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# The Carlyle Group, Inc. (CG)

**Bank of America Securities Financial Services Conference** 

# CORPORATE PARTICIPANTS

John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

# OTHER PARTICIPANTS

**Craig Siegenthaler** 

Analyst, BofA Securities, Inc.

# MANAGEMENT DISCUSSION SECTION

#### **Craig Siegenthaler**

Analyst, BofA Securities, Inc.

Guys. I think we will get started. So good afternoon, everyone. This is Craig Siegenthaler from Bank of America, and I'm pleased to introduce John Redett, newly appointed CFO at Carlyle.

With nearly \$400 billion across private equity, real assets and credit, Carlyle is one of the largest global alternative asset managers in the world. John just took over as CFO last October after spending 16 years in Carlyle's global financial services practice, where he was a key contributor to many of its significant investments over the years. Duff & Phelps, TCW, BankUnited, EPIC and [ph] JENCapital (00:00:48), just to name a few.

Since taking over as CFO, Carlyle's been one of the best performing large cap alt managers with their stock returning over 30% in the fourth quarter. So, John I don't know if you have...

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

Kind of since I became CFO.

#### Craig Siegenthaler

Analyst, BofA Securities, Inc.

What's that?

#### John C. Redett

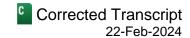
Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

Since I became CFO, I started going like this.

### **Craig Siegenthaler**

Analyst, BofA Securities, Inc.

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It sounds like you have a magic touch. So, John, thank you very much for joining us. I also think this is your first conference presentation since being named CFO, right?

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

It is. This is my first, we call these, fireside chats.

## **Craig Siegenthaler**

Analyst, BofA Securities, Inc.

Fireside chats, of course.

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

And my goal is, as CFO, Craig, and this is the first time we've met, is to kind of get you from where you are today to a buy rating.

## **Craig Siegenthaler**

Analyst, BofA Securities, Inc.

Okay.

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

So, hopefully, today helps on that front.

## **Craig Siegenthaler**

Analyst, BofA Securities, Inc.

I don't know if I'm allowed to respond to that, but I can smile.

Analyst, BofA Securities, Inc.

# QUESTION AND ANSWER SECTION

# Craig Siegenthaler Analyst, BofA Securities, Inc. Let's start with the first topic. You also have a relatively new CEO in Harvey Schwartz. John C. Redett Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc. We do. Craig Siegenthaler

And a new strategy in place. So let's start the conversation with strategy. What do you think the market is under or even over-appreciating as these new pieces roll out? Some of the announcements now are behind you. Especially on the fourth quarter, there was a bunch of announcements. The stock reacted very favorably to them. But where is management focused on to drive the business forward?

# John C. Redett Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

Yeah. If you just take a step back and kind of look at the messages we put out there in the fourth quarter, and I think we're making a lot of progress, we had record FRE for the year, record FRE for the fourth quarter. Our FRE margin in the fourth quarter was a record. In a, what people describe as a challenging fundraising environment, we had our third best fundraising year ever. And that was really kind of spread across the platform, solutions, credit and private equity.

We also, in addition to those financial results, we announced a compensation reset. We kind of took a step back from our compensation philosophy and really wanted to create a system that had much better stakeholder alignment. We announced that. We announced a \$1.4 billion stock buyback, which is roughly 10% of our market cap.

And we also, for the first time, put out very clear financial targets for 2024. We put out \$1.1 billion of FRE as a target, which is 25% growth over 2023, \$40 billion of fundraising and a FRE margin range.

So I think, generally, it's been very, very well received. And I think you can look at that by how the stocks reacted.

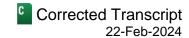
# Craig Siegenthaler Analyst, BofA Securities, Inc.

So rather those announcements, how much of what you're doing is growth oriented relative to managing the business more efficiently?

# John C. Redett Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

So when I took the role, one of the first things I did, as a long-time investor in financial services, I just unpacked this like I would a potential investment. There are a lot of things we were doing incredibly well. There were some

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other things we were doing less well. And we've really focused on the things that we know we could do better. We weren't the most efficient firm when I took over.

This will never be an expense story. This is always going to be about growth. We know it's about growth. But there – we have an operating philosophy that we want to run the business efficiently. We think that businesses that are more efficient can grow better. So we will continue to operate the business efficiently, but this is not going to be an expense story. This is very much going to be a growth story.

#### **Craig Siegenthaler**

Analyst, BofA Securities, Inc.

Great. Well, John, since you had so many big announcements in the fourth quarter, let's start with one of them, the change in compensation. So big impact on FRE and the FRE margin, but also this is a new alignment. How did you arrive at these levels and these changes?

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

Yeah. I mean, first, we just – we haven't really altered our compensation since we went public. That's a 12-year period. It was time for us to revisit how we compensate our people. We're a human capital business. Compensation is a huge component for our people.

We just took a step back and we – really, the premise was how do we ultimately create better stakeholder alignment, our stakeholders being our LPs, our employees and our shareholders. And it was important to us to get that right. I know some people were hoping we'd get it out sooner. We took our time just given that compensation is kind of the central nervous system of a human capital business. And what we put out, really, what it does is it gives our shareholders, which value FRE a lot more than they value carry, more FRE.

It gives our employees – I think it's important to recognize, the vast majority of our employees will not be impacted at all. They'll have no variability in their comp. What it does is it ties more of the compensation for our senior people, it's more performance-driven. And it's more performance-driven, if the firm does well, they'll do better. And if the firm does less better, they'll do less better.

So I think it kind of – it's a win for our shareholders. It's a win for our employees because our employees – our senior level employees that are making the investments, they value carry a lot. So it's a win for our employees. And the fact that our senior people that are driving the results, the growth, the returns for LPs, they have more tied to the performance, it's a win for LP. So it's really, as Harvey said on the fourth call – fourth quarter call, it's a win-win-win.

#### Craig Siegenthaler

Analyst, BofA Securities, Inc.

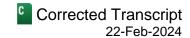
So let's move on to the buyback. \$1.4 billion is plus or minus about 10% of your market cap. So how do you think about using that capital to buy back stock versus investing in the business? And also, a buyback of this size, how does this compare to what you've been doing over the prior 10 years?

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

It's a lot bigger. We just kind of took a step back and also revisited how we think about the capital allocation. And what does capital allocation mean? It would include buyback, dividend, M&A and growth. I think you should

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assume, given the size of the buyback, that management views there to be a disconnect between how the market values our franchise and the value we see in the franchise. But it doesn't preclude us from investing in our businesses for growth. We have a strong balance sheet. We have a lot of cash. We have a lot of investments on our balance sheet. We have an undrawn facility.

So they're not mutually exclusive. So you shouldn't assume, because we're doing a \$1.4 billion buyback that we can't invest in the businesses. We will continue to invest in the businesses. And you should assume on the buyback that we'll be very, very active buyers of the stock as we think one of the best things we can do from a return perspective for our shareholders is to buy back the stock.

#### **Craig Siegenthaler**

Analyst, BofA Securities, Inc.

So another point of kind of new guidance, your target, was the \$40 billion fundraising target for 2024. It was much higher than market was looking for. What are the main components of that \$40 billion?

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

Yeah. So it's really – I know a lot of people in the alternative world talk about, like, super cycle fundraises. That really doesn't exist for a diversified platform like Carlyle. If you look at 2023, we raised \$37 billion and really not much of that was in our flagship products. So it really just shows the diversification we have across the platform.

The \$40 billion number is really – it's spread fairly evenly across our credit business, our private equity business and our solutions business, which is our secondaries and co-investment product.

#### **Craig Siegenthaler**

Analyst, BofA Securities, Inc.

Great. So let's take a step back and talk about the fundraising backdrop more broadly. There were some issues that emerged a couple years ago, denominator effect. It was very crowded, a lot of buyout funds out there. How has this evolved? And how has this changed how you think about fundraising?

#### John C. Redett

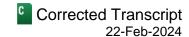
Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

Yeah, it's interesting. Even within the private equity business, where probably most of the fundraising headwinds the industry have seen is in traditional private equity. And we certainly have seen some headwinds in some of our products, but we have other products in private equity that are – that have tremendous demand. Our Japan buyout fund has a lot of demand. That current fund will be much bigger than the predecessor, and we'll close that one this year. We'll have a real estate product in the market, which will have a lot of demand. I know it sounds weird saying that for real estate, but our performance is exceptional.

But in terms of the traditional PE fundraising, it feels better today than it did this time last year. It feels better. I'm not declaring victory yet. It's still – we still have some headwinds, but it definitely feels better. In terms of our solutions business, we're seeing really, really good momentum in our fundraising for the secondaries and co-investment products.

Just take a step back, too. On the wealth front, we have a credit product in the wealth channel CTAC, which is really starting to scale. We launched a secondaries product in 2023, which we think will start to scale. And we'll have a private equity wealth product in the market in the back half of 2024.

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#### Craig Siegenthaler

Analyst, BofA Securities, Inc.

Great.

John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

So I feel pretty good about fundraising. And we have – given the momentum, we finished 2023 with pretty good visibility into 2024.

#### **Craig Siegenthaler**

Analyst, BofA Securities, Inc.

So we'll hit on the last of the targets, the \$1.1 billion 2024 FRE target, that it was impacted also by the change in the compensation. This would imply about, I think, 28% growth over 2023...

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

Yeah.

Craig Siegenthaler

Analyst, BofA Securities, Inc.

...pretty high number. How do you balance your interest in growing FRE with also investing for growth?

John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

Yeah. I mean, look, it was 25-plus percent, maybe it's 28%, which is pretty impressive growth. I would say, we're very focused on investing in businesses where we have visibility on growth and scalability. I think, historically, we, as a firm, weren't as focused on investing in businesses where we saw real scalability and real growth. We are completely laser-like focused on investing in businesses where we see growth.

And as I kind of look across the platform, whether it's private equity solutions or credit, we have a lot of pockets of growth, in products, but also the wealth channel. I mean the wealth channel, it's an enormous opportunity for our industry. It's an enormous opportunity for Carlyle. We've got a great brand. Brand's important in the wealth channel. It resonates. I think that's going to be a big growth driver for Carlyle and the industry.

#### Craig Siegenthaler

Analyst, BofA Securities, Inc.

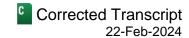
So with \$1.1 billion of FRE, I know you have an FRE range I think of – FRE margin range of 40% to 50%. Where should that fall in, in 2024?

John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

We put out a range largely because we don't know what the markets are going to look like. I think you should assume, if markets are healthy over a couple year period, we should be able to operate the business at the high end of that range. And in challenging markets, more muted market activity, we're probably at the middle – or lower portion of that range. But it's somewhat market dependent.

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#### Craig Siegenthaler

Analyst, BofA Securities, Inc.

Okay. So now let's turn over to wealth – private wealth. This I think was one of the key messages on the call, making good headway with your credit product, CTAC, newer products and solutions in European credit with a PE offering coming out, too. How do you see the opportunity set for Carlyle here? And what is the timeline in terms of seeing more growth in the private wealth channel?

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

I think it's very early days. I think this is going to play out over a long period of time. It's an enormous market. Generally speaking, most wealth platforms are very, very underweighted alternatives, and I do think that will change over time. I mean just increasing the allocation, the market will grow, and the actual market itself is growing.

So I think it's one of the more attractive growth opportunities I've seen in my career in private equity, and brand is super important in this channel. You need to have a brand. We have a brand. So I'm quite excited about the wealth opportunity.

I think you need to understand, it's a different sales process than selling on the institutional side. You need to get on the platforms. And with a brand like Carlyle, we get on the platforms we want to be on. But it also requires a lot of legwork where we have to go educate the financial advisors on that specific product, and that takes time.

And you're starting to see that in our CTAC wealth product where it's really starting to ramp up. And I would expect a similar dynamic, although I think it'll be a shorter period of time because we've learned a lot on how best to do that. You'll see a similar dynamic with our secondaries wealth product and our private equity product.

#### **Craig Siegenthaler**

Analyst, BofA Securities, Inc.

Great. Let's move on to insurance. So Fortitude closed their transaction with Lincoln Financial in 2023. How do you see their differentiation and competitive advantage, because your models also look a little different than some of the other alt insurance models out there?

#### John C. Redett

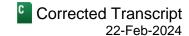
Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

That's right. We did get the Lincoln transaction closed in – back part – I think fourth quarter of 2023, which basically almost doubled the size of Fortitude. So we're very happy with that outcome. I would say the M&A pipeline for Fortitude is very attractive.

I think we have tremendous flexibility in terms of what we do on insurance. We're balance sheet light, which is a bit different compared to some of our peers. I personally like that approach. But we historically have been buying blocks. We can continue to buy blocks. There are a lot of blocks out there. We've only done stuff in the US. There's tremendous opportunity in Asia and Japan. So I think we can grow that way.

And we can also – if we decide to buy an annuity business, we can buy an annuity business, we can do that inside

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Fortitude outside of Fortitude. We have tremendous flexibility. And I think it's also important, the insurance companies don't view us as competition, right? Fortitude is not writing new products and it's better – we have an easier time getting business from them because we're not viewed as a competitor.

**Craig Siegenthaler** 

Analyst, BofA Securities, Inc.

Sticking with insurance, I was curious what are the opportunities both outside and inside for Fortitude to grow your insurance footprint.

John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

Yeah. I think if you believe – and there's probably some bank CEOs here, if you believe that a lot of the assets or a portion of the assets in the banking system are going to leave the banking system and go into the insurance ecosystem – and I personally do think you will see that happen. I don't know the size of the magnitude. I think it'll be quite large. I think that's an enormous opportunity. And we launched kind of an asset-backed fund a couple years ago. And that's really ramping up. And that's just taking stuff that was historically on a bank balance sheet and moving into an insurance balance sheet. And I think that will be a big growth driver for us in insurance.

**Craig Siegenthaler** 

Analyst, BofA Securities, Inc.

Great. Let's move on to private credit. So this was noted as one of the main growth initiatives on the call. Can you talk about the opportunity set here? Maybe focus specifically on asset-backed finance opportunity, which is really in vogue after the regional bank crisis? And then what about other real asset strategies, like infra and aviation?

John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

Yeah. Well, private credit, you'll have to excuse, I think it's a term that everyone defines differently, but we have the whole spectrum of private credit products. I do think – when you think about investment-grade private credit, non-investment-grade private credit, different products, but when you're able to distribute to an insurance company a private investment-grade product that's 150 to 200 basis points higher than what they're getting on their traditional products they're buying, I think that's tremendously compelling. And I think that's one of the reasons you've seen such explosive growth in kind of the asset-backed, asset-based product.

And I – look, I've invested in banks a lot in my career, certainly during the financial crisis. And I think there was a view that banks had probably the best source of funding, the most stable source of funding out there. I think a lot of people have changed their view post Silicon Valley. And if you look at the funding of the insurance industry, it's probably stronger. And if you look at the funding that we have, it's probably stronger as well.

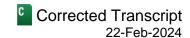
So I think private credit is still very early innings as well. I don't – I think it's going to be a big growth driver for a long period of time. And it goes far beyond direct lending.

**Craig Siegenthaler** 

Analyst, BofA Securities, Inc.

What are you doing in infrastructure and aviation right now?

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#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

In aviation, we're actually in – we're fundraising and it's a good product. In infrastructure, we're fundraising, too, for the credit product and we'll be fundraising at some point on the private equity side for infrastructure as well. But we see a lot of opportunity in infrastructure, renewables. We're going to launch a kind of an energy transition product as well, which we think will scale quite rapidly. There seems to be a lot of demand for it.

Craig Siegenthaler Analyst, BofA Securities, Inc.	C
So, John, you've been in private equity for, I think, 35 years?	
John C. Redett Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.	Д
16.	
Craig Siegenthaler Analyst, BofA Securities, Inc.	Q
Oh, 16.	
John C. Redett Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.	Д
At Carlyle.	
Craig Siegenthaler Analyst, BofA Securities, Inc.	Q
Okay. Okay. 16 at Carlyle, was it I guess 35 [indiscernible] (00:19:36)	
John C. Redett Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.	А
I was in high school 35 years ago.	
Craig Siegenthaler Analyst, BofA Securities, Inc.	Q
Okay. Yeah. I got the wrong [ph] thing (00:19:37). That's what I was kind of thinking when I was reading this. Okay. But you noted that sometimes in the past year that it's been a little more complex, maybe a little more	

#### John C. Redett

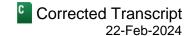
goes from here?

 ${\it Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.}$ 

So, longer term, our private equity business will be bigger than it is today. I would say the last couple years have been, in some sense, the most challenging two years I've seen in private equity. From a fundraising perspective, it was very challenging. The industry had a lot of headwinds. It's gotten better. It was also challenging to monetize assets. A lot of the markets were closed. And there was not a lot of price discovery on buying assets. So it's very hard to deploy money.

difficult, different. And yeah, I know you've been at Carlyle in PE for 16 years, but what is your view on where CP

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I mean, if someone would have said to me right around those bank failures that we'd be where we are today in

the equity markets, I mean I wouldn't have believe them. I mean we have two wars going on. We had some very large bank failures. We've never seen rates raise this quickly, this high, yet the equity markets are pretty strong.

So it was a pretty challenging market in terms of fundraising, monetizing and putting money to work. And I've been on three earnings calls and I progressively have gotten more and more positive to where I think 2024 could shape up to be a pretty good year in private equity. The debt markets are completely open. The IPO markets are opening. Some people say they're open. It feels more like they're opening to me. So I think you could see a pickup in monetization activity in private equity.

#### Craig Siegenthaler

Analyst, BofA Securities, Inc.

How much of that is dependent on if the Fed's able to raise or perhaps reduce interest rates here?

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

I don't think it's dependent on that. I think you need to be very careful for what you wish for. I listen to people say, oh, I hope the Fed cuts 150 basis points. The Fed's never cut 150 basis points absent a recession. So I don't know what's better, a recession with lower rates or a healthy economy like we have today with elevate — higher rates. I'd prefer today's economy. So I don't think the Fed and the Fed's actions will necessarily dictate or drive monetization activity. I think it comes down more to just overall level of confidence.

#### Craig Siegenthaler

Analyst, BofA Securities, Inc.

So John, given your comments that you just made on the private equity industry, what does this mean for Carlyle?

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

Well, look, a healthier private equity, a more conducive private equity environment would be good for Carlyle, quite frankly, it would be good for all our peers. But given kind of the diversity of our platform where we have good growth in credit, good growth in solutions, the wealth opportunity, we can continue to grow in challenging private equity environments.

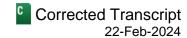
#### Craig Siegenthaler

Analyst, BofA Securities, Inc.

Great. I want to look to the audience, John, and see if there's any questions out there. We have a packed house. So, hopefully, we should have a couple. Please raise your hand and we can get you a mic.

Thank you for taking the question. You touched a little bit on this, but can you expand a little more on what the biggest challenges might be as you continue to scale your private wealth products? And when you think about the wealth products outside of the US, do you think the biggest players there will be the same as the ones that compete in the US or is it a different mix?

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#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

A

Look, Europe is very different from a wealth perspective than the United States. They don't really have RIAs. They don't really have wire houses. It's largely in the banks. And that's country by country. So it's – I think it's a little more complicated. It's not [ph] monolithic (00:23:38) as the US. We'll have a credit product and a secondaries product for Europe. I think we've already announced our credit product, but the secondaries product will be announced soon. So we'll be addressing those markets shortly. I think it's a big opportunity in Europe, but it's country by country.

Thank you. Could you maybe talk about how Fortitude Re plays into your outlook for fundraising in the coming year? And your strategy with Fortitude Re is somewhat different than the insurance strategy at some of your peers.

John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

A

It is.

And how you think about that platform evolving? Do you see origination ever becoming more of a part of that platform than maybe today?

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.



Yeah. So the fundraising number we put out for year-end, the \$37 billion, that does not include the flows from the Lincoln transaction. So I know some of our peers include that. So I guess, apples-to-apples, it'd be closer to \$60 billion if you include the Lincoln flows, but we just — we don't include those.

I think we have tremendous strategic optionality with Fortitude where we sit today. We're not a competitor to the insurance industry. We're not viewed as a competitor. We've gone balance sheet light. Carlyle owns less than 10% of Fortitude. There is a tremendous opportunity to continue to grow and scale Fortitude doing what they've done in the last three or four years. I think we can scale the business and grow the business just doing that. Our pipeline is impressive as it's ever been.

But we can also do stuff differently. We can look at the annuity space. We can do that inside Fortitude. There's nothing to preclude us from doing it outside of Fortitude. So I think we have tremendous strategic optionality. And I think kind of insurance will be a big driver of our growth going forward. I think it's a very important component, both as Fortitude today, what Fortitude looks like down the road, ancillary products we add to Fortitude as well as just distributing more private credit to the insurance space.

Craig Siegenthaler

А

Analyst, BofA Securities, Inc.

Any more questions? One in the front row, please.



Q

Hi. Thank you. I mean, you mentioned maybe the willingness to do something in insurance away from Fortitude and feels like capital on the balance sheet at Carlyle is a topic of renewed or elevated interest versus history. And that feels like it's a change. Can you expand on that? Thank you.

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

A

Well, if we did something – we're balance sheet light today. And I'm not saying if we did something within Fortitude or outside of Fortitude, we would pivot from being balance sheet light. At Fortitude, we own less than 10%, and we have some of the largest investors in the world that are partnered with us that we could do something similar outside of Fortitude. If Fortitude had a big transaction in front of them, we could choose to put money and to maintain our stake. We could choose not to put money in. We could get diluted and our investors could put the money up. We have tremendous flexibility in terms of what we can do with Fortitude.

#### **Craig Siegenthaler**

Analyst, BofA Securities, Inc.

Any more questions? With that said, I think we're out of questions. John, thank you very much for your time. On behalf of all of us at Bank of America, we thank you for joining us.

#### John C. Redett

Chief Financial Officer and Head of Corporate Strategy, The Carlyle Group, Inc.

Thank you.

## **Craig Siegenthaler**

Analyst, BofA Securities, Inc.

Thanks you. And, guys, this wraps up the conference.

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