

---

THE CARLYLE GROUP

---

GLOBAL ALTERNATIVE ASSET MANAGEMENT

# Morgan Stanley Financials Conference

Glenn Youngkin, Co-Chief Executive Officer  
June 13, 2018

# Important Information

This presentation has been prepared by The Carlyle Group L.P. (together with its affiliates, “Carlyle”) and may only be used for informational purposes only. This presentation may not be referenced, quoted or linked by website, in whole or in part except as agreed to in writing by Carlyle.

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.

Although the information presented in this presentation has been obtained from sources that Carlyle believes to be reliable and Carlyle makes no representations as to its accuracy, validity, timeliness or completeness for any purpose. The information set forth herein does not purport to be complete and Carlyle is not responsible for errors and/or omissions with respect to the information contained herein. Unless otherwise expressly stated herein any analysis or outlook relating to the matters discussed herein express Carlyle’s views only as of June 12, 2018.

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 12/31/2017 filed with the SEC on February 15, 2018, 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 L.P. and is also not necessarily indicative of the future performance of any particular fund. There can be no assurance that any of Carlyle’s funds or its other existing and future funds will achieve similar returns. See “Risk Factors — Risks Related to Our Business Operations — The historical returns attributable to our funds, including those presented in this report, should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in our common units” in the Annual Report. As used throughout this document, and unless otherwise indicated, “Gross IRR” represents the annualized internal rate of return for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value before management fees, expenses and carried interest, which will reduce returns and, in the aggregate are substantial. “Net IRR” represents the annualized internal rate of return for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value after management fees, expenses and carried interest (but not taxes borne by investors). “Gross MOIC” represents total fair value, before management fees, expenses and carried interest, divided by cumulative invested capital. An investment is considered realized when the investment fund has completely exited, and ceases to own an interest in, the investment. An investment is considered partially realized when the total proceeds received in respect of such investment, including dividends, interest or other distributions and/or return of capital represents at least 85% of invested capital and such investment is not yet fully realized. In considering investment performance information contained in this presentation, prospective investors should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that Carlyle or any Fund will achieve comparable results. Actual realized value of currently unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based. Accordingly, the actual realized values of unrealized investments may differ materially from the values indicated herein. Unless otherwise specified, LTM, or last twelve months refers to the period of Q2 2017 through Q1 2018, and the prior rolling 12-month period refers to the period Q2 2016 to Q1 2017.

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.

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 management fee funds.” This presentation includes comparisons to certain private equity returns to MSCI World Index and other indexes and such comparisons are provided 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. 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 indexes.

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, including Distributable Earnings (“DE”) and 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.”

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 and the average spot rate for the period has been utilized when presenting multiple periods. 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, including Economic Net Income (ENI) and Distributable Earnings (DE). These Non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP.

# Carlyle Is A Global Leader In Private Investing

## THE CARLYLE GROUP

**Total AUM: \$201 bn** ○ **Available Capital: \$73 bn**

**Corporate  
Private Equity**

**Real  
Assets<sup>1</sup>**

**Global  
Credit**

**Investment  
Solutions**

**\$75**

**\$44**

**\$34**

**\$49**

**AUM (\$bn)**

**Fund Strategies**

- Buyout
- Growth

- Real Estate
- Energy
- Power
- Infrastructure

- Structured Credit
- Direct Lending
- Energy Credit
- Distressed Credit
- Opportunistic Credit

- Private Equity and Real Estate
- ✓ Funds
- ✓ Secondaries
- ✓ Co-investments

Note: Data as of 3/31/2018. See The Carlyle Group L.P.'s filings with the U.S. Securities and Exchange Commission for more information on fund performance.

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

## Core Business Metrics Robust, Diversified and Accelerating

	Metric	LTM / Current	Commentary
1	Carry Fund Appreciation	17%	Appreciation over a diverse fund complex with various strategies & return targets
2	Net Accrued Performance Revenue	\$1.8 bn	Increased 25% over the LTM due to strong fund performance
3	Realized Proceeds	\$28.0 bn	5+ consecutive years with more than \$25 billion in annual realizations
4	Fundraising	\$48.0 bn	Record annualized fundraising – half in CPE, half in RA/GC/IS
5	Assets Under Management	\$201.5 bn	Increased 24% over the LTM
6	Invested Capital	\$21.6 bn	Deployment increased +26% over the LTM; nearly 60% outside CPE

1

# Our Primary Focus Remains Exceptional Investment Performance

# 17%

Last 12-Month  
Carry Fund Appreciation  
Across All Segments

Corporate  
Private  
Equity

- **25%** Carry Fund Appreciation (LTM)
- **2.5X** MOIC on Realized/Partially Realized Transactions since inception

Real  
Assets

- **12%** Real Estate Carry Fund Appreciation (LTM)
- **23%** Energy, Power and Infra carry fund appreciation (LTM)<sup>1</sup>

Global  
Credit

- **9.4%** dividend yield – Direct Lending<sup>2</sup>
- Exceptional CLO performance (default rates of 0.7%/1.7% for U.S./EU CLOs<sup>3</sup>)

Investment  
Solutions

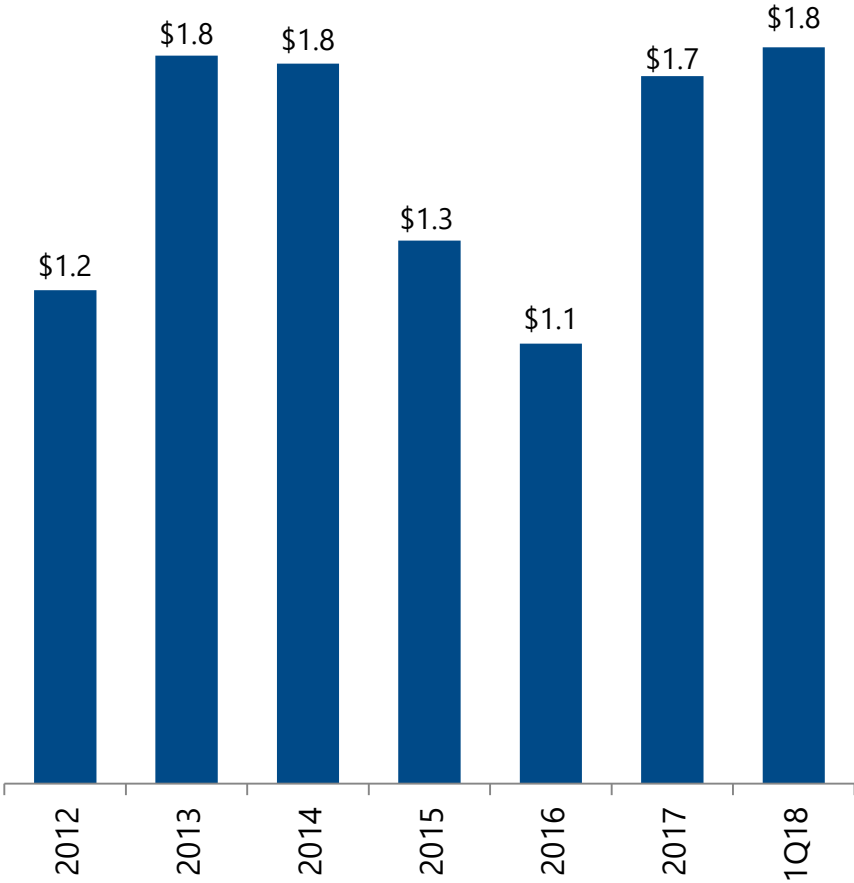
- **10%** Carry Fund Appreciation / 20% excluding F/X impact<sup>4</sup>
- **23% / 28%** carry fund appreciation (LTM) in PE and RE Secondary funds

Note: Data as of 3/31/2018. See The Carlyle Group L.P.'s filings with the U.S. Securities and Exchange Commission for more information on fund performance. 1) Excludes the impact of Legacy Energy Funds. 2) Represents the 3-year weighted average dividend yield for BDC 1 as of 3/31/2018, including special dividends for unscheduled income distributions. 3) Inception to date default rate for U.S. (since 1999) and Europe CLOs (since 2005). 4) Excludes the impact of F/X. Reported appreciation of 10% over the LTM.

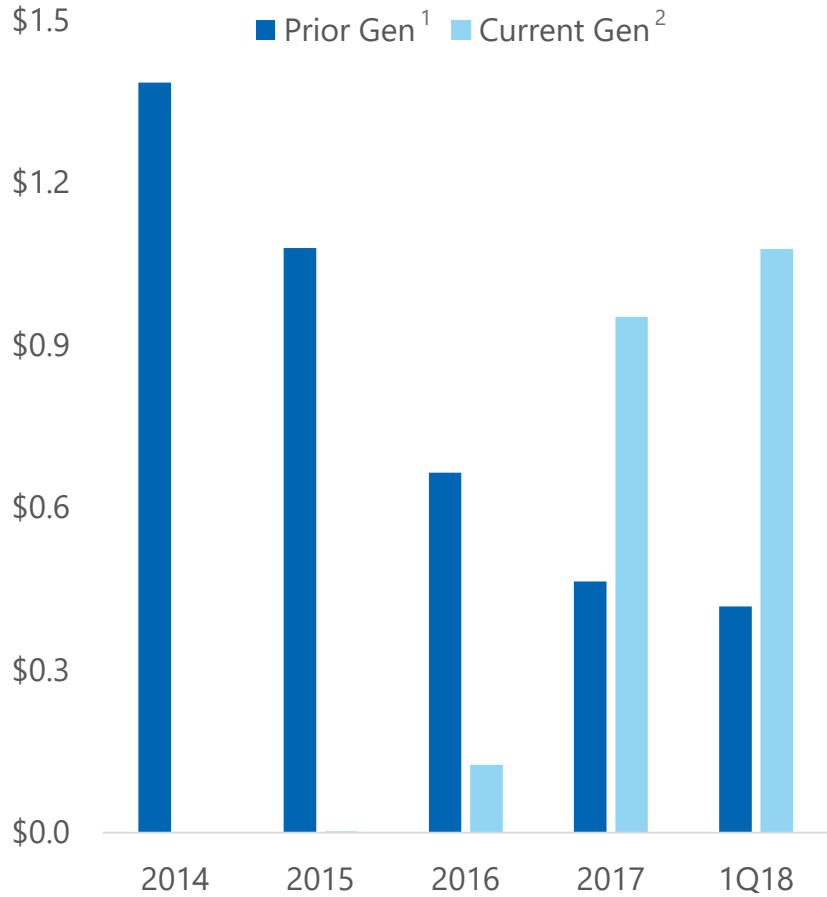
2

# Accrued Carry Growing And Transitioning Towards Current Generation Funds

Net Accrued Performance Revenue Balance (\$ billions)



Net Accrued Performance Revenue Balance Prior Gen vs Current Gen (\$ billions)

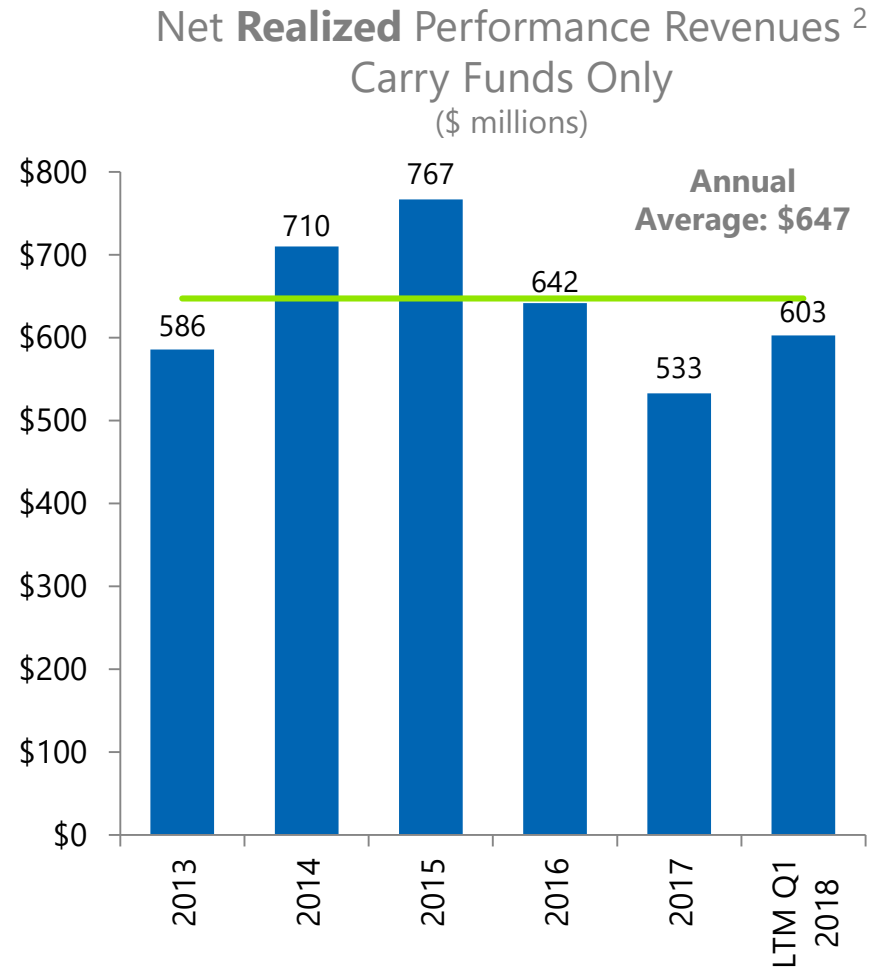
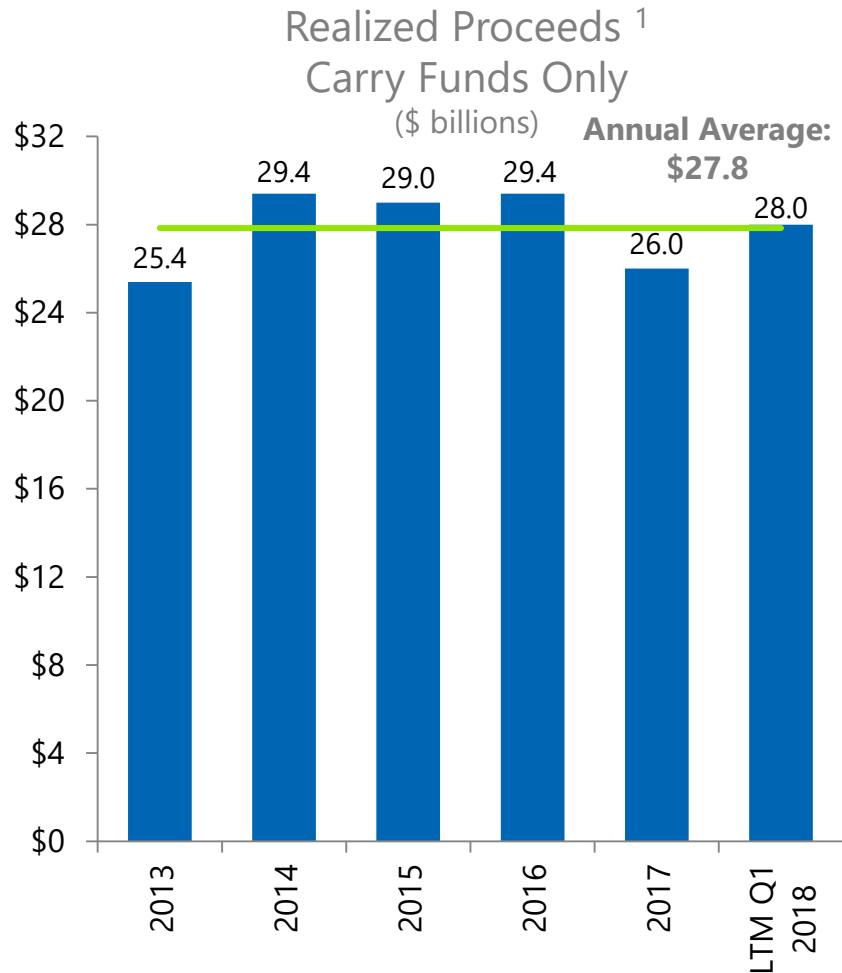


Note: Data as of 3/31/2018. There is no guarantee these trends will continue.

- 1) Prior Generation of funds includes direct predecessors to Current Generation where applicable.
- 2) Current Generation of funds includes: CP VI, CEP IV, CAP IV, CJP III, CGFSP II, CEOF II, CETP III, CGP, CRP VII, NGP XI, CIEP, CPP II, CSP IV, CEMOF II.

3

# Consistent Realized Proceeds Generate Attractive Average Annual Net Realized Performance Revenues



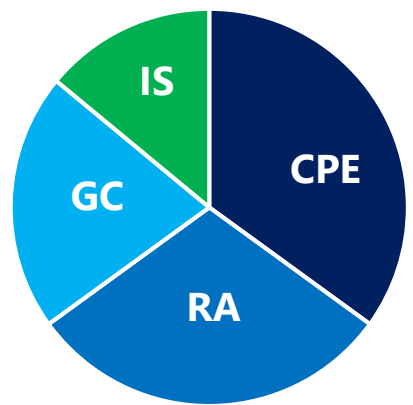
Realized performance revenues should trend higher in 2019+ but likely lower in 2018 than in 2017

Note: Data as of 3/31/2018. There is no guarantee these trends will continue.

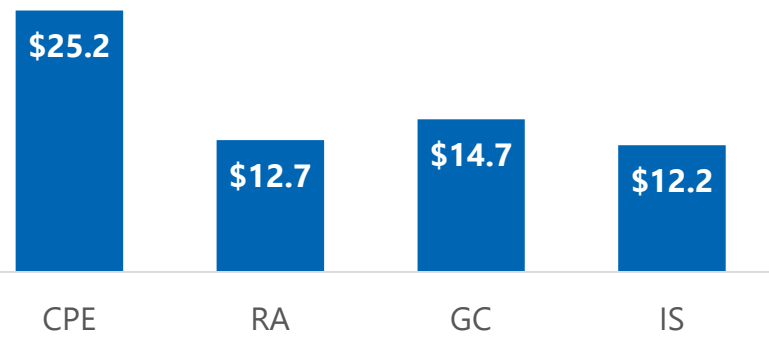
1) Realized Proceeds for carry funds only. 2) Net Realized Performance Revenues are for carry funds only. 3) 2016 excludes the impact of \$36 million in giveback payments relating to Legacy Energy funds realized in Q4 2016.

# 4 On Track To Achieve Our Fundraising Target of \$100 Billion By YE2019

2016-19 Gross Fundraising Target:  
~\$100 billion



Gross Fundraising Since Q1 2016

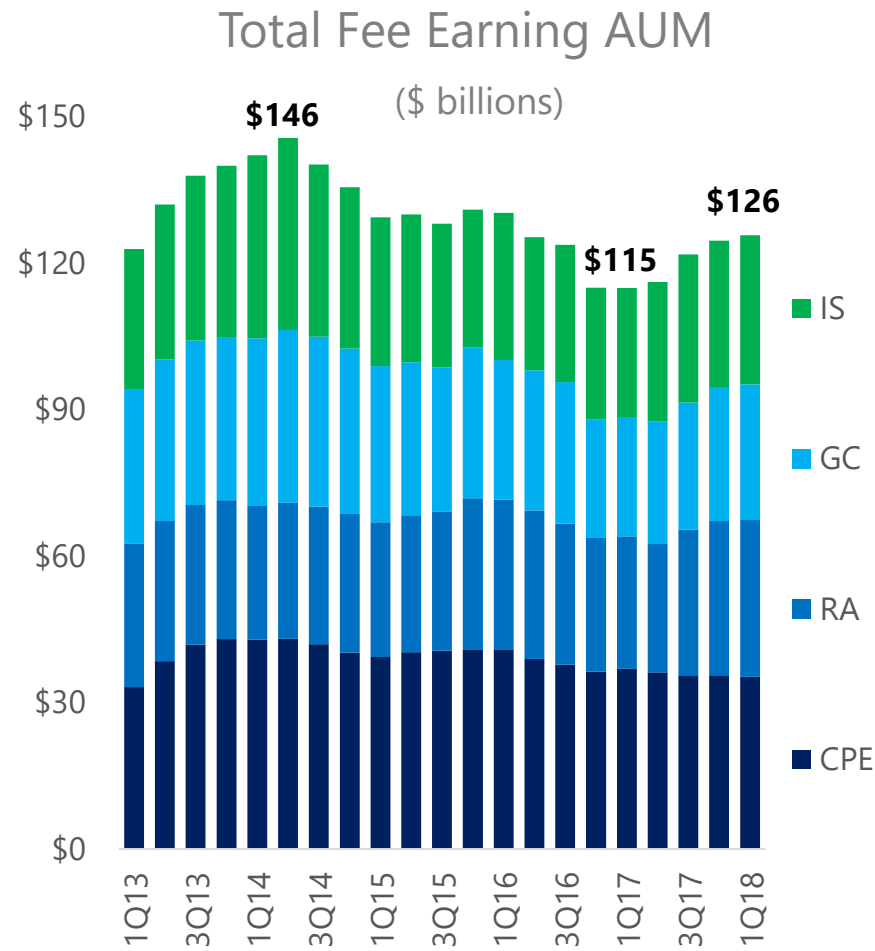
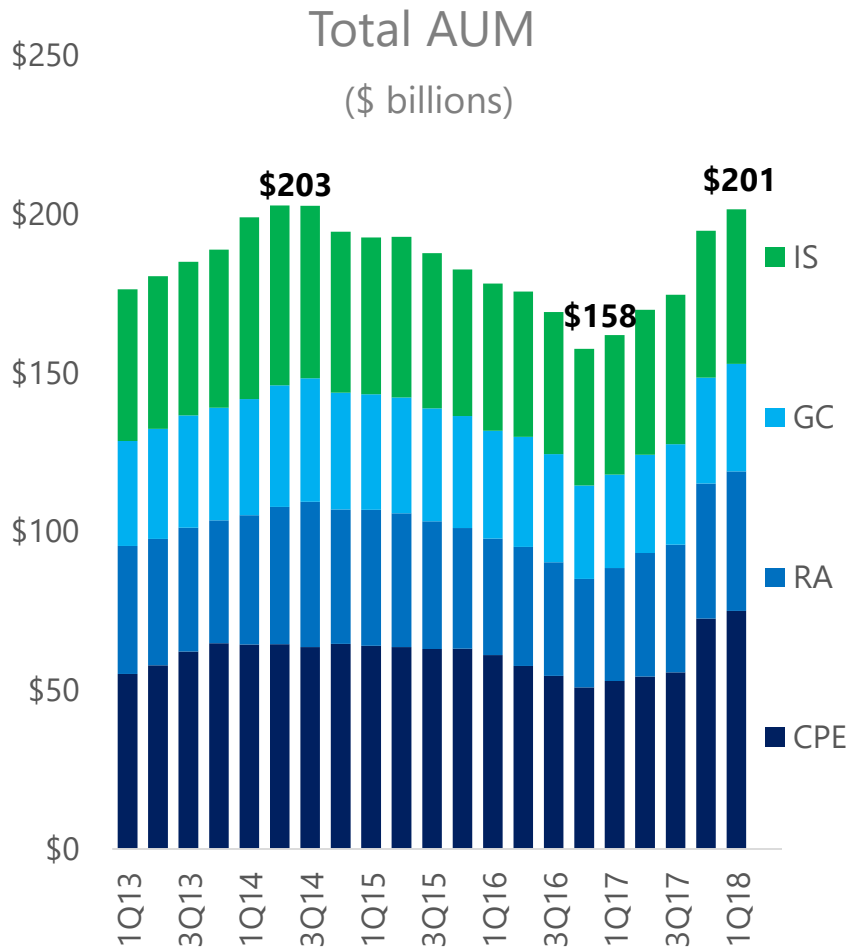


- ✓ Raised \$65 billion towards goal from 2016 to Q1 2018
- ✓ Strong partnerships with over 1,850 global investors from 85 countries
- ✓ \$48 billion raised LTM
- ✓ Expect to raise at least \$25 billion in 2018

Note: Data as of 3/31/2018. Reflects Management's views as of 6/12/2018. Please see "Important Information" slides for information about the use of and reliance on projections.



# 5 Fundraising Strength Driving Assets Under Management Higher



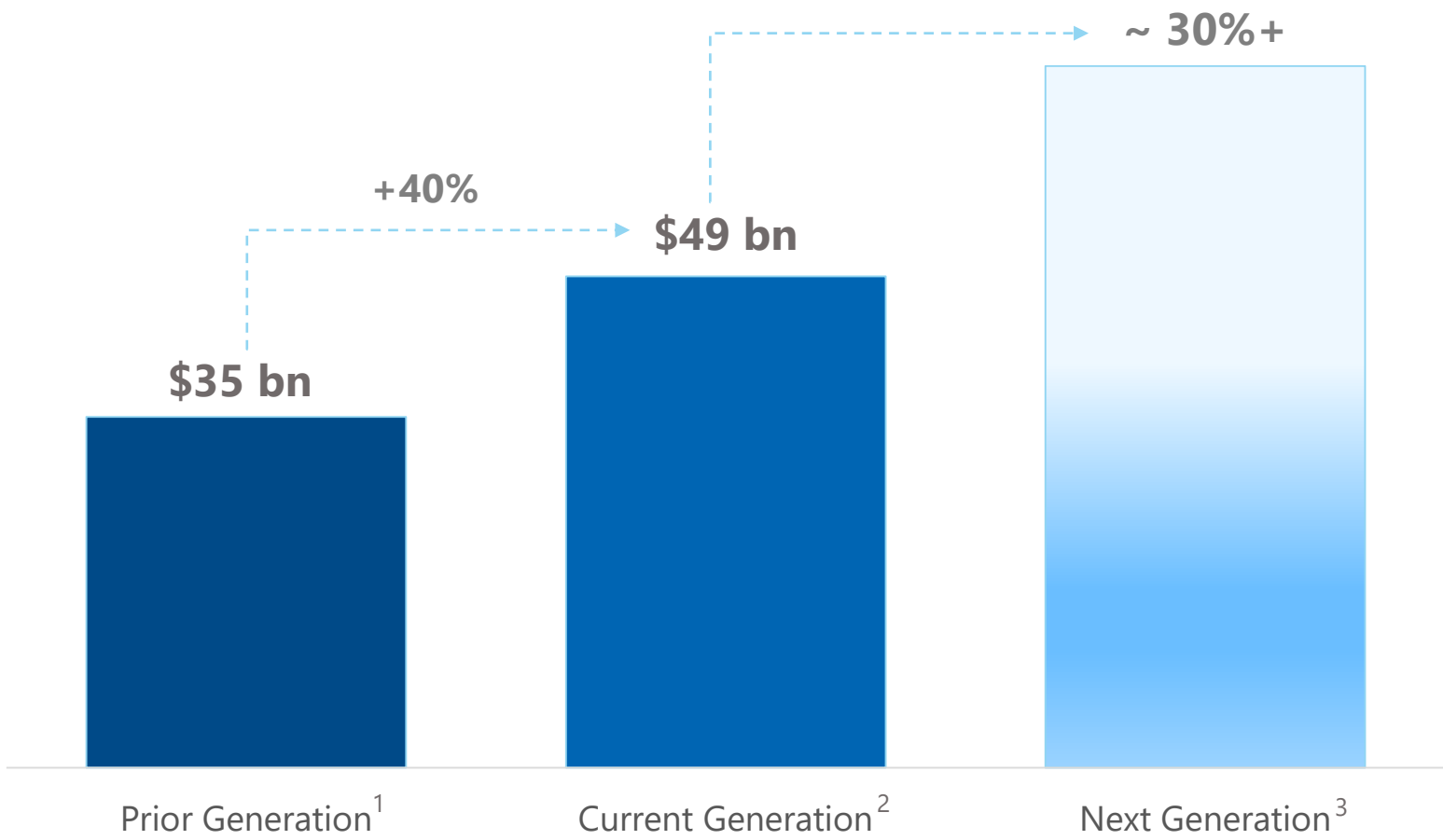
**\$27 billion in Pending Fee Earning AUM** that will activate fees upon fund initiation or capital deployment

Note: Data as of 3/31/2018.

1) Pending Fee-Earning AUM of \$27 billion as of 3/31/2018 includes \$21 billion in CPE fund commitments that will activate as new funds turn on fees. The remaining \$6 billion will generally become fee-earning as the commitments are invested.

# 5 Our Carry Fund Investment Platform Continues to Scale Generationally

Fund Commitments for Major CPE/RA/GC Carry Funds



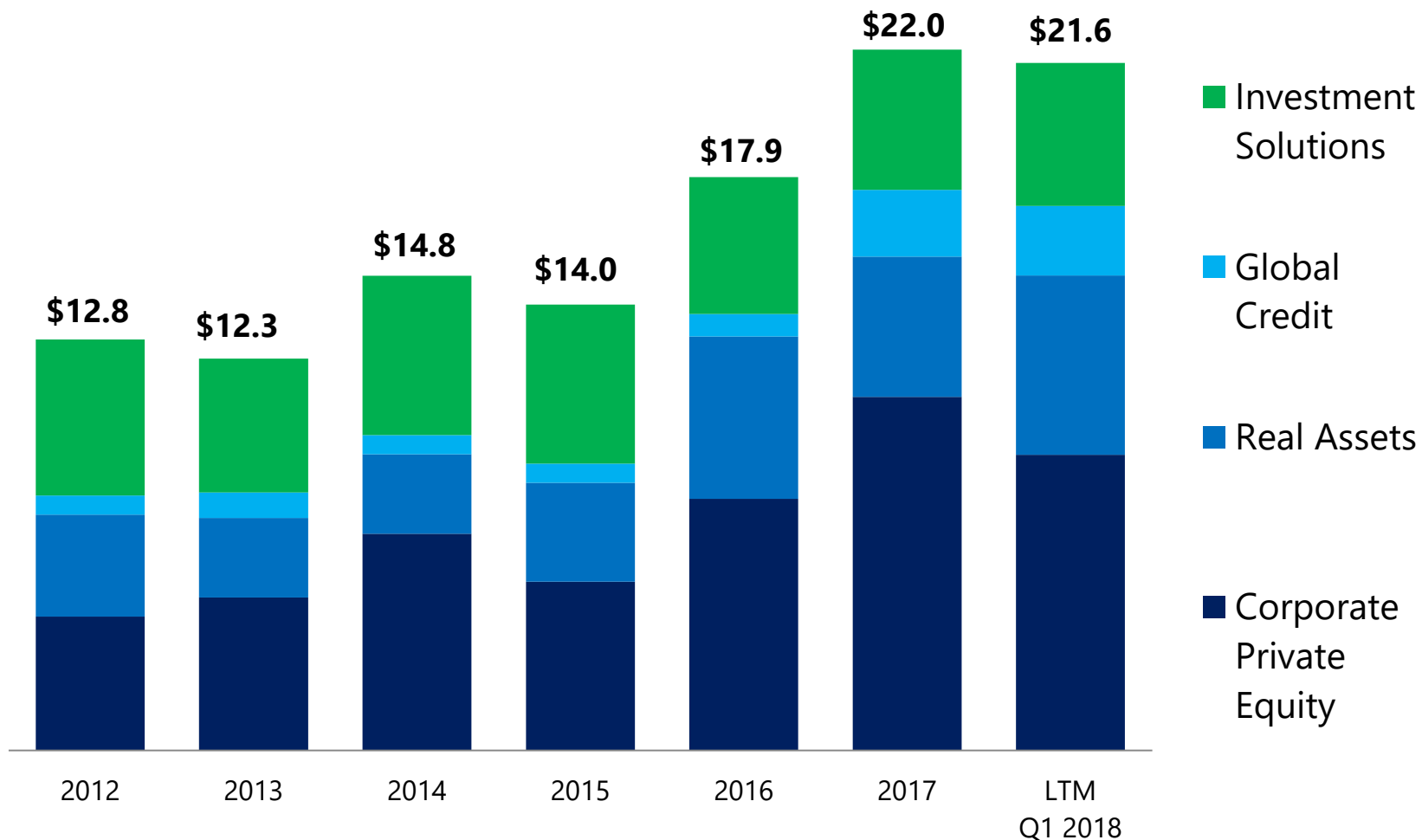
Note: Data as of 3/31/2018. Reflects Management's views as of 6/12/2018. Please see "Important Information" slides for information about the use of and reliance on projections.

- 1) Prior Generation of funds includes direct predecessors to Current Generation where applicable.
- 2) Current Generation of funds includes: CP VI, CEP IV, CAP IV, CJP III, CGFSP II, CEOF II, CETP III, CGP, CRP VII, NGP XI, CIEP, CPP II, CSP IV, CEMOF II.
- 3) Next Generation of funds includes follow on funds for Current Generation as well as new fund families and new product initiatives. There is no assurance these trends will continue or that we will be able to raise the capital required to achieve these targets.

## 6

## Larger Funds and Broader Platform Support Higher Deployment

Invested Capital (\$ billions)  
All Carry Funds

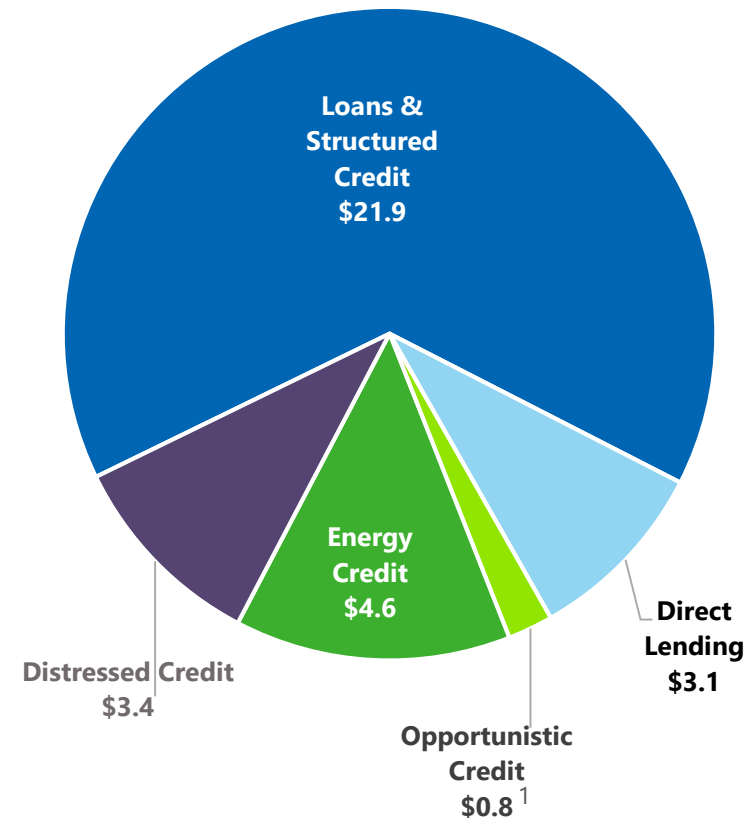


Note: Data as of 3/31/2018. "Current Generation" of funds includes: CP VI, CEP IV, CAP IV, CJP III, CGFSP II, CEOF II, CETP III, CGP, CRP VII, NGP XI, CIEP, CPP II, CSP IV, CEMOF II. There is no guarantee these trends will continue.

# Gaining Momentum and Scale in Global Credit

- Currently have \$34 billion in Global Credit AUM with more than \$200 million in run-rate management fees
- Continue to build out capabilities to manage larger amounts of capital
- Launch and develop new funds & products
  - Opportunistic Credit
  - New Direct lending funds and vehicles
  - Managed Accounts
- Leverage functional platform to scale broadening investment capabilities

Global Credit  
AUM: \$34 billion



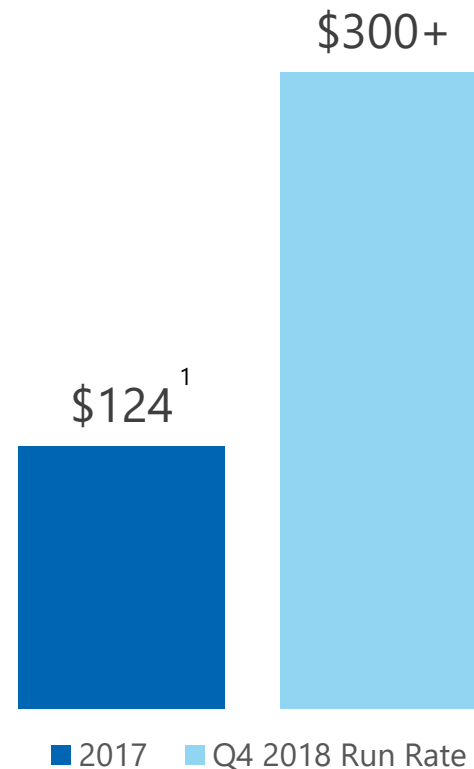
Note: Data as of 3/31/2018.

1) First Opportunistic Credit fund is currently in fundraising.

## We Are Focused On Growing Fee Related Earnings

- ✓ Raise larger funds and scale existing funds
- ✓ Maintain net economic terms
- ✓ Leverage expense base
- ✓ Grow Global Credit
- ✓ Additional new initiatives

On Track to Exceed \$300 million in run-rate FRE by Q4 2018  
(\$ millions)



Note: Data as of 12/31/2017. Reflects Management's views as of 6/12/2018. Please see "Important Information" slides for information about the use of and reliance on projections.

1) 2017 Fee Related Earnings was \$192 million. Pro forma of \$124 million excludes net insurance recoveries in Global Credit. As of the Q4 2017 reporting period, the presentation of Fee Related Earnings was changed to exclude net interest expense.

# Carlyle Is Delivering Attractive Financial Performance

	LTM or Current (\$ million, unless noted)	% Change (from prior LTM or YoY)
<b>Economic Income</b>	<b>\$1,038</b>	<b>+68%</b>
<i>ENI / Adjusted Unit</i>	<i>\$2.85</i>	
<b>Distributable Earnings</b>	<b>\$754</b>	<b>+30%</b>
<i>DE / Common Unit</i>	<i>\$2.11</i>	
<b>Distribution Per Common Unit</b>	<b>\$1.58</b>	<b>+14%</b>
<i>LTM Distribution Yield <sup>1</sup></i>	<i>7.0%</i>	
<b>Net Debt + Investments + Net Accrued Carry</b>	<b>\$2,625</b>	<b>+61%</b>
<i>Per Adjusted Unit <sup>2</sup></i>	<i>\$7.59</i>	

Note: Data as of 3/31/2018 unless otherwise noted.

1) LTM Distribution Yield calculated as LTM distributions divided by recent unit price.

2) Adjusted units include total common units outstanding, partnership units, dilutive effect of unvested DRUs, and issuable common units.

## Well Are Tracking Well Against Our Main Focus Areas

---

**Investment performance** continues to be strong: LTM carry fund appreciation of 17%

Investment platform scaling significantly and we remain **on track for \$100 billion in new capital** raised by 2019

Gaining traction on **building a premier global credit business**

Platform scaling and financial focus driving annualized **\$300+ million of Fee Related Earnings** by Q4 2018

---

# APPENDIX



# Summary Financial Results

Pre-tax Segment Measures (\$ millions)	Quarterly				Annual				
	2Q17	3Q17	4Q17	1Q18	2014	2015	2016	2017	2018 YTD
<b>Segment Revenues</b>									
Management, Portfolio Advisory & Transaction Fees	263	289	305	294	1,303	1,223	1,134	1,125	294
Performance Revenues	559	285	616	317	1,708	910	752	2,175	317
Principal Investment Income (Loss)	31	(35)	41	30	(11)	(22)	50	47	30
Interest Income	2	5	6	7	2	5	10	17	7
Other Income	3	3	4	6	20	17	13	15	6
<b>Total Segment Revenues</b>	<b>859</b>	<b>548</b>	<b>971</b>	<b>654</b>	<b>3,022</b>	<b>2,132</b>	<b>1,959</b>	<b>3,379</b>	<b>654</b>
<b>Segment Expenses</b>									
Direct & Indirect Base Compensation	153	177	180	189	683	650	601	658	189
Equity-based Compensation	37	30	27	38	80	122	120	124	38
Performance Revenues Related Compensation	260	138	278	157	901	518	358	997	157
General, Administrative, and Other Indirect Expenses	85	(27)	94	75	318	363	484	234	75
Depreciation & Amortization Expense	8	8	8	8	22	26	29	31	8
Interest Expense	16	17	17	18	56	58	61	66	18
<b>Total Segment Expenses</b>	<b>559</b>	<b>345</b>	<b>605</b>	<b>485</b>	<b>2,060</b>	<b>1,736</b>	<b>1,653</b>	<b>2,110</b>	<b>485</b>
<b>Economic Income</b>	<b>300</b>	<b>203</b>	<b>366</b>	<b>169</b>	<b>962</b>	<b>397</b>	<b>306</b>	<b>1,269</b>	<b>169</b>
(-) Net Performance Revenues	299	147	337	160	807	392	394	1,178	160
(-) Principal Investment Income (Loss)	31	(35)	41	30	(11)	(22)	50	47	30
(+) Equity-based Compensation	37	30	27	38	80	122	120	124	38
(+) Net Interest	14	12	12	11	54	53	51	49	11
(+) Reserve for Litigation and Contingencies	-	(25)	-	-	-	50	-	(25)	-
<b>Fee Related Earnings</b>	<b>20</b>	<b>108</b>	<b>27</b>	<b>28</b>	<b>300</b>	<b>252</b>	<b>33</b>	<b>192</b>	<b>28</b>
(+) Realized Net Performance Revenues	182	217	118	103	733	789	625	553	103
(+) Realized Principal Investment Income (Loss)	11	(53)	22	19	(6)	(65)	45	(26)	19
(+) Net Interest	(14)	(12)	(12)	(11)	(54)	(53)	(51)	(49)	(11)
<b>Distributable Earnings</b>	<b>199</b>	<b>260</b>	<b>156</b>	<b>139</b>	<b>973</b>	<b>923</b>	<b>652</b>	<b>670</b>	<b>139</b>
<b>Per Unit Measures</b>									
Economic Net Income Per Unit (after-tax)	\$0.81	\$0.56	\$1.01	\$0.47	\$2.68	\$1.15	\$0.76	\$3.47	\$0.47
Distributable Earnings Per Common Unit (after-tax)	\$0.56	\$0.75	\$0.44	\$0.36	\$2.78	\$2.73	\$1.85	\$1.88	\$0.36
Distribution per Common Unit	\$0.42	\$0.56	\$0.33	\$0.27	\$2.09	\$2.07	\$1.55	\$1.41	\$0.27

Note: Data as of 3/31/2018.

See "Selected Financial Data" in Carlyle's periodic and annual reports filed with the U.S. Securities and Exchange Commission. Performance fee revenue net of related compensation expense.

# Strong Balance Sheet

<b>Key Balance Sheet Items<sup>1</sup> (\$ million)</b>	<b>3/31/2018</b>
<b>Cash and Cash Equivalents and Corporate Treasury Investments<sup>2</sup></b>	<b>\$1,444</b>
<b>Net accrued performance fees (net of giveback and accrued performance fee compensation)</b>	<b>\$1,790</b>
<b>Investments attributable to Carlyle unitholders<sup>3</sup></b>	<b>\$995</b>
<b>Loans Payable and Senior Notes</b>	<b>\$1,604</b>
<b>Drawn revolving credit line (\$750 million capacity)</b>	<b>\$0</b>

1) Balance sheet amounts are shown without the impact of certain Carlyle funds that are required to be consolidated on its financial statements.

2) Corporate treasury investments represent investments in U.S. Treasury and government agency obligations, commercial paper, certificates of deposit, other investment grade securities and other investments with original maturities of greater than three months when purchased.

3) Included in our on-balance sheet investments is approximately \$331 million of loans used to finance our investments in CLOs. Excludes the equity method accounting of our investment by Carlyle in NGP Energy Capital Management.

# Key Metrics for “The Carlyle Engine”

Quarterly Data								
	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18
<b>Total AUM(1) (\$ bn)</b>	<b>175.6</b>	<b>169.1</b>	<b>157.6</b>	<b>161.9</b>	<b>169.8</b>	<b>174.4</b>	<b>195.1</b>	<b>201.5</b>
Corporate Private Equity	57.6	54.6	50.9	53.0	54.3	55.7	72.6	75.0
Real Assets	37.5	35.7	34.3	35.6	38.9	39.8	42.9	44.0
Global Credit	34.7	34.1	29.4	29.4	30.9	31.9	33.3	33.8
Investment Solutions	45.7	44.7	43.1	44.0	45.7	47.0	46.3	48.7
<b>Fee-Earning AUM(1) (\$ bn)</b>	<b>125.3</b>	<b>123.8</b>	<b>115.0</b>	<b>114.9</b>	<b>116.1</b>	<b>121.8</b>	<b>124.6</b>	<b>125.8</b>
Corporate Private Equity	38.9	37.8	36.3	36.9	36.2	35.6	35.6	35.3
Real Assets	30.4	28.9	27.5	27.2	26.2	29.8	31.6	32.1
Global Credit	28.7	29.0	24.1	24.4	25.2	26.0	27.3	27.8
Investment Solutions	27.2	28.1	27.1	26.4	28.5	30.3	30.2	30.5
<b>Fundraising(2)(3) (\$ bn)</b>	<b>3.6</b>	<b>1.8</b>	<b>2.7</b>	<b>3.0</b>	<b>8.4</b>	<b>7.2</b>	<b>24.7</b>	<b>7.7</b>
Corporate Private Equity	0.3	0.4	0.0	0.2	0.3	0.9	19.1	3.9
Real Assets	0.5	0.2	0.3	1.0	3.6	2.4	3.2	1.3
Global Credit	1.6	1.1	1.3	0.4	2.7	1.8	1.7	0.8
Investment Solutions	1.2	0.1	1.1	1.4	1.7	2.1	0.7	1.7
<b>Invested Capital(4) (\$ bn)</b>	<b>3.7</b>	<b>2.9</b>	<b>6.1</b>	<b>4.4</b>	<b>3.4</b>	<b>6.9</b>	<b>7.2</b>	<b>4.0</b>
Corporate Private Equity	1.4	0.6	2.6	2.5	1.4	3.6	3.6	0.7
Real Assets	1.4	1.0	2.2	0.7	0.8	1.3	1.6	1.9
Global Credit	0.1	0.1	0.4	0.3	0.2	0.7	0.8	0.4
Investment Solutions	0.8	1.2	0.9	0.9	1.0	1.3	1.2	1.0
<b>Realized Proceeds(4) (\$ bn)</b>	<b>7.6</b>	<b>8.7</b>	<b>8.6</b>	<b>3.6</b>	<b>5.9</b>	<b>8.4</b>	<b>8.0</b>	<b>5.6</b>
Corporate Private Equity	4.0	4.8	3.6	1.1	2.6	4.0	3.4	2.7
Real Assets	1.1	1.6	2.0	0.6	0.9	1.7	1.3	1.1
Global Credit	0.2	0.2	0.1	0.1	0.1	0.2	0.3	0.2
Investment Solutions	2.3	2.2	2.8	1.9	2.3	2.5	2.9	1.7
<b>Fund Appreciation(6)</b>	<b>4%</b>	<b>3%</b>	<b>5%</b>	<b>6%</b>	<b>5%</b>	<b>3%</b>	<b>5%</b>	<b>3%</b>
Corporate Private Equity	4%	3%	4%	9%	8%	4%	8%	4%
Real Assets	7%	4%	4%	5%	6%	2%	4%	2%
Global Credit	(2%)	(0%)	2%	7%	0%	0%	1%	2%
Investment Solutions	3%	2%	7%	3%	1%	3%	3%	4%

Annual Data						
	2013	2014	2015	2016	2017	2018 YTD
<b>Total AUM(1) (\$ bn)</b>	<b>188.8</b>	<b>194.5</b>	<b>182.6</b>	<b>157.6</b>	<b>195.1</b>	<b>201.5</b>
Corporate Private Equity	64.9	64.7	63.1	50.9	72.6	75.0
Real Assets	38.7	42.3	38.0	34.3	42.9	44.0
Global Credit	35.5	36.7	35.3	29.4	33.3	33.8
Investment Solutions	49.8	50.8	46.2	43.1	46.3	48.7
<b>Fee-Earning AUM(1) (\$ bn)</b>	<b>139.9</b>	<b>135.6</b>	<b>131.0</b>	<b>115.0</b>	<b>124.6</b>	<b>125.8</b>
Corporate Private Equity	43.0	40.2	40.9	36.3	35.6	35.3
Real Assets	28.4	28.4	30.9	27.5	31.6	32.1
Global Credit	33.4	33.9	31.0	24.1	27.3	27.8
Investment Solutions	35.1	33.1	28.2	27.1	30.2	30.5
<b>Fundraising(2)(3) (\$ bn)</b>	<b>22.0</b>	<b>24.3</b>	<b>16.4</b>	<b>8.2</b>	<b>43.3</b>	<b>7.7</b>
Corporate Private Equity	11.8	7.6	8.0	0.8	20.5	3.9
Real Assets	2.0	9.2	3.9	1.2	10.2	1.3
Global Credit	5.7	6.9	2.9	3.5	6.6	0.8
Investment Solutions	2.5	0.5	1.6	2.8	5.9	1.7
<b>Invested Capital(4) (\$ bn)</b>	<b>12.3</b>	<b>14.8</b>	<b>14.0</b>	<b>17.9</b>	<b>22.0</b>	<b>4.0</b>
Corporate Private Equity	4.8	6.8	5.3	7.9	11.1	0.7
Real Assets	2.5	2.5	3.1	5.1	4.4	1.9
Global Credit	0.8	0.6	0.6	0.7	2.1	0.4
Investment Solutions	4.2	5.0	5.0	4.3	4.4	1.0
<b>Realized Proceeds(4)(5) (\$ bn)</b>	<b>25.4</b>	<b>29.4</b>	<b>29.0</b>	<b>29.4</b>	<b>26.0</b>	<b>5.6</b>
Corporate Private Equity	11.9	14.5	12.9	14.8	11.2	2.7
Real Assets	4.0	4.7	4.8	5.6	4.5	1.1
Global Credit	1.0	0.7	0.5	0.4	0.6	0.2
Investment Solutions	8.4	9.5	10.8	8.6	9.6	1.7
<b>Fund Appreciation(6)</b>	<b>18%</b>	<b>19%</b>	<b>12%</b>	<b>12%</b>	<b>20%</b>	<b>3%</b>
Corporate Private Equity	30%	23%	13%	11%	32%	4%
Real Assets	1%	(2%)	(3%)	18%	19%	2%
Global Credit	28%	20%	(8%)	(11%)	11%	2%
Investment Solutions	15%	26%	23%	12%	10%	4%

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

- For purposes of aggregation, funds denominated in a currency other than U.S. Dollars have been converted at the spot rate as of the end of each period presented.
- For purposes of aggregation, commitments denominated in a currency other than U.S. Dollars have been converted at the spot rate as of the date of closing of such commitment.
- Excludes acquisitions.
- Amounts represent Carry Fund transactions only (including related coinvestments). Does not include hedge funds, mutual funds, structured credit funds, and NGP management fee funds. For purposes of aggregation, transactions denominated in a currency other than U.S. Dollars have been converted at the average rate for the period presented.
- Years before 2011 are presented using Distributions to fund investors, 2011 to present are Realized Proceeds.
- Appreciation / (Depreciation) represents unrealized gain / (losses) for the period on a total return basis before fees and expenses. The percentage of return is calculated as: Ending Remaining Investment FMV plus net investment outflow (sales proceeds minus net purchases) minus Beginning Remaining Investment FMV divided by Beginning Remaining Investment FMV. Excludes external coinvestment.

# Reconciliation of GAAP to Non-GAAP Financials

(\$ millions)	Quarterly					Annual			
	1Q17	2Q17	3Q17	4Q17	1Q18	2015	2016	2017	2018 YTD
<b>Income (loss) before provision for income taxes</b>	\$ 328	\$ 244	\$ 166	\$ 395	\$ 126	\$ 402	\$ 45	\$ 1,132	\$ 126
<b>Adjustments:</b>									
Equity-based compensation issued in conjunction with IPO, acquisitions and strategic investments	67	59	58	57	50	260	223	241	50
Acquisition related charges, including amortization of intangibles and impairment	9	9	7	11	5	289	94	36	5
Other non-operating expense (income) (1)	-	0	-	(72)	0	(7)	(11)	(71)	0
Tax expense associated with performance revenues	(3)	(2)	(2)	(2)	(2)	(15)	(15)	(9)	(2)
Net income attributable to non-controlling interests in Consolidated entities	(3)	(17)	(28)	(25)	(11)	(538)	(41)	(73)	(11)
Severance and other adjustments	3	8	1	2	2	6	10	13	2
<b>Economic Income</b>	<b>\$ 400</b>	<b>\$ 300</b>	<b>\$ 203</b>	<b>\$ 366</b>	<b>\$ 169</b>	<b>\$ 397</b>	<b>\$ 306</b>	<b>\$ 1,269</b>	<b>\$ 169</b>
(-) Net Performance Revenues	394	299	147	337	160	392	394	1,178	160
(-) Principal Investment Income (Loss)	11	31	(35)	41	30	(22)	50	47	30
(+) Equity-based Compensation	30	37	30	27	38	122	120	124	38
(+) Net Interest	12	14	12	12	11	53	51	49	11
(+) Reserve for Litigation and Contingencies	-	-	(25)	-	-	50	-	(25)	-
<b>Fee Related Earnings</b>	<b>\$ 37</b>	<b>\$ 20</b>	<b>\$ 108</b>	<b>\$ 27</b>	<b>\$ 28</b>	<b>\$ 252</b>	<b>\$ 33</b>	<b>\$ 192</b>	<b>\$ 28</b>
(+) Realized Net Performance Revenues	35	182	217	118	103	789	625	553	103
(+) Realized Principal Investment Income (Loss)	(5)	11	(53)	22	19	(65)	45	(26)	19
(+) Net Interest	(12)	(14)	(12)	(12)	(11)	(53)	(51)	(49)	(11)
<b>Distributable Earnings</b>	<b>\$ 55</b>	<b>\$ 199</b>	<b>\$ 260</b>	<b>\$ 156</b>	<b>\$ 139</b>	<b>\$ 923</b>	<b>\$ 652</b>	<b>\$ 670</b>	<b>\$ 139</b>

Note: Data as of 3/31/2018.

(1) Included in other operating expense (income) for the three months ended December 31, 2017 is a \$71.5 million adjustment for the revaluation of the tax receivable agreement liability as a result of the passage of the Tax Cuts and Jobs Act of 2017.