.4	\$ 225.5
Equity-based compensation	39.4	38.3	38.9	34.9	31.7	203.8	143.8	252.2	151.5
Acquisition-related charges, including amortization of intangibles and impairment	12.0	15.4	11.2	13.4	3.0	29.7	43.0	22.3	52.0
Other non-operating expense (income)	0.3	0.4	0.3	0.3	0.2	1.1	1.2	1.1	1.3
Tax (expense) benefit associated with certain foreign performance revenues related compensation	(6.1)	3.6	(10.8)	(1.0)	11.2	(10.7)	3.0	(6.2)	(14.3)
Non-Carlyle economic interests in acquired businesses and other adjustments to present certain costs on a net basis	20.9	10.0	14.9	29.2	8.0	51.7	62.1	34.3	75.0
Lease assignment and termination costs	—	—	—	—	—	66.9	—	66.9	—
Debt extinguishment costs	0.1	—	—	—	—	7.9	—	7.8	0.1
Corporate conversions costs, severance and other adjustments	1.7	10.9	10.8	9.9	4.5	9.2	36.1	9.1	33.3
Elimination of expenses of Consolidated Funds	(5.6)	(9.3)	(10.0)	(8.9)	(8.2)	(45.9)	(36.4)	(48.7)	(33.8)
<b>Total Expense Reconciling Items</b>	<b>\$ 208.7</b>	<b>\$ 154.2</b>	<b>\$ 94.1</b>	<b>\$ 33.6</b>	<b>\$ (529.7)</b>	<b>\$ 417.6</b>	<b>\$ (247.8)</b>	<b>\$ 346.2</b>	<b>\$ 490.6</b>

# Reconciliation for Total Segment Information, continued

## RECONCILIATION OF TOTAL INVESTMENTS ATTRIBUTABLE TO THE CARLYLE GROUP INC.

(Dollars in millions)

	03/31/20
<b>INVESTMENTS, EXCLUDING PERFORMANCE ALLOCATIONS</b>	<b>\$ 2,639.0</b>
Less: Amounts attributable to non-controlling interests in Consolidated Funds	(191.8)
Plus: Investments in Consolidated Funds, eliminated in consolidation	63.1
Less: Strategic equity method investments in NGP Management <sup>1</sup>	(379.3)
Less: Investment in NGP general partners - accrued performance allocations <sup>1</sup>	—
Less: Mark-to-Market gains associated with strategic equity method investments in Fortitude Re <sup>2</sup>	(539.1)
<b>TOTAL INVESTMENTS ATTRIBUTABLE TO THE CARLYLE GROUP INC.</b>	<b>1,591.9</b>
Less: CLO loans and other borrowings attributable to The Carlyle Group Inc. <sup>3</sup>	(305.2)
<b>TOTAL INVESTMENTS ATTRIBUTABLE TO THE CARLYLE GROUP INC., NET OF CLO LOANS AND OTHER BORROWINGS</b>	<b>\$ 1,286.7</b>

## RECONCILIATION OF ACCRUED PERFORMANCE ALLOCATIONS

(Dollars in millions)

	03/31/20
<b>ACCRUED PERFORMANCE ALLOCATIONS, NET OF ACCRUED GIVEBACK OBLIGATIONS</b>	<b>\$ 2,729.7</b>
Plus: Accrued performance allocations from NGP Carry Funds <sup>4</sup>	—
Less: Accrued performance allocation-related expense	(1,502.3)
Plus: Receivable for giveback obligation from current and former employees	1.4
Less: Deferred taxes on accrued performance allocations	(40.4)
Less: Net accrued performance allocations attributable to non-controlling interests in consolidated entities	(1.7)
<b>NET ACCRUED PERFORMANCE REVENUES BEFORE TIMING DIFFERENCES</b>	<b>1,186.7</b>
Plus: Timing differences between the period when accrued performance allocations are realized and the period they are collected/distributed	14.1
<b>NET ACCRUED PERFORMANCE REVENUES ATTRIBUTABLE TO THE CARLYLE GROUP INC.</b>	<b>\$ 1,200.8</b>

(1) The Company has equity interests in NGP Management Company, L.L.C. ("NGP Management"), the general partners of certain carry funds advised by NGP, and principal investments in certain NGP funds. These equity interests are accounted for as investments under the equity method of accounting. Total investments attributable to The Carlyle Group Inc. excludes the strategic equity method investment in NGP Management and investments in the general partners of certain NGP carry funds.

(2) The adjusted strategic equity method investment in Fortitude Re of \$538.8 million includes \$129.8 million of adjusted net income for the period from closing through March 31, 2020, and excludes \$539.1 million of unrealized mark-to-market gains associated with our pro rata share of the changes in fair value of embedded derivatives related to certain reinsurance contracts included in Fortitude Re's U.S. GAAP financial statements.

(3) Of the \$322.8 million in CLO loans and other borrowings as of March 31, 2020, \$305.2 million are collateralized by investments attributable to The Carlyle Group Inc.

(4) Accrued performance allocations are presented as an investment in the U.S. GAAP balance sheet.

# GAAP Statement of Operations (Unaudited)

(Dollars in millions, except per share amounts)

	1Q'19	1Q'20	LTM 1Q'19	LTM 1Q'20
<b>REVENUES</b>				
Fund management fees	\$ 353.4	\$ 355.9	\$ 1,360.9	\$ 1,478.7
Incentive fees	8.1	8.9	32.0	36.7
Investment income (loss)				
Performance allocations	349.1	(937.6)	663.9	(487.6)
Principal investment income (loss)	301.8	(253.3)	434.0	214.2
Total investment income (loss)	650.9	(1,190.9)	1,097.9	(273.4)
Interest and other income	22.2	27.4	101.0	102.5
Interest and other income of Consolidated Funds	52.4	53.0	219.6	199.8
<b>Total Revenues</b>	<b>1,087.0</b>	<b>(745.7)</b>	<b>2,811.4</b>	<b>1,544.3</b>
<b>EXPENSES</b>				
Compensation and benefits				
Cash-based compensation and benefits	210.5	204.3	769.9	827.2
Equity-based compensation	36.0	29.1	191.0	133.1
Performance allocations and incentive fee related compensation	185.4	(442.5)	403.7	(191.2)
Total compensation and benefits	431.9	(209.1)	1,364.6	769.1
General, administrative and other expenses	112.5	69.6	478.2	451.5
Interest	19.7	23.9	84.0	86.3
Interest and other expenses of Consolidated Funds	38.1	45.6	166.8	139.3
Other non-operating expenses (income)	0.3	0.2	1.1	1.2
<b>Total Expenses</b>	<b>602.5</b>	<b>(69.8)</b>	<b>2,094.7</b>	<b>1,447.4</b>
Net investment gains (losses) of consolidated funds	(14.2)	(113.1)	(11.7)	(122.8)
Income (loss) before provision for income taxes	470.3	(789.0)	705.0	(25.9)
Provision (benefit) for income taxes	24.0	(80.0)		
Net income (loss)	446.3	(709.0)		
Net income (loss) attributable to non-controlling interests in consolidated entities	(4.5)	(97.0)		
Net income (loss) attributable to Carlyle Holdings	450.8	(612.0)		
Net income (loss) attributable to non-controlling interests in Carlyle Holdings	307.9	—		
Net income (loss) attributable to The Carlyle Group Inc.	142.9	(612.0)		
Net income attributable to Series A Preferred Unitholders	5.9	—		
Series A Preferred Unit redemption premium	—	—		
Net income (loss) attributable to The Carlyle Group Inc. Common Stockholders	<b>\$ 137.0</b>	<b>\$ (612.0)</b>		
Net income (loss) attributable to The Carlyle Group Inc. per common share				
Basic	\$ 1.25	\$ (1.76)		
Diluted	\$ 1.18	\$ (1.76)		

On January 1, 2020, The Carlyle Group L.P. (the "Partnership") completed its conversion from a Delaware limited partnership to a Delaware corporation, The Carlyle Group Inc. Information reported for periods prior to the Conversion on January 1, 2020 reflect the results of the Partnership. For periods subsequent to Conversion, Net income (loss) attributable to Carlyle Holdings refers to the Net income (loss) of The Carlyle Group Inc. and its consolidated subsidiaries, net of non-controlling interests in consolidated entities. LTM results for the provision (benefit) for income taxes and net income (loss) attributable to Carlyle Holdings are not meaningful due to the change in our structure in connection with the Conversion. See Notes at end of document.

# GAAP Balance Sheet (Unaudited)

	As of March 31, 2020			
	Consolidated Operating Entities	Consolidated Funds	Eliminations	Consolidated
(Dollars in millions)				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,007.9	\$ —	\$ —	\$ 1,007.9
Cash and cash equivalents of Consolidated Funds	—	170.9	—	170.9
Restricted cash	0.6	—	—	0.6
Investments, including performance allocations of \$2,752.1 million	5,454.2	—	(63.1)	5,391.1
Investments of Consolidated Funds	—	4,465.3	—	4,465.3
Due from affiliates and other receivables, net	232.8	—	(4.8)	228.0
Due from affiliates and other receivables of Consolidated Funds, net	—	88.8	—	88.8
Fixed assets, net	120.6	—	—	120.6
Lease right-of-use assets, net	194.2	—	—	194.2
Deposits and other	53.9	0.5	—	54.4
Intangible assets, net	58.3	—	—	58.3
Deferred tax assets	304.5	—	—	304.5
<b>Total assets</b>	<b>\$ 7,427.0</b>	<b>\$ 4,725.5</b>	<b>\$ (67.9)</b>	<b>\$ 12,084.6</b>
<b>LIABILITIES &amp; EQUITY</b>				
Debt obligations	\$ 2,188.3	\$ —	\$ —	\$ 2,188.3
Loans payable of Consolidated Funds	—	4,196.3	—	4,196.3
Accounts payable, accrued expenses and other liabilities	301.6	—	—	301.6
Accrued compensation and benefits	1,773.3	—	—	1,773.3
Due to affiliates	456.1	—	—	456.1
Deferred revenue	296.3	—	—	296.3
Deferred tax liabilities	36.4	—	—	36.4
Other liabilities of Consolidated Funds	—	471.0	—	471.0
Lease liabilities	273.8	—	—	273.8
Accrued giveback obligations	22.4	—	—	22.4
<b>Total liabilities</b>	<b>5,348.2</b>	<b>4,667.3</b>	<b>—</b>	<b>10,015.5</b>
<b>Total equity</b>	<b>2,078.8</b>	<b>58.2</b>	<b>(67.9)</b>	<b>2,069.1</b>
<b>Total liabilities and equity</b>	<b>\$ 7,427.0</b>	<b>\$ 4,725.5</b>	<b>\$ (67.9)</b>	<b>\$ 12,084.6</b>