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Okay, for our lunch time speaker today and very much like to thank from Carlyle, excuse me Daniel, Co-Founder and Chairman of Carlyle Group and with him is Dan Harris, who runs Managing Director, and runs the Investor Relations for the firm.

Thank you very much and I think as many of you know Carlyle is one of the larger core brand name alternative managers out there. While certainly its legacy and is known for its private equity business. Over the years they have expanded their range of alternative strategies broaden their global footprint, both of course their PE platform as well as in credit, real estate, fund of funds and hedge funds as well. And with that Dan and Dan are going to give us an update and overview of Carlyle and then we will do some Q&A after that. So Dan, thank you very much for joining us.

<<Daniel A. D’Aniello, Chairman>>

Thank you very much Rob, and thank you all for attending. My name Dan D’Aniello and as you heard I’m the Co-Founder of Carlyle with Bill Conway and David Rubenstein 27 years ago. Today I’m going to tell you a little bit about the firm and what we are up to. And so we started back in 1987 with $5 million of capital and since then we’ve grown the firm to about $200 million. We believe that we’re differentiated from some of our peers by a number of key elements. First we have a large capital base and there are many more avenues and channels through which you can invest in Carlyle, is very highly diversified.

Second, we’re truly global and we have 1,600 employees including 700 investment professionals, 38 offices, 21 countries and some other firms claim to be global, they fly in, they fly out. We have people that are native to the countries in which they’re investing on the ground in the markets.

Third, our track record, we think that in many respects the past is predicate to the future. And since inception we’ve invested $96 billion, generated $73 billion in profits and distributed back $106 billion so far, $96 billion invested $73 billion in gains and $106 billion distributions.

Private equity, we’ve executed 475 transactions generating realized and partially realized internal rate of return of 30% in real assets, 650 transactions partially realized gross internal rate return to 25%. And I would also note that our three hedge funds have been performing very well, you’ll see a little bit of that later.

While we started out as a pure play private equity firm today, we operate a diversified platform with four main business segments. Corporate private equity is still the largest of those $64 billion in AUM, about a third of our current AUM is spread across 14 fund families. We believe that we are the largest corporate private equity business in the

industry. In global market strategies that includes both hedge funds and credit funds. Our fastest growing business by the way $37 billion in assets under management and that has almost tripled in size since 2009.

In real assets we have $41 billion in AUM. It includes our real estate funds and natural resource platforms both the legacy with Riverstone Holdings and our new platform and it's currently in the early stages of roll out. Finally, our newer segment is the investor solutions business, which is $57 billion business in terms of AUM. The business currently includes AlpInvest which we believe is the largest private equity fund to funds business in the world. Metropolitan real estate fund to funds and diversified global asset management fund to funds.

To illustrate the growth a little bit more clearly in the past five quarters our asset base has grown dramatically with a total AUM growing up almost $30 billion in fee-earning AUM growing $20 billion with the broader asset base has come higher growth in our financial results. First quarter last 12 months LTM distributable earnings are 23% higher than in 2012. LTM economic net income is 70% higher than 2012 and our net accrued carry now stands at almost $2 billion up $800 million from the end of 2012.

As an investment firm the performance of the capital we invest to funds of course all of our success. In 2013 we saw strong business appreciation in our portfolio 30% in our private equity business which includes by adding growth. In real assets our performance was more moderate for the 5% appreciation and real estate and a 2% decline in our Legacy Riverstone Energy Funds. On the real estate we are actively working to address this issue on the international platform which was a issue. And frankly in energy it was a fairly large probably company that ended up driving those results.

In GMS our carry funds appreciated 28% and our hedge funds appreciated 8.5%. As I mentioned earlier, our total AUM has grown by almost $30 billion in just the last five quarters the strong performance of these funds has helped us to broaden and diversify our sources of capital while increasing commitments from our existing base.

Today we have over 1,600 investors in 77 countries and as you can see no one investor accounts for more than the third, no one type of investor accounts for more than a third of our commitments and more importantly almost two thirds of our investors are in six or more of our funds. We count among our investors 18 of the top 25 largest North American pension funds and 20 of the top 25 sovereign wealth funds were 20 of the 23 in that group that invest in private equity.

Additionally we recently hired Jeff Holland who is former Vice President and Chief Operating Officer of Cole REIT to serve in a newly creative position to head up our private client group. Jeff and his team will be focused on developing new products that will increase our ability to raise money from individual investors.

Given the strong performance of our funds our portfolio is well positioned to generate near term carry revenue. This slide shows our 11 largest closed and carry funds. And in

and assumed to be in full carry mode, generating carry revenue has two steps to it. The first step is moving the funds into accrued carry over the past 12 months three of our funds our top 11 have moved into accrued carry. The second step is realizing the carry and as you can see here six of these funds have realized carry in the past 12 months in other words we have a large number of funds in our portfolio that have accrued carry, but have not yet realized it this dynamic positions us to realize a significant carry in the near future.

Over the long-term we believe that our innovative culture will help us to continue to evolve our platform and take advantage of market opportunities. As you can see over the past few years we've invested or acquired eight separate businesses and organically developed 12 new businesses, these new strategies have added over $90 billion in our AUM in the past five years and that makes up 45% of our current AUM. Not only do we planned to continue to build this platform, but in most cases we are still scaling the businesses that we've listed on this page that still have room to grow. So we can add not only AUM growth to entity growth as well.

Now, I will take a brief overview of each of these four segments separately.

First, as you can see, we believe that we are in fact the largest corporate private equity business in the industry. We have 266 investment professionals around the world working everyday to invest our $24 billion in dry powder.

These investment professionals are also overseeing a portfolio of over 150 active investments from which we gain proprietary insights in the markets in which we invest and we actually do have an economic indicator that we published relative to the lead, lagging and coincidental indicators in all of these businesses to give a insight into the macro economy.

The two most important numbers on this page though are the 30% gross internal rate of return and the 2.6 multiple of invested capital on realized and partially realized transactions. These are not figures from one fund, but rather through all of the vantages that we've generated carry and multiple in our corporate private equity business over 27 years. We believe this track record speaks for itself and it's among the best in the industry.

Additionally, strong cash earnings come from our other funds that are not seen on this particular platform at this point. In order to generate the level of returns that we had over the last 27 years, we focused on creating value through operational improvements and earnings growth rather than just simply by market dependent factors such as leverage and multiple expansions. While we do benefit greatly from favorable credit markets as well as a robust equity markets. Approximately 55% to 75% of our value creation in our largest funds is come from earnings growth.

This focus on earnings growth has helped us generate strong returns over our life through several very volatile market cycles that we've had to live through. And I said earlier with

regard to our investment strategy, we believe the past is predicate to the future. Along the same lines, we are very disciplined in our investment targets. Which in base ball means, we are looking to get on base every time, we are up rather than chasing home runs and striking out.

As you can see on this slide, a large number of our funds fall in a two to four multiple of invested capital range. We believe this is a result of not taking on excess risk unnecessarily, while still maintaining attractive returns for our investors i.e. more alpha per unit of beta. Our global market strategies business is a major driver of growth for the firm with $37 billion on assets under management across seven distinct investment strategies.

As I mentioned earlier, GMS accounts were almost one quarter of our distributable earnings today compared to zero contribution in 2009. This rapid expansion as a result of the organic and acquisitive gross strategy that's – we've implemented over the past few years and there are still significant economies of scale to be add across this entire business platform. The growth in our GMS platform now allows us to offer a more diverse offering of investment opportunities then we've ever had before. We've grown our structured credit business to over $16 billion in AUM and response to an intent search by investors for more yield.

We've raised our third generation distress fund in response to the growing Pan-European distressed opportunity. We have a middle market lending that you see in energy mezzanine in response to financing gaps in those markets at $8 billion long-short credit hedge fund family through Claren Road our acquisition, and a $5 billion emerging markets hedge fund family through Emerging Sovereign Group as well as $1 billion family of commodity hedge funds through Vermillion asset management. Since raising our first $470 million U.S. real estate fund in 1997 the real asset segment has grown and transformed into a $41 billion business capable of accessing opportunities in real estate markets in the United States, Europe and Asia as well as in infrastructure and energy opportunities globally.

Recently the growth has accelerated as you can see in the lower right hand of this chart since 2010 we've increased our real assets AUM by one-third an increase of about $10 billion. In our 20 years of real assets investing we've successfully executed 650 transactions putting over $30 billion of capital to work. And as a result we've generated a 25% realized and partially realized gross internal rate of return across the entire segment. I'd also note that our Cornerstone North American energy business now natural gas partners has generated a lifetime to date gross internal rate of return of 32% over 250 transactions realized and partially realized.

Today we have a 135 professionals managing over 300 active real estate investments in addition to energy and infrastructure working everyday to put $10 billion of dry capital to work dry powder. In order to understand our real estate platform we need to look at each of the three businesses separately because they each are in a different stage of life cycle and are facing different economic realities.

Our US real estate business is by far largest having raised six funds and now managing $8 billion in AUM. We become a leader among our peers because of our strong track record. Currently we were raising our seventh real estate fund targeting $3.5 billion which would be our largest real estate fund to date. We are an asset specific investor in U.S. real estate not an entity investor.

Our European real estate business is a different story as you know Europe has been facing generationally strong headwinds in the back of the great recession. We're currently focused on retooling our European business with a emphasis on maximizing the value of our existing portfolio. To aid in this effort we recently hired Adam Metz a 30 year veteran of real estate investing in turnarounds to become our international head.

While we're currently evaluating long-term opportunities for the business we see the opportunities for specific managed accounts in this market in the near-term. And in Asia we're looking to leverage our well developed relationships in China through managed accounts as well as evaluating an opportunity to scale against the opportunities in those regions.

I mentioned earlier that we transformed our energy and natural resource platform in order to upgrade our capabilities as we have shifted away from our Riverstone partnership we acquired revenue interest in Natural Gas Partners one of the leading North American oil and gas E&P investors. And we recruited a team to build out an international and a power platform.

We currently have 55% interest in NGP's revenue, fee on the $12 billion asset base with an option to acquire 7.5% of its carry. We've anticipated exercising this option both in their tenth fund which we're currently investing and in all future funds. NGP is currently in the market with raising a $4.5 billion fund XI. We're also currently in the market with $1.5 billion target for each of our first international energy funds and our second power fund. These funds are organic Carlyle funds so Carlyle was entitled to 55% of the carry - of the 100% of the fees related to those funds.

Beyond these three core businesses we also benefit from over $12 billion of AUM and legacy energy funds as well as our Energy Mezzanine and commodity businesses which I mentioned earlier which are housed in the GMS global market strategies business.

The bottom line is that we have now a higher management fee interest in these funds than we had in our legacy platform 55% in NGP and a 100% in the international and power business versus 10% when we were with Riverstone and we have a higher carry interest raising from 47.5% to 55% in the new funds versus 20% to 30% in the historic Riverstone funds.

Finally, our solutions business can now offer diversified product offering across private equity, real estate, and hedge funds and we have $57 billion in AUM in solutions today versus zero in 2010. We think that this segment will benefit the growing complexity and

investment decisions that investors are facing today. 30 to 40 years ago, pension fund managers allocation decisions were likely only between cash, stocks, and bonds. Today our pension fund managers and other investors are faced with the growing full of options and they are looking for help in navigating all of these alternatives.

We've build out our solutions business entirely through acquisitions starting with the purchase of 60% of AlpInvest in 2011. Since then and mostly in the last year, we've hired Jacques Chappuis from Morgan Stanley to head up the business and Jacques and his team since acquired the remaining 40% of AlpInvest and acquired metropolitan real estate, our real estate fund of funds and diversified global asset management, a hedge fund of funds platform.

Now let me conclude with a few thoughts on why we are well positioned in the near-term for earnings growth and long-term platform expansion. We believe near-term earnings will benefit from the following key factors. Our big 11 carry funds have over $40 billion in remaining fair market value and many of these funds are just now moving closer to realizing carry.

We have $14 billion hedge fund platform that has steadily increase its contribution departure. We put $24 billion in capital to work over the past three years 2011 through first quarter 2014 and well the past is not guaranteeing the future. We believe our strong track record and current tools that can help us generate the strong returns as well. We have net accrued performance fees of $2 billion which is moving toward being realized and we expect to raise $15 billion to $20 billion in new capital in 2014 helping to reload our fee base.

Over the long-term the 45% of our AUM that sits in our new strategies has a long run way of growth to come. We've generated a five-year AUM compounded annual growth rate of 17% through our continued focus on growth opportunities. We have $56 billion of dry powder on which we expect to make strong returns, which will drive distributable earnings. We see industry tailwinds driving increase support among fund investor base with the private equity AUM as an industry now standing at a record $3.5 trillion. And we see substantial long-term growth opportunities in the retail channel a segment in which we've only just scratched and are very much interested in growing strongly. So with that thanks for listening and I'm going to join Rob now for the Q&A and open it for some questions after that. Thank you.

Question-and-Answer Session

<Q>: Okay. Thank you Dan, appreciate that. Maybe I'll start it off with – first question I'd is you've been as you've indicated heavy invest mode across the franchise and it's through acquisition or expanding existing and new platforms. So how should we think of few related earnings, the easy kickoff, should we be thinking that over the next couple years you'll start to see your scale and operating leverage kick in and see that contribution to DE accelerate?

<A – Daniel A. D'Aniello>: We obviously are very tune to the issue of fee related earnings, we do intend in fact to grow them. I would say that the amount of acquisition work that we have done and fund forming work that we have done in the near-term has held that back a bit by virtually the fact of the fund raising fees, of course after the accelerated an expense early on in the funds life. However when you look at our platform GMS solutions are relatively new, real assets especially the natural resources and formation. These have yet to mature in terms of their full capital assets under management. So not only do we have capacity to increase within the funds in terms of activity, but we also have economies of scale coming by virtue of the maturing capital base.

So I would suspect that notwithstanding the fact that we'll hopefully continue to grow. And we'll still have that fund raising drag, just a bit that we will scale a fee related earnings into the future. I would say moderately, if there won't be a dramatic, but we will – we do have economies of scale opportunities in a large part of our business especially as well in the back office.

<Q>: Great. And I guess a few months back there was some news, that you recently hired Mike Cavanagh from JPMorgan come in I guess as Co-President.

<A – Daniel D'Aniello>: That's right.

<Q>: Right. And so how should we think, I mean, which was, I guess pretty big news particularly for JPMorgan shareholders as well as yours. So how should we think, Mike and his role and then also with the recent news that I guess Adena is leaving to go would be the heir-apparent I guess in NASDAQ. She was pretty visible so is that cause you all these kind of some changes in the senior management there to either rethink the CFO as well and how present yourself, you present yourselves to investors. And also maybe talk a little bit about how you view Mike's addition to the senior management team.

<A – Daniel D'Aniello>: Well, let me just say that, we are very fortunate to be able to recruit Mike, obviously he was a very senior person at JPMChase. I would say his addition in effect is highly synergistic with Glenn Youngkin who is the other Co-President, Co-CEO who has been with us for 17 years. And with experienced both on the investment side of things and also on the administrative side of things. I think Mike brings an experienced base that brings all of the tools that one needs to run a large global financial services business. I think from a compatibility standpoint that personalities are very, very close a good blend. In the context of the transition with respect to Adena curiously now both Glenn and Mike have been former CFOs.

In addition we have a very strong CAO that is stepping up to be Interim CFO, Curt Buser. Curt has been with us for 15 years or so. And I think together we have a great stewardship from standpoint of not only financial, but also strategic thinking in the combination of those two. And I think both of them together especially provide the core of leadership for the next generation which was something that was very high on our priority list when we went public.

<Q>: Do you touch on you kind of hit on it on your presentation is, you have a lot of funds and carry out of realizations is pretty strong, performance has been good. At the same time you have a lot of dry powder to put to work, and then active investors. So sometimes and I know your investors do get concerned well how I reconcile the two I mean you are realizing a lot. But is that means a good environment to be putting money to work. So then how should we think about [indiscernible].

<A – Daniel D'Aniello>: Well, first of all I'd just say that obviously the markets, are pretty interesting today. And that has to say that you can't make too much as a individual investor in the fixed income market. And with interest rates as low as they are and of course that has been helpful to corporate equities as well they can finance at a very inexpensive rate, but that's not to say, that there is not opportunities out there. Let me give you an example of we, if you would think about the macro forecasts and outlook and reports in Europe over the past three or four years.

And it's pretty depressing with GDP, running fairly flat to maybe up 1% or whatever, but in that period of time we're able to drive profitability of our portfolio up by 12, 13 times for GDP growth. So I think it's really a function of what you bring to the assets as much as what you pay for them in terms of being able to reposition them or rehabilitate them to add to their operational capabilities as well as development opportunities. And so we see those opportunities everyday in whatever market exist, it's really a function of picking your shots wells and having deep strategic knowledge of the industries in which you are investing, that's number one. And two staying very discipline with respect to the investment process and only investing things that are aligned with your capabilities and your risk management.

<Q>: As you highlighted through your presentation is you've been very active in using acquisitions to expand your platform whether it was NGP, whether it was within the solutions business clearly and also within the GMS and hedge fund business. So at this point you've built a lot of capacity in the platform. Do you feel like there is – how should we think of potential acquisitions from here, you think you have most of the wholesale sort to speak and lay your platform, really think there is more business you'd like to build out where acquisitions could be a part of that.

<A – Daniel A. D'Aniello>: Well, I would say that in terms of the basics I think we're fairly well build out their opportunities however and sort of every market. I would say that the three areas that we sort to look at has potential opportunities is one, giving more access to individual and retail investors to the products that we invest in services that we provide. Two would be credit and yearly based opportunities to expand the optionality across our platform for investors. And the last of course would be they continue to build on the capabilities especially in the energy area.

And so we have specific funds for domestic international and power, but there are also place around that that can be well developed that we do have at Energy Mezzanine fund that is filling in gaps that I mentioned in the financing market for energy projects. We do

have an interest in at a small activity in the million asset management in hedge fund in commodities which include natural gas and such.

So I think the first and foremost thing to do would be to scale that we have, continue to do a good job there, and then provide these ancillary access and additional opportunities to our investors as we see them. And we wouldn't do those – we wouldn't add to those things unless we had world class people to run them. That's the key and doesn't matter what business you are in, whether it's rigid or whether it's investment business all about people. And that's where a big priority is placed in the context of our duediligence of what to invest in and where to invest in.

<Q>: Maybe talk a little bit, you touched on it several times the opportunity in our worth market, maybe and you've thought some hiring there, build some infrastructure to support it. if you maybe pressure that a little bit more in terms of where you're now prior to two high level of investors and kind of what you see is the next – where is the greatest potential there I'd say in the intermediate term to kind of to your product to launch then and maybe in what form.

<A – Daniel A. D'Aniello>: I would say that over the – as a general statement not withstanding the fact that going through the great recession has been dramatic and there has been a lot of turmoil on the investment environment side I think. There has been as much dynamism in change on the capital formation side as well. And including sovereign wealth becoming much more active and including sort of we advent that very robust high network that enter into Feeder funds and such. So the next generation really is to take another step closer to the individual through and retail through let's say vehicles that are tax efficient. And that maybe a structure an opportunity for them to access the same kinds of investments that institutions have had probably to for many, many years and how do they do that?

Well it depends on whether they want capital appreciation, yield or liquidity but there are panoply of opportunities that we're looking at. And some of which we've already developed of course we have Feeder Funds already. We have put together a real a registered investment company, is sort of a quasi call of fund of funds in effect. We have a BDC that has been raised over a billion now it raised in lending in the middle markets. But we're looking at other things like MPLs, REITs at giving people opportunities to access our business and still maintain their priorities with respect to liquidity and yield.

<Q>: There is any question, I have one here, Dan my question is a little bit more big picture but the last four years, you've seen a dramatic, a brain drain from the Wall Street firms a lot of that talent like you've highlighted moving to private equity firms like your own. Where do you think we are in that process do you think that this is we're still in the early innings of seeing that talent if you will transfer over to the private equity firms, is it our early innings or late innings. And then the other thing is we are seeing a lot of private equity firms even on the smaller side hiring those people as well, are you seeing any impact on returns as a result of lot of sort of that flood of capital and private equity in competition from the Wall Street hires?

<A>: Let me just say that let me tack the ladder versus the former first and that is to say is not where the may be half a dozen or a dozen firms out there that can do the kinds of deals at the scale, that Carlyle and Blackstone and KKR and Apollo can do. So the new entries, unless they are nearly highly unique and niched, nichy aren't really a competitive set with respect to what we're looking at.

With regard to the brain drain I would say there is probably more to come, but the one reason I say that is because you know it's one thing to know the law, it's another thing to see how its interpreted in practice. And so I think a lot of anticipation has driven people out of – sort of the banking world but the good news and the private equity. And the good news about private equity is it so far we haven't been considered to be a systemic risk. And that makes a big difference in terms of how you are looked at in the context of oversight, and your statutory and regulatory interface.

So as to the volume I would say this we have been the beneficiaries and we are happy to be early beneficiaries and really if doesn't continue. So now never not mind for us. Any other questions or…

<Q>: I will ask another one. It's been a few things, and they were out of the SEC in the journal recently about some fees, I guess SEC is ledging that and lot of some private equity firms are charging portfolio companies fees that weren't properly disclosed to LP's that went out. So I guess from that perspective can you maybe talk about how you think of Carlyle on that context and how it does, or doesn't apply to you. Dan..

<A – Daniel Harris>: Started I can [indiscernible] Dan as well. So Carlyle has been, it was one of the very first registered investment company, 17 or so years ago. And we've had a relationship with the SEC for that period of time, a number of audits successfully passed. And most recent one was a few months ago and very well. And this whole issue of fees is something that we are very, very comfortable talking about. It's about transparency; we have good relationship with our LP's, yes we've had some inquiries and they have been more in the nature of – can you remind me how these fees work then anything else. It's been sort of a very moderate tone, more of a – in sort of a reminder I have to talk about my investment committee can you remind me to do that.

And so over the year, I think we've had no problem with this issue what so ever, our current generation of funds are typically an 80% give back, of course that does not I mean, a credit toward the management fee, that doesn't apply to co-investment of course. And we have also a group of operating executives that assist in duediligence and sometimes those are on the boards of our portfolio companies. They are consultants to Carlyle, they are not employees of Carlyle. We pay their entire retainer, and when they sit on corporate boards where the portfolio company would make a decision is to what compensation that we get as a board member or whatever, but that goes to them does not come to Carlyle.

And so we are pretty open minded to this discussion, we feel that we've had done the right thing and have virtually no exposure to this issue, we are comfortable.

<A – Daniel Harris>: I would just add that obviously following Frank, you have seen a lot more registrations with the SEC and as Dan mentioned we've been SEC registered north of 17 years. And so part of this process I think is the SEC looking at a lot of firms for the first time. Carlyle has been out there very publicly with the SEC for a long enough period that they are comfortable of what we do. And frankly I think that our LPs interact with us very closely on the LP agreements. And so from that perspective we do feel comfortable with where we stand.

<Q>: Great, and maybe one last question from me. So we've been public now just over two years, so in that time as whether it's investors or analyst like myself talk about the company and what is that – mostly you think that investors don't really kind of get about Carlyle that maybe you think that there is maybe some misunderstanding and misinterpretation that maybe some essence to the comment investors aren't really picking up.

<A – Daniel A. D'Aniello>: I think there are two things. Really, one is that we have a corporate culture, it has a name as [indiscernible] often says corporate culture isn't an important thing, it's the only thing. And for us it's about sharing unselfishly our resources, and talents, and expertise across the firm. We are structured from a product and a geography standpoint, but what really dominates everything at Carlyle is industry knowledge and we allow that intellectual property to move across funds.

So that we can face an opportunity with the highest and best resource and capability that we have every time. And we have the flexibility in our constructor to make that happened as well. So the power of getting the highest and best people and resource in front of an opportunity time and time and time again, we believe makes as I mentioned all returns a bit safer percentage of IRR than others, that's number one.

Number two is, I think because we are more focused on being consistent in our financial performance and because we have in effect demonstrated that the standard deviation of returns around our mean is tighter than most. We believe that carry generated from that is probably on dollar to dollar less risky. And so therefore I would argue that carried interest is undervalued. I don't think it's actually undervalued across the entire industry, right especially with us.

<<Unverified Analyst>>

Great, and any other questions from anyone.

<<Daniel A. D'Aniello, Chairman>>

Thank you.

<<Unverified Analyst>>

Dan, thank you very much.