The Carlyle Group Announces Second Quarter 2017 Financial Results


Carlyle Co-CEO David M. Rubenstein said, “Carlyle produced another strong value creation quarter, with our net accrued carry balance increasing 46% year to date. As a result of the strong performance we have delivered for our fund investors, demand is high for new funds. We raised over $8 billion of capital in the second quarter with acceleration likely in the second half of 2017.”

Carlyle Co-CEO William E. Conway, Jr. said, “Our diverse carry fund portfolio appreciated 5% in the quarter and a robust 19% over the past twelve months. We continue to deploy capital at a steady pace. The environment for new investments remains competitive, but our deep, global teams continue to find good investments.”

U.S. GAAP results for Q2 2017 included income before provision for income taxes of $244 million, and net income attributable to the common unitholders through The Carlyle Group L.P. of $58 million, or net income per common unit of $0.59, on a diluted basis. U.S. GAAP results for the twelve months ended June 30, 2017 included income before provision for income taxes of $534 million and net income attributable to The Carlyle Group L.P. of $133 million. Total balance sheet assets were $11 billion as of June 30, 2017.

In addition to this release, Carlyle issued a full detailed presentation of its second quarter 2017 results, which can be viewed on the investor relations section of our website at ir.carlyle.com.

Settlement and final resolution of commodities related exposure

Included in our Q2 2017 quarterly results is the impact of settlements with investors in two commodities investment vehicles managed by an affiliate of Carlyle, thereby fully resolving investor claims relating to these matters. Net of previously recorded reserves and certain insurance proceeds, we recorded a charge of $6 million in connection with the settlements, which is included in general, administrative and other expense in Global Market Strategies. The full amount of the net charge affected GAAP earnings, Economic Net Income, Fee Related Earnings and Distributable Earnings. The charge is lower than our previous estimate of up to $60 million due to the offset of general liability insurance. We continue to pursue additional efforts to recover reimbursement.

With these settlements, Carlyle completes the exit of the commodities investment advisory business and other hedge fund investment advisory businesses that it had acquired from 2010 to 2014.

Distribution

The Board of Directors has declared a quarterly distribution of $0.42 per common unit to holders of record at the close of business on August 14, 2017, payable on August 21, 2017.
Conference Call

Carlyle will host a conference call at 8:30 a.m. EDT on Wednesday, August 2, 2017, to announce its second quarter 2017 financial results. The call may be accessed by dialing +1 (800) 850-2903 (U.S.) or +1 (253) 237-1169 (international) and referencing “The Carlyle Group Financial Results Call.” The conference call will be webcast simultaneously via a link on Carlyle’s investor relations website at ir.carlyle.com and an archived replay of the webcast also will be available on the website soon after the live call.

About The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with $170 billion of assets under management across 299 investment vehicles as of June 30, 2017. Carlyle’s purpose is to invest wisely and create value on behalf of its investors, many of whom are public pensions. Carlyle invests across four segments – Corporate Private Equity, Real Assets, Global Market Strategies and Investment Solutions – in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy, financial services, healthcare, industrial, real estate, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,550 people in 31 offices across six continents.

Forward Looking Statements

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, our liquidity and capital resources, contingencies, our distribution policy, and other non-historical statements. You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements including, but not limited to, those described under the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on February 16, 2017, 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. 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.

This release does not constitute an offer for any Carlyle fund.

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Videos: www.youtube.com/onecarlyle
Tweets: www.twitter.com/onecarlyle
Podcasts: www.carlyle.com/about-carlyle/market-commentary
The Carlyle Group Announces Second Quarter 2017 Financial Results

- U.S. GAAP results include income before provision for income taxes of $244 million and net income attributable to The Carlyle Group L.P. of $58 million, or $0.59 per common unit on a diluted basis, for Q2 2017

- Economic Net Income of $300 million on a pre-tax basis and $0.81 per Adjusted Unit on a post-tax basis in Q2 2017, driven by 5% carry fund portfolio appreciation

- Net accrued performance fees of $1.6 billion as of Q2 2017, up 9% from Q1 2017 and up 46% from year-end 2016

- $199 million of Distributable Earnings on a pre-tax basis for Q2 2017 and $0.56 per common unit on a post-tax basis in Q2 2017

- Declared a quarterly distribution of $0.42 per common unit for Q2 2017

- $6.0 billion in realized proceeds in Q2 2017 and $26.8 billion realized over the last twelve months

- $3.4 billion of invested capital in Q2 2017 and $16.8 billion invested over the last twelve months

- $8.4 billion in gross capital raised in Q2 2017 and $18.1 billion raised over the last twelve months


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Second Quarter Distribution

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Distribution Policy
It is Carlyle’s intention to cause Carlyle Holdings to make quarterly distributions to its partners, including The Carlyle Group L.P.’s wholly owned subsidiaries, that will enable The Carlyle Group L.P. to pay a quarterly distribution of approximately 75% of Distributable Earnings per common unit, net of taxes and amounts payable under the tax receivable agreement, for the quarter. Carlyle’s general partner may adjust the distribution for amounts determined to be necessary or appropriate to provide for the conduct of its business, to make appropriate investments in its business and its funds or to comply with applicable law or any of its financing agreements, or to provide for future cash requirements such as tax-related payments, clawback obligations and distributions to unitholders for any ensuing quarter. The amount to be distributed could also be adjusted upward in any one quarter. The declaration and payment of any distributions is at the sole discretion of Carlyle’s general partner, which may change or eliminate the distribution policy at any time.
Carlyle Consolidated GAAP Results

The Carlyle Group L.P.
Summary U.S. GAAP Condensed Consolidated Statements of Operations (Unaudited)

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Three Months Ended</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($ in millions, except per unit data)</td>
<td></td>
</tr>
<tr>
<td>Fund management fees</td>
<td>$272.5</td>
<td>$251.1</td>
</tr>
<tr>
<td>Total performance fees</td>
<td>210.9</td>
<td>214.7</td>
</tr>
<tr>
<td>Total investment income</td>
<td>65.3</td>
<td>70.5</td>
</tr>
<tr>
<td>Revenue from consolidated entities</td>
<td>54.3</td>
<td>61.7</td>
</tr>
<tr>
<td>All other revenues</td>
<td>5.0</td>
<td>5.3</td>
</tr>
<tr>
<td>Total revenues</td>
<td>608.0</td>
<td>607.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Three Months Ended</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($ in millions)</td>
<td></td>
</tr>
<tr>
<td>Base compensation</td>
<td>149.9</td>
<td>154.3</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>109.0</td>
<td>81.4</td>
</tr>
<tr>
<td>Total performance fee related compensation</td>
<td>96.5</td>
<td>110.9</td>
</tr>
<tr>
<td>General, administrative and other expenses</td>
<td>91.4</td>
<td>188.9</td>
</tr>
<tr>
<td>Expenses from consolidated entities</td>
<td>84.0</td>
<td>114.4</td>
</tr>
<tr>
<td>Interest and other nonoperating expenses</td>
<td>16.1</td>
<td>11.9</td>
</tr>
<tr>
<td>Total expenses</td>
<td>546.9</td>
<td>661.8</td>
</tr>
<tr>
<td>Net investment gains of consolidated funds</td>
<td>6.7</td>
<td>4.8</td>
</tr>
<tr>
<td>Income (loss) before provision for income taxes</td>
<td>67.8</td>
<td>(49.7)</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>24.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>43.5</td>
<td>(50.7)</td>
</tr>
<tr>
<td>Net income (loss) attributable to non-controlling interests in consolidated entities</td>
<td>1.6</td>
<td>(29.1)</td>
</tr>
<tr>
<td>Net income (loss) attributable to Carlyle Holdings</td>
<td>41.9</td>
<td>(21.6)</td>
</tr>
<tr>
<td>Net income (loss) attributable to non-controlling interests in Carlyle Holdings</td>
<td>35.8</td>
<td>(22.4)</td>
</tr>
<tr>
<td>Net income (loss) attributable to The Carlyle Group L.P.</td>
<td>$ 6.1</td>
<td>$ 0.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net income (loss) attributable to The Carlyle Group L.P. per common unit</th>
<th>Three Months Ended</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 0.07</td>
<td>$ 0.01</td>
</tr>
<tr>
<td>Diluted</td>
<td>$ 0.07</td>
<td>($ 0.02)</td>
</tr>
</tbody>
</table>

Income (loss) before provision for income taxes(1) was $244 million for Q2 2017, compared to $68 million for Q2 2016. The increase in income before provision for income taxes in Q2 2017 compared to Q2 2016 was primarily due to a $172 million increase in net performance fees and a decrease in equity-based compensation, partially offset by lower fund management fees.

Net income (loss) attributable to The Carlyle Group L.P. was $58 million, or $0.59 per common unit on a diluted basis for Q2 2017, compared to $6 million, or $0.07 per common unit on a diluted basis for Q2 2016.

(1) Income (loss) before provision for income taxes is the GAAP measure that is most directly comparable to Economic Net Income (ENI) and Distributable Earnings, which management uses to measure the performance of the business. In most periods, income (loss) before provision for income taxes will be lower than ENI principally due to excluding from ENI equity compensation from awards issued in conjunction with the initial public offering, acquisitions and strategic investments, as well as other acquisition-related charges, including amortization of intangibles and impairment. In periods of positive earnings, net income (loss) attributable to The Carlyle Group L.P. typically will be lower than ENI as net income (loss) attributable to The Carlyle Group L.P. only includes the portion of earnings (approximately 28% before taxes as of June 30, 2017) that is attributable to the public unitholders whereas the calculation of ENI reflects the adjusted earnings attributable to all unitholders. A full reconciliation is included on page 33. See "Non-GAAP Financial Information and Other Key Terms" for additional information.
**Non-GAAP Operating Results**

**Carlyle Group Summary ($ in millions, except unit and per unit amounts)**

<table>
<thead>
<tr>
<th></th>
<th>Quarter</th>
<th>LTM</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2 2016</td>
<td>Q3 2016</td>
<td>Q4 2016</td>
</tr>
<tr>
<td>Economic Net Income</td>
<td>$ 158.3</td>
<td>$ 53.5</td>
<td>$ 5.6</td>
</tr>
<tr>
<td>Fee-Related Earnings</td>
<td>44.9</td>
<td>30.8</td>
<td>(145.2)</td>
</tr>
<tr>
<td>Net Performance Fees</td>
<td>115.4</td>
<td>142.3</td>
<td>60.7</td>
</tr>
<tr>
<td>Realized Net Performance Fees</td>
<td>233.3</td>
<td>186.3</td>
<td>135.6</td>
</tr>
<tr>
<td>Distributable Earnings</td>
<td>287.5</td>
<td>228.2</td>
<td>7.4</td>
</tr>
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**Economic Net Income, Tax and Per Unit Information**

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<tbody>
<tr>
<td>Economic Net Income (pre-tax)</td>
<td>$ 158.3</td>
<td>$ 53.5</td>
<td>$ 5.6</td>
<td>$ 400.1</td>
<td>$ 300.1</td>
<td>$ 759.3</td>
<td></td>
<td></td>
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<tr>
<td>Less (Add): Provision (Benefit) for income taxes (1)</td>
<td>43.2</td>
<td>(16.2)</td>
<td>(0.8)</td>
<td>35.5</td>
<td>25.3</td>
<td></td>
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</tr>
<tr>
<td>Economic Net Income, After Taxes</td>
<td>$ 115.1</td>
<td>$ 69.7</td>
<td>$ 6.4</td>
<td>$ 364.6</td>
<td>$ 274.8</td>
<td>$ 896.5</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Adjusted Units (in millions)</td>
<td>328.6</td>
<td>330.2</td>
<td>330.2</td>
<td>333.7</td>
<td>337.5</td>
<td></td>
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<tr>
<td>Economic Net Income, After Taxes per Adjusted Unit</td>
<td>$ 0.35</td>
<td>$ 0.21</td>
<td>$ 0.02</td>
<td>$ 0.19</td>
<td>$ 0.81</td>
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**Distributable Earnings, Tax and Per Unit Information**

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</tr>
</thead>
<tbody>
<tr>
<td>Distributable Earnings</td>
<td>$ 287.5</td>
<td>$ 228.2</td>
<td>$ 7.4</td>
<td>$ 55.4</td>
<td>$ 198.9</td>
<td>$ 489.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Estimated foreign, state, and local taxes (2)</td>
<td>6.6</td>
<td>5.6</td>
<td>5.4</td>
<td>6.8</td>
<td>5.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributable Earnings, After Taxes</td>
<td>$ 280.9</td>
<td>$ 222.6</td>
<td>$ 2.0</td>
<td>$ 48.6</td>
<td>$ 193.3</td>
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Allocating Distributable Earnings for only public unitholders of The Carlyle Group L.P.

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<tbody>
<tr>
<td>Distributable Earnings to The Carlyle Group L.P.</td>
<td>$ 72.9</td>
<td>$ 57.8</td>
<td>$ 0.5</td>
<td>$ 13.0</td>
<td>$ 55.6</td>
<td></td>
<td></td>
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<tr>
<td>Less: Estimated current corporate income taxes (3)</td>
<td>1.4</td>
<td>1.4</td>
<td>1.2</td>
<td>1.5</td>
<td>1.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributable Earnings to The Carlyle Group L.P. net of corporate income taxes</td>
<td>$ 71.5</td>
<td>$ 56.4</td>
<td>(0.7)</td>
<td>$ 11.5</td>
<td>$ 53.8</td>
<td></td>
<td></td>
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<tr>
<td>Units in public float (in millions)</td>
<td>85.1</td>
<td>85.0</td>
<td>85.7</td>
<td>88.1</td>
<td>96.2</td>
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Distributable Earnings, net, per The Carlyle Group L.P. common unit outstanding

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</tr>
</thead>
<tbody>
<tr>
<td>Distributable Earnings, net, per The Carlyle Group L.P. common unit outstanding</td>
<td>$ 0.84</td>
<td>$ 0.66</td>
<td>$ 0.00</td>
<td>$ 0.13</td>
<td>$ 0.56</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Distribution per common unit</td>
<td>$ 0.63</td>
<td>$ 0.50</td>
<td>$ 0.16</td>
<td>$ 0.10</td>
<td>$ 0.42</td>
<td></td>
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**Note:** Totals may not sum due to rounding.

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(1) Represents the implied provision for income taxes that was calculated using a similar methodology as that used in calculating the provision for income taxes for The Carlyle Group L.P., without any reduction for non-controlling interests.
(2) For information regarding our calculation of Adjusted Units as of June 30, 2017, please see page 35.
(3) Represents the implied provision for current income taxes that was calculated using a similar methodology as that used in calculating the provision for current income taxes for The Carlyle Group L.P., without any reduction for non-controlling interests.
(4) Represents current corporate income taxes payable on Distributable Earnings allocated to Carlyle Holdings I GP Inc. and estimated current Tax Receivable Agreement payments owed.
(5) Includes 5,143,321 common units that were issued in July and August 2017 in connection with the vesting of deferred restricted common units. For purposes of this calculation, these common units have been added to the common units outstanding as of June 30, 2017 because they will participate in the unitholder distribution that will be paid on the common units in August 2017.
Carlyle's carry fund portfolio appreciated 5% during Q2 2017 and 19% over the past twelve months. Carlyle's private carry fund portfolio appreciated 6% and the public carry fund portfolio appreciated 10% during Q2 2017, excluding Investment Solutions. Carry fund valuations for Q2 2017 were positively impacted by broad based strength across our carry fund portfolio, notably in our fifth and sixth U.S. Buyout funds (CP V/VI), our latest vintage Asia Buyout fund (CAP IV), the latest vintage NGP Energy fund (NGP XI), and several U.S. opportunistic Real Estate funds, among others. Net accrued performance fee balance increased 9% during the quarter, or $132 million, to $1.6 billion, and increased 29% over the LTM.

<table>
<thead>
<tr>
<th>Fund Valuations ($ in millions)</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>LTM</th>
<th>Net Accrued Performance Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Carry Fund Appreciation/(Depreciation) (1)</td>
<td>4%</td>
<td>3%</td>
<td>5%</td>
<td>6%</td>
<td>5%</td>
<td>19%</td>
<td>$1,080</td>
</tr>
<tr>
<td>Corporate Private Equity (2)</td>
<td>4%</td>
<td>3%</td>
<td>4%</td>
<td>9%</td>
<td>8%</td>
<td>23%</td>
<td>$1,032</td>
</tr>
<tr>
<td>Buyout</td>
<td>4%</td>
<td>3%</td>
<td>4%</td>
<td>9%</td>
<td>9%</td>
<td>24%</td>
<td>$48</td>
</tr>
<tr>
<td>Growth Capital</td>
<td>3%</td>
<td>0%</td>
<td>3%</td>
<td>7%</td>
<td>4%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Real Assets (3)</td>
<td>7%</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>20%</td>
<td>$385</td>
</tr>
<tr>
<td>Real Estate</td>
<td>8%</td>
<td>0%</td>
<td>3%</td>
<td>5%</td>
<td>6%</td>
<td>15%</td>
<td>$296</td>
</tr>
<tr>
<td>Natural Resources (3)</td>
<td>11%</td>
<td>12%</td>
<td>0%</td>
<td>7%</td>
<td>6%</td>
<td>29%</td>
<td>$106</td>
</tr>
<tr>
<td>Legacy Energy</td>
<td>3%</td>
<td>1%</td>
<td>9%</td>
<td>3%</td>
<td>4%</td>
<td>17%</td>
<td>($17)</td>
</tr>
<tr>
<td>Global Market Strategies Carry Funds (2)</td>
<td>(2)%</td>
<td>0%</td>
<td>2%</td>
<td>7%</td>
<td>0%</td>
<td>11%</td>
<td>$44</td>
</tr>
<tr>
<td>Investment Solutions Carry Funds (2)</td>
<td>3%</td>
<td>2%</td>
<td>7%</td>
<td>3%</td>
<td>1%</td>
<td>14%</td>
<td>$55</td>
</tr>
<tr>
<td>Net Accrued Performance Fees</td>
<td>$1,564</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The sum of quarters may not equal LTM.
(1) Appreciation/(Depreciation) represents unrealized gain/(loss) for the period on a total return basis before fees and expenses. The percentage of return is calculated as: ending remaining investment fair market value plus net investment outflow (sales proceeds minus net purchases) minus beginning remaining investment fair market value divided by beginning remaining investment fair market value. Fund only, does not include co-investment.
(2) We generally earn performance fees (or carried interest) from our carry funds representing a 20% allocation of profits generated on third-party capital, and on which the general partner receives a special residual allocation of income from limited partners, which we refer to as carried interest, in the event that specified investment returns are achieved by the fund. Disclosures referring to carry funds also include the impact of certain commitments that do not earn carried interest, but are either part of, or associated with our carry funds. The rate of carried interest, as well as the share of carried interest allocated to Carlyle, may vary across the carry fund platform. See "Non-GAAP Financial Information and Other Key Terms" for more information.
(3) Natural Resources is comprised of NGP, infrastructure, power and international energy funds.
(4) Other primarily reflects the impact of foreign exchange.
## Carlyle All Segment Results

<table>
<thead>
<tr>
<th>$ in millions, unless noted</th>
<th>Q2 2016</th>
<th>Q2 2017</th>
<th>Prior LTM</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee-Related Earnings (FRE)</td>
<td>$45</td>
<td>$6</td>
<td>$196</td>
<td>$(83)</td>
</tr>
<tr>
<td>+ Net Realized Performance Fees</td>
<td>233</td>
<td>182</td>
<td>581</td>
<td>539</td>
</tr>
<tr>
<td>+ Realized Investment Income/(Loss)</td>
<td>9</td>
<td>11</td>
<td>28</td>
<td>33</td>
</tr>
<tr>
<td>= Distributable Earnings (DE)</td>
<td>$288</td>
<td>$199</td>
<td>$805</td>
<td>$490</td>
</tr>
</tbody>
</table>

### Commentary

Compared to Q2 2016, the decline in FRE was driven by a $15 million increase in fundraising expense and the $6 million net commodities charge. Lower Fee-Earning AUM also contributed to lower management fees in addition to a decline in catch up management fees. The LTM decline compared to the prior LTM was primarily due to the net charges incurred within Global Market Strategies in Q4 2016 and Q2 2017.

Net Realized Performance Fees in Q2 2017 were primarily driven by the sale of Pharmaceutical Product Development (CP VI), Multi Packaging Solutions (CEP III), Crystal Orange Hotels (CAP III), and several realizations in our U.S. Real Estate, Power, and Credit funds.

Realized Investment Income in Q2 2017 was driven by gains in U.S. Buyout and Europe Buyout investments offset by a modest loss realized in Urbplan Desenvolvimento Urbano S.A. ("Urbplan").

Net Performance Fees were driven by appreciation of 5% in our carry funds in Q2 2017 and 19% LTM. Year-to-date, approximately 65% of Net Performance Fees were generated by our current generation of carry funds that continue to invest new capital. Corporate Private Equity Buyout funds appreciated 9% for the second consecutive quarter, and have appreciated 24% over the LTM.

Q2 2017 Investment Income was driven by investment gains in U.S., Europe and Asia Buyout, U.S. and Europe Real Estate, and NGP and International Energy.

Equity-based Compensation increased this quarter relative to prior quarters, but we expect full year expense generally to be consistent with the prior year.

Fee-Earning AUM declined relative to Q2 2016 primarily due to strong realizations across the portfolio and the impact of approximately $5 billion in outflows and redemptions in our former hedge fund platform. Fundraising of $8.4 billion during the quarter included first closings in our new opportunistic U.S. real estate fund, opportunistic credit fund and third financial services fund, among others. As of the end of Q2 2017, pending Fee-Earning AUM, which represents funds raised not yet earning fees, was $9 billion, up from $4 billion at the end of Q1 2017.

Note: LTM, or last twelve months, refers to the period Q3 2016 through Q2 2017. Prior LTM, or the prior rolling 12-month period, refers to the period Q3 2015 through Q2 2016.

(1) Includes a $50 million reserve for ongoing litigation and contingencies taken in Q4 2015, which was allocated to the segments in the following manner: Corporate Private Equity ($27 million), Real Assets ($9 million), Global Market Strategies ($9 million) and Investment Solutions ($5 million).
### Corporate Private Equity (CPE)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q2 2017</th>
<th>Prior LTM</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Funds Raised</td>
<td>$0.3 billion</td>
<td>$1.4 billion</td>
<td>$2.7 billion</td>
<td>$8%</td>
</tr>
<tr>
<td>Invested Capital</td>
<td>$0.5 bn</td>
<td>$3.9 bn</td>
<td>$7.1 bn</td>
<td>$18%</td>
</tr>
<tr>
<td>Realized Proceeds</td>
<td>$0.3 billion</td>
<td>$1.4 billion</td>
<td>$2.7 billion</td>
<td>$8%</td>
</tr>
<tr>
<td>YTD: $0.5 bn</td>
<td>LTM: $0.9 bn</td>
<td>YTD: $3.7 bn</td>
<td>LTM: $12.1 bn</td>
<td>YTD: $3.7 bn</td>
</tr>
</tbody>
</table>

### Commentary

Compared to Q2 2016, the decline in FRE was driven by an $11 million decline in fee revenue related to lower Fee-Earning AUM and modestly higher compensation expense, partially offset by a $4 million decline in general, administrative and other expense.

CPE Net Realized Performance Fees in Q2 2017 were primarily driven by exits in Carlyle Partners V, Carlyle Europe Partners III and Carlyle Asia Partners III.

Realized Investment Income was driven by investment gains in U.S. Buyout and Europe Buyout.

### Fee-Related Earnings (FRE)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q2 2017</th>
<th>Prior LTM</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee-Related Earnings</td>
<td>$23</td>
<td>$13</td>
<td>$101</td>
<td>$59</td>
</tr>
<tr>
<td>Net Realized Performance Fees</td>
<td>$195</td>
<td>$151</td>
<td>$463</td>
<td>$502</td>
</tr>
<tr>
<td>Realized Investment Income</td>
<td>$18</td>
<td>$9</td>
<td>$35</td>
<td>$47</td>
</tr>
</tbody>
</table>

### Distributable Earnings (DE)

|                | $235 | $173 | $599 | $608 |

### Economic Net Income

|                | $58 | $242 | $23 | $689 |

### Fee-Earning Assets Under Management ($ bn)

|                | $38.9 | $36.2 |

(1) For a description of the "Other" amount, please see page 5.

### Fee-Earning Assets Under Management ($ in billions)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 16 - Q2 17</th>
<th>QoQ</th>
<th>YoY</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Net Income</td>
<td>58</td>
<td>63</td>
<td>71</td>
<td>313</td>
<td>242</td>
<td>689</td>
<td>(23)%</td>
<td>315%</td>
<td>NM</td>
</tr>
<tr>
<td>Fee-Related Earnings</td>
<td>23</td>
<td>17</td>
<td>19</td>
<td>10</td>
<td>13</td>
<td>59</td>
<td>34%</td>
<td>(40)%</td>
<td>(42)%</td>
</tr>
<tr>
<td>Net Performance Fees</td>
<td>33</td>
<td>101</td>
<td>0</td>
<td>313</td>
<td>224</td>
<td>638</td>
<td>(28)%</td>
<td>577%</td>
<td>NM</td>
</tr>
<tr>
<td>Realized Net Performance Fees</td>
<td>195</td>
<td>168</td>
<td>159</td>
<td>25</td>
<td>151</td>
<td>502</td>
<td>497%</td>
<td>(23)%</td>
<td>9%</td>
</tr>
<tr>
<td>Distributable Earnings</td>
<td>235</td>
<td>209</td>
<td>191</td>
<td>35</td>
<td>173</td>
<td>608</td>
<td>388%</td>
<td>(26)%</td>
<td>2%</td>
</tr>
<tr>
<td>Total Assets Under Management ($ in billions)</td>
<td>57.6</td>
<td>54.6</td>
<td>50.9</td>
<td>53.0</td>
<td>54.3</td>
<td>2%</td>
<td>(6)%</td>
<td>(6)%</td>
<td>(6)%</td>
</tr>
<tr>
<td>Fee-Earning Assets Under Management ($ in billions)</td>
<td>38.9</td>
<td>37.8</td>
<td>36.3</td>
<td>36.9</td>
<td>36.2</td>
<td>(2)%</td>
<td>(7)%</td>
<td>(7)%</td>
<td>(7)%</td>
</tr>
</tbody>
</table>

Note: Totals may not sum due to rounding.
### Real Assets

<table>
<thead>
<tr>
<th>Net Funds Raised</th>
<th>Invested Capital</th>
<th>Realized Proceeds</th>
<th>Fund Appreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>Q2</td>
<td>Q2</td>
<td>Q2</td>
</tr>
<tr>
<td>$3.7 billion</td>
<td>$0.8 billion</td>
<td>$0.9 billion</td>
<td>$0.8 billion</td>
</tr>
<tr>
<td>YTD: $4.7 bn</td>
<td>LTM: $5.2 bn</td>
<td>YTD: $1.5 bn</td>
<td>LTM: $5.2 bn</td>
</tr>
<tr>
<td>YTD: 11%</td>
<td>LTM: 20%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Invested capital, realized proceeds, and fund appreciation are for carry funds only.

<table>
<thead>
<tr>
<th>$ in millions, unless noted</th>
<th>Q2 2016</th>
<th>Q2 2017</th>
<th>Prior LTM</th>
<th>LTM</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee-Related Earnings (FRE)</td>
<td>$15</td>
<td>$(11)</td>
<td>$73</td>
<td>$17</td>
<td></td>
</tr>
<tr>
<td>Net Realized Performance Fees</td>
<td>34</td>
<td>22</td>
<td>95</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Realized Investment Income (Loss)</td>
<td>(10)</td>
<td>—</td>
<td>(11)</td>
<td>(21)</td>
<td></td>
</tr>
<tr>
<td>= Distributable Earnings (DE)</td>
<td>$39</td>
<td>$12</td>
<td>$156</td>
<td>$6</td>
<td></td>
</tr>
<tr>
<td>Fee-Related Earnings (FRE)</td>
<td>$15</td>
<td>$(11)</td>
<td>$73</td>
<td>$17</td>
<td></td>
</tr>
<tr>
<td>+ Net Performance Fees</td>
<td>74</td>
<td>64</td>
<td>169</td>
<td>210</td>
<td></td>
</tr>
<tr>
<td>+ Investment Income/ (Loss)</td>
<td>(3)</td>
<td>7</td>
<td>(2)</td>
<td>(10)</td>
<td></td>
</tr>
<tr>
<td>- Equity-based Compensation</td>
<td>7</td>
<td>9</td>
<td>25</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>- Other¹</td>
<td>—</td>
<td>—</td>
<td>9</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>= Economic Net Income</td>
<td>$79</td>
<td>$51</td>
<td>$206</td>
<td>$186</td>
<td></td>
</tr>
<tr>
<td>Fee-Earning Assets Under Management ($bn)</td>
<td>$30.4</td>
<td>$26.2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Totals may not sum due to rounding.

(1) For a description of the "Other" amount, please see page 5.

---

**Real Assets**

<table>
<thead>
<tr>
<th>Real</th>
<th>Quarter</th>
<th>LTM</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Net Income</td>
<td>Q2 2016</td>
<td>Q3 2016</td>
<td>Q4 2016</td>
</tr>
<tr>
<td>Fee-Related Earnings</td>
<td>15</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Net Performance Fees</td>
<td>74</td>
<td>28</td>
<td>52</td>
</tr>
<tr>
<td>Realized Net Performance Fees</td>
<td>34</td>
<td>11</td>
<td>(30)</td>
</tr>
<tr>
<td>Distributable Earnings</td>
<td>39</td>
<td>10</td>
<td>(20)</td>
</tr>
<tr>
<td>Total Assets Under Management ($ in billions)</td>
<td>37.5</td>
<td>35.7</td>
<td>34.3</td>
</tr>
<tr>
<td>Fee-Earning Assets Under Management ($ in billions)</td>
<td>30.4</td>
<td>28.9</td>
<td>27.5</td>
</tr>
</tbody>
</table>

Note: Totals may not sum due to rounding.

---

Compared to Q2 2016, the FRE decline was attributable to a $12 million increase in fundraising costs as well as an $8 million decline in fee revenue, partially owing to a $5 million decline in catch-up management fees. Fees on capital raised for our eighth U.S. real estate fund are not yet activated.

Net Realized Performance Fees in Q2 2017 were primarily driven by U.S. Real Estate and Power Opportunities.

Realized Investment Income was $0 in Q2 2017, as a small realized loss in Urbplan was offset by other investment gains.

Net Performance Fees were driven by fund appreciation in Real Assets of 6% in the quarter and 20% over the LTM.

Real Estate funds appreciated 6% in the quarter and 15% LTM. Our latest vintage U.S. opportunistic real estate fund, CRP VII, appreciated 6% in the quarter. NGP XI appreciated 7% in Q2 2017 and our international energy fund, CIEP, appreciated 19% in the quarter.

Investment Income in Q2 2017 was primarily attributable to appreciation on investments in U.S. and Europe Real Estate funds, NGP and International energy funds, and was partially offset by a modest loss in Urbplan.

Fee-Earning AUM declined relative to Q2 2016 primarily due to significant realizations, partially offset by deployment in our Core Plus real estate fund and new commitments to our China real estate fund. In Q2 2017, we had a first close on our eighth U.S. real estate fund, which increased Pending Fee-Earning AUM to $4 billion from under $1 billion last quarter.
Global Market Strategies (GMS) Net Funds Raised

| Quarter | Q2 2016 | Q2 2017 | YTD: $3.1 bn | LTM: $5.5 bn
|---------|---------|---------|---------------|---------------|

Invested Capital

| Quarter | Q2 2016 | Q2 2017 | YTD: $0.2 bn | LTM: $1.0 bn
|---------|---------|---------|---------------|---------------|

Realized Proceeds

| Quarter | Q2 2016 | Q2 2017 | YTD: $0.1 bn | LTM: $0.4 bn
|---------|---------|---------|---------------|---------------|

Fund Appreciation

| Quarter | Q2 2016 | Q2 2017 | YTD: 8% | LTM: 11%
|---------|---------|---------|---------|---------------|

Note: Invested capital, realized proceeds, and fund appreciation are for carry funds only.

### Commentary

The FRE decrease compared to Q2 2016 is attributable to the $6 million net charge to resolve our remaining legacy commodities exposure, as well as lower management fees due to lower Fee-Earning AUM and higher fundraising costs, partially offset by lower cash compensation. The decline in LTM FRE compared to the prior LTM was primarily driven by the negative impact of net charges associated with the commodities business.

Net Realized Performance Fees in Q2 2017 were primarily driven by Structured Credit, Distressed Debt, and our Business Development Company.

### Net Performance Fees

Net Performance Fees were attributable to gains in Structured Credit and our Business Development Company, as well as Distressed Credit. Appreciation in GMS carry funds was flat this quarter but have appreciated 11% over the LTM.

Our last two Distressed Credit funds, CSP III and CSP IV, appreciated 5% and 8%, respectively in the quarter, while our energy credit funds depreciated in the quarter.

### Investment Income

Investment Income was positively impacted by our CLOs.

### Fee-Earning AUM

Fee-Earning AUM declined relative to Q2 2016 primarily due to $5 billion in outflows and wind down of prior hedge fund interests, partially offset by fundraising for our fourth Distressed Credit fund. During Q2 2017, we had a first close in our new Opportunistic Credit fund and a follow on close in our first Carlyle Structured Credit fund. We priced three CLOs in the quarter, two in the U.S. and one in Europe.

(1) For a description of the "Other" amount, please see page 5.

### Global Market Strategies

#### Economic Net Income (Loss) $ in millions, except per unit data and where noted

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 16 - Q2 17</th>
<th>QoQ</th>
<th>YoY</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRE</td>
<td>12</td>
<td>(11)</td>
<td>(155)</td>
<td>15</td>
<td>1</td>
<td>(150)</td>
<td>(96)%</td>
<td>(95)%</td>
<td>NM</td>
</tr>
<tr>
<td>Net Performance Fees</td>
<td>5</td>
<td>10</td>
<td>4</td>
<td>11</td>
<td>8</td>
<td>32</td>
<td>(24)%</td>
<td>80%</td>
<td>219%</td>
</tr>
<tr>
<td>Realized Net Performance Fees</td>
<td>5</td>
<td>8</td>
<td>6</td>
<td>3</td>
<td>9</td>
<td>25</td>
<td>210%</td>
<td>91%</td>
<td>24%</td>
</tr>
<tr>
<td>Distributable Earnings</td>
<td>7</td>
<td>4</td>
<td>(169)</td>
<td>8</td>
<td>9</td>
<td>(148)</td>
<td>14%</td>
<td>33%</td>
<td>NM</td>
</tr>
<tr>
<td>Total Assets Under Management ($ in billions)</td>
<td>34.7</td>
<td>34.1</td>
<td>29.4</td>
<td>29.4</td>
<td>30.9</td>
<td>5%</td>
<td>(11)%</td>
<td>(11)%</td>
<td></td>
</tr>
<tr>
<td>Fee-Earning Assets Under Management ($ in billions)</td>
<td>28.7</td>
<td>29.0</td>
<td>24.1</td>
<td>24.4</td>
<td>25.2</td>
<td>3%</td>
<td>(12)%</td>
<td>(12)%</td>
<td></td>
</tr>
</tbody>
</table>

Note: Totals may not sum due to rounding.
## Investment Solutions

<table>
<thead>
<tr>
<th>Net Funds Raised</th>
<th>Invested Capital</th>
<th>Realized Proceeds</th>
<th>Fund Appreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>$1.7 billion</td>
<td>Q2</td>
<td>$2.3 billion</td>
</tr>
<tr>
<td>YTD:</td>
<td>$3.1 bn</td>
<td>LTM:</td>
<td>$4.3 bn</td>
</tr>
<tr>
<td></td>
<td>Q2</td>
<td>YTD:</td>
<td>LTM:</td>
</tr>
<tr>
<td></td>
<td>$1.0 billion</td>
<td>$4.2 bn</td>
<td>$9.2 bn</td>
</tr>
<tr>
<td></td>
<td>LTM:</td>
<td>LTM:</td>
<td>LTM:</td>
</tr>
<tr>
<td></td>
<td>$4.1 bn</td>
<td>$4.1 bn</td>
<td>$14%</td>
</tr>
</tbody>
</table>

Note: Invested capital, realized proceeds, and fund appreciation are for carry funds only.

$ in millions, unless noted

<table>
<thead>
<tr>
<th>Fee-Related Earnings (FRE)</th>
<th>Q2 2016</th>
<th>Q2 2017</th>
<th>Prior LTM</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$6</td>
<td>$5</td>
<td>$13</td>
<td>$22</td>
</tr>
</tbody>
</table>

+ Net Realized Performance Fees

<table>
<thead>
<tr>
<th>Prior LTM</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1</td>
<td>2</td>
</tr>
</tbody>
</table>

+ Realized Investment Income

<table>
<thead>
<tr>
<th>Prior LTM</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

= Distributable Earnings (DE)

| $7        | $5        | $16       | $24       |

<table>
<thead>
<tr>
<th>Fee-Related Earnings (FRE)</th>
<th>Q2 2016</th>
<th>Q2 2017</th>
<th>Prior LTM</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$6</td>
<td>$5</td>
<td>$13</td>
<td>$22</td>
</tr>
</tbody>
</table>

+ Net Performance Fees

<table>
<thead>
<tr>
<th>Prior LTM</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>17</td>
</tr>
</tbody>
</table>

+ Investment Income/(Loss)

<table>
<thead>
<tr>
<th>Prior LTM</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity-based Compensation</th>
<th>Prior LTM</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>

- Other

<table>
<thead>
<tr>
<th>Prior LTM</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
</tr>
</tbody>
</table>

= Economic Net Income

| $9        | $7        | $6        | $34       |

### Commentary

**Fee-Related Earnings (FRE)** were driven by fund appreciation in Investment Solutions of 1% in the quarter and 14% for the LTM. The Q2 2017 appreciation was negatively impacted by the strength in the Euro relative to the U.S. dollar. Excluding the impact of investment-level foreign exchange translation, Investment Solutions funds appreciated 5% during the quarter.

Net Performance Fees were driven by fund appreciation in Investment Solutions of 1% in the quarter and 14% for the LTM. The Q2 2017 appreciation was negatively impacted by the strength in the Euro relative to the U.S. dollar. Excluding the impact of investment-level foreign exchange translation, Investment Solutions funds appreciated 5% during the quarter.

Fee-Earning AUM increased relative to Q2 2016 as inflows offset the effect of realizations and outflows, and foreign exchange and market appreciation positively impacted Fee-Earning AUM. Funds raised during the quarter included a first close on the latest Metropolitan Real Estate funds vehicle and follow on closes in AlpInvest’s latest Co-Investment and Funds programs.

### Table: Investment Solutions

<table>
<thead>
<tr>
<th>$ in millions, except per unit data and where noted</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 16 - Q2 17</th>
<th>QoQ</th>
<th>YoY</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Net Income (Loss)</td>
<td>9</td>
<td>(3)</td>
<td>17</td>
<td>12</td>
<td>7</td>
<td>34</td>
<td>(41)%</td>
<td>(26)%</td>
<td>432%</td>
</tr>
<tr>
<td>Fee-Related Earnings</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>8</td>
<td>5</td>
<td>22</td>
<td>(35)%</td>
<td>(16)%</td>
<td>66%</td>
</tr>
<tr>
<td>Net Performance Fees</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>17</td>
<td>(23)%</td>
<td>(16)%</td>
<td>58%</td>
</tr>
<tr>
<td>Realized Net Performance Fees</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>(40)%</td>
<td>(40)%</td>
<td>(29)%</td>
</tr>
<tr>
<td>Distributable Earnings</td>
<td>7</td>
<td>6</td>
<td>4</td>
<td>9</td>
<td>5</td>
<td>24</td>
<td>(37)%</td>
<td>(19)%</td>
<td>48%</td>
</tr>
<tr>
<td>Total Assets Under Management ($ in billions)</td>
<td>45.7</td>
<td>44.7</td>
<td>43.1</td>
<td>44.0</td>
<td>45.7</td>
<td>4%</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Fee-Earning Assets Under Management ($ in billions)</td>
<td>27.2</td>
<td>28.1</td>
<td>27.1</td>
<td>26.4</td>
<td>28.5</td>
<td>8%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Note: Totals may not sum due to rounding.
**Fund Activity Metrics ($ billions)**

### By Quarter

**Net Fundraising**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net Fundraising</th>
<th>Prior LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2016</td>
<td>$1.8</td>
<td></td>
</tr>
<tr>
<td>Q4 2016</td>
<td>$2.7</td>
<td></td>
</tr>
<tr>
<td>Q1 2017</td>
<td>$3.0</td>
<td></td>
</tr>
<tr>
<td>Q2 2017</td>
<td>$8.4</td>
<td></td>
</tr>
<tr>
<td>LTM</td>
<td>$15.9</td>
<td>$11.0</td>
</tr>
</tbody>
</table>

### Invested Capital

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Invested Capital</th>
<th>Prior LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2016</td>
<td>$2.9</td>
<td></td>
</tr>
<tr>
<td>Q4 2016</td>
<td>$6.1</td>
<td></td>
</tr>
<tr>
<td>Q1 2017</td>
<td>$4.4</td>
<td></td>
</tr>
<tr>
<td>Q2 2017</td>
<td>$3.4</td>
<td></td>
</tr>
<tr>
<td>LTM</td>
<td>$16.8</td>
<td>$17.2</td>
</tr>
</tbody>
</table>

### Realized Proceeds

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Realized Proceeds</th>
<th>Prior LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2016</td>
<td>$8.8</td>
<td></td>
</tr>
<tr>
<td>Q4 2016</td>
<td>$8.5</td>
<td></td>
</tr>
<tr>
<td>Q1 2017</td>
<td>$3.6</td>
<td></td>
</tr>
<tr>
<td>Q2 2017</td>
<td>$6.0</td>
<td></td>
</tr>
<tr>
<td>LTM</td>
<td>$26.8</td>
<td>$25.4</td>
</tr>
</tbody>
</table>

Note: Totals may not sum due to rounding.

(1) Net of redemptions.
Total Assets Under Management

$ in billions, unless noted

<table>
<thead>
<tr>
<th></th>
<th>Q2 2017</th>
<th>vs. Last Quarter</th>
<th>%</th>
<th>Q2 2016</th>
<th>vs. One Year Ago</th>
<th>%</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPE</td>
<td>54.3</td>
<td></td>
<td></td>
<td>57.6</td>
<td>(6)%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RA</td>
<td>38.9</td>
<td></td>
<td></td>
<td>37.5</td>
<td>4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GMS</td>
<td>30.9</td>
<td></td>
<td></td>
<td>34.7</td>
<td>(11)%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IS</td>
<td>45.7</td>
<td></td>
<td></td>
<td>45.7</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>169.8</td>
<td>161.9</td>
<td>5%</td>
<td>175.6</td>
<td>(3)%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Commentary**
Total AUM of $170 billion increased 5% from Q1 2017 due to new capital raised across the platform, notably in Real Assets, fund appreciation, and the positive impact of FX translation. Total AUM declined 3% from Q2 2016.

### Total AUM Roll Forward (LTM)

($ in billions)

<table>
<thead>
<tr>
<th></th>
<th>Beginning Total AUM</th>
<th>New Commitments</th>
<th>Distributions</th>
<th>Divestment of Operations</th>
<th>Market Activity</th>
<th>Other 1</th>
<th>Ending Total AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CPE</strong></td>
<td>$176</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RA</strong></td>
<td>$12</td>
<td></td>
<td>$27</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GMS</strong></td>
<td>$20.6</td>
<td></td>
<td>$115.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>IS</strong></td>
<td>$54.3</td>
<td></td>
<td></td>
<td></td>
<td>$169.8</td>
<td></td>
<td>$170</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$63.5</td>
<td>$29.9</td>
<td>$1.7</td>
<td>$54.1</td>
<td>$169.8</td>
<td>$2</td>
<td>$170</td>
</tr>
</tbody>
</table>

### Remaining Fair Value and Available Capital

**Note:** Data as of June 30, 2017. Totals may not sum due to rounding. (1) Comprised of foreign exchange impact, changes in CLO collateral balances, net subscriptions/(redemptions) in the hedge fund platform and the impact of capital calls for fees and expenses. (2) Comprised of Structured Credit ($18.8 billion) and BDC ($1.8 billion). (3) Includes NGP Management Fee funds. (4) Reflects percentage of remaining fair value attributable to investments originated in 2012 or prior. (5) Reflects percentage of remaining fair value attributable to funds or vehicles in an accrued carry position as of June 30, 2017.
### Fee-Earning Assets Under Management

<table>
<thead>
<tr>
<th></th>
<th>Q2 2017</th>
<th>Q1 2017</th>
<th>%</th>
<th>Q2 2016</th>
<th>%</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPE</td>
<td>36.2</td>
<td>36.9</td>
<td>(2)%</td>
<td>38.9</td>
<td>(7)%</td>
<td>Fee-Earning AUM increased 1% relative to Q1 2017, as inflows and the positive impact of FX offset step downs and realizations. We have $9 billion in pending Fee-Earning AUM that has been raised but has not yet turned on fees. Fee-Earning AUM declined 7% relative to Q2 2016 largely driven by realizations and the elimination of $5.2 billion in hedge fund platform related Fee-Earning Assets Under Management.</td>
</tr>
<tr>
<td>RA</td>
<td>26.2</td>
<td>27.2</td>
<td>(4)%</td>
<td>30.4</td>
<td>(14)%</td>
<td></td>
</tr>
<tr>
<td>GMS</td>
<td>25.2</td>
<td>24.4</td>
<td>3%</td>
<td>28.7</td>
<td>(12)%</td>
<td></td>
</tr>
<tr>
<td>IS</td>
<td>28.5</td>
<td>26.4</td>
<td>8%</td>
<td>27.2</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>116.1</td>
<td>114.9</td>
<td>1%</td>
<td>125.3</td>
<td>(7)%</td>
<td></td>
</tr>
</tbody>
</table>

### Fee-Earning AUM Roll Forward (LTM) ($ in billions)

- **Beginning Fee-Earning AUM**: $125
- **New Commitments or Invested Capital**: $12
- **Realizations or Step-downs**: $16
- **Divestment of Operations**: $4
- **Other**: $1
- **Ending Fee-Earning AUM**: $116

**Note**: As of June 30, 2017.

### Balance Sheet Highlights

The amounts presented below exclude the effect of U.S. GAAP consolidation eliminations on investments and accrued performance fees, as well as cash and debt associated with Carlyle’s consolidated funds. All data is as of June 30, 2017.

- Cash and Cash Equivalents and Corporate Treasury Investments\(^{(1)}\) of $905 million.
- On-balance sheet investments attributable to unitholders of $677 million\(^{(2)}\), excluding the equity investment by Carlyle in NGP Energy Capital Management.
- Net accrued performance fees attributable to unitholders of $1.6 billion. These performance fees are comprised of $3.4 billion of gross accrued performance fees, less $0.2 billion in accrued giveback obligation and $1.6 billion in accrued performance fee compensation and non-controlling interest.
- Debt obligations, consisting of loans, senior notes, and promissory notes totaling $1.4 billion.

---

\(^{(1)}\) 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.

\(^{(2)}\) Included in our on-balance sheet investments is approximately $152 million of loans used to finance our investments in CLOs.
Conference Call

Carlyle will host a conference call at 8:30 a.m. EDT on Wednesday, August 2, 2017, to announce its second quarter 2017 financial results. The call may be accessed by dialing +1 (800) 850-2903 (U.S.) or +1 (253) 237-1169 (international) and referencing “The Carlyle Group Financial Results Call.” The conference call will be webcast simultaneously via a link on Carlyle’s investor relations website at ir.carlyle.com and an archived replay of the webcast also will be available on the website soon after the live call.

About The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with $170 billion of assets under management across 499 investment vehicles as of June 30, 2017. Carlyle’s purpose is to invest wisely and create value on behalf of its investors, many of whom are public pensions. Carlyle invests across four segments – Corporate Private Equity, Real Assets, Global Market Strategies and Investment Solutions – in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy, financial services, healthcare, industrial, real estate, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,550 people in 31 offices across six continents.

Web: www.carlyle.com
Videos: www.youtube.com/onecarlyle
Tweets: www.twitter.com/onecarlyle
Podcasts: www.carlyle.com/about-carlyle/market-commentary

Contacts:

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Phone: +1 (212) 813-4527
daniel.harris@carlyle.com

Media
Elizabeth Gill
Phone: +1 (202) 729-5385
elizabeth.gill@carlyle.com

Forward Looking Statements

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, our liquidity and capital resources, contingencies, our distribution policy, and other non-historical statements. You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements including, but not limited to, those described under the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on February 16, 2017, 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. 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.

This release does not constitute an offer for any Carlyle fund.
## The Carlyle Group L.P.
### GAAP Statement of Operations (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Six Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun 30,</td>
<td>Jun 30,</td>
<td>Jun 30,</td>
<td>Jun 30,</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund management fees</td>
<td>$272.5</td>
<td>$238.8</td>
<td>$562.0</td>
<td>$485.1</td>
</tr>
<tr>
<td>Performance fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized</td>
<td>389.9</td>
<td>357.7</td>
<td>521.7</td>
<td>440.9</td>
</tr>
<tr>
<td>Unrealized</td>
<td>(179.0)</td>
<td>185.9</td>
<td>(165.6)</td>
<td>784.3</td>
</tr>
<tr>
<td>Total performance fees</td>
<td>210.9</td>
<td>543.6</td>
<td>356.1</td>
<td>1,225.2</td>
</tr>
<tr>
<td>Investment income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized</td>
<td>38.9</td>
<td>26.7</td>
<td>51.5</td>
<td>26.5</td>
</tr>
<tr>
<td>Unrealized</td>
<td>26.4</td>
<td>32.3</td>
<td>4.2</td>
<td>78.8</td>
</tr>
<tr>
<td>Total investment income</td>
<td>65.3</td>
<td>59.0</td>
<td>55.7</td>
<td>105.3</td>
</tr>
<tr>
<td>Interest and other income</td>
<td>5.0</td>
<td>5.6</td>
<td>9.7</td>
<td>16.0</td>
</tr>
<tr>
<td>Interest and other income of Consolidated Funds</td>
<td>35.9</td>
<td>45.0</td>
<td>64.8</td>
<td>87.9</td>
</tr>
<tr>
<td>Revenue of a consolidated real estate VIE</td>
<td>18.4</td>
<td>16.4</td>
<td>42.8</td>
<td>109.0</td>
</tr>
<tr>
<td>Total revenues</td>
<td>608.0</td>
<td>908.4</td>
<td>1,091.1</td>
<td>2,028.5</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base compensation</td>
<td>149.9</td>
<td>151.0</td>
<td>316.2</td>
<td>297.0</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>109.0</td>
<td>88.0</td>
<td>184.4</td>
<td>160.8</td>
</tr>
<tr>
<td>Performance fee related</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized</td>
<td>172.4</td>
<td>166.7</td>
<td>234.0</td>
<td>212.5</td>
</tr>
<tr>
<td>Unrealized</td>
<td>(75.9)</td>
<td>90.4</td>
<td>(68.0)</td>
<td>361.7</td>
</tr>
<tr>
<td>Total compensation and benefits</td>
<td>355.4</td>
<td>496.1</td>
<td>666.6</td>
<td>1,032.0</td>
</tr>
<tr>
<td>General, administrative and other expenses</td>
<td>91.4</td>
<td>95.8</td>
<td>173.7</td>
<td>189.6</td>
</tr>
<tr>
<td>Interest</td>
<td>15.4</td>
<td>16.5</td>
<td>30.7</td>
<td>31.5</td>
</tr>
<tr>
<td>Interest and other expenses of Consolidated Funds</td>
<td>31.6</td>
<td>78.5</td>
<td>55.0</td>
<td>123.7</td>
</tr>
<tr>
<td>Interest and other expenses of a consolidated real estate VIE</td>
<td>52.4</td>
<td>18.4</td>
<td>75.8</td>
<td>138.0</td>
</tr>
<tr>
<td>Other non-operating expense</td>
<td>0.7</td>
<td>0.1</td>
<td>4.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Total expenses</td>
<td>546.9</td>
<td>705.4</td>
<td>1,006.3</td>
<td>1,514.9</td>
</tr>
<tr>
<td><strong>Other income (loss)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment gains (losses) of Consolidated Funds</td>
<td>6.7</td>
<td>40.7</td>
<td>(1.7)</td>
<td>57.8</td>
</tr>
<tr>
<td>Income before provision for income taxes</td>
<td>67.8</td>
<td>243.7</td>
<td>83.1</td>
<td>571.4</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>24.3</td>
<td>13.2</td>
<td>31.7</td>
<td>19.0</td>
</tr>
<tr>
<td>Net income</td>
<td>43.5</td>
<td>230.5</td>
<td>51.4</td>
<td>552.4</td>
</tr>
<tr>
<td>Net income (loss) attributable to non-controlling interests in consolidated entities</td>
<td>1.6</td>
<td>16.5</td>
<td>(0.7)</td>
<td>19.8</td>
</tr>
<tr>
<td>Net income attributable to Carlyle Holdings</td>
<td>41.9</td>
<td>214.0</td>
<td>52.1</td>
<td>532.6</td>
</tr>
<tr>
<td>Net income attributable to non-controlling interests in Carlyle Holdings</td>
<td>35.8</td>
<td>156.4</td>
<td>37.6</td>
<td>392.0</td>
</tr>
<tr>
<td>Net income attributable to The Carlyle Group L.P.</td>
<td>$6.1</td>
<td>$57.6</td>
<td>$14.5</td>
<td>$140.6</td>
</tr>
<tr>
<td><strong>Net income attributable to The Carlyle Group L.P. per common unit</strong></td>
<td>$0.07</td>
<td>$0.65</td>
<td>$0.18</td>
<td>$1.61</td>
</tr>
<tr>
<td>Basic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted (1)</td>
<td></td>
<td></td>
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<tr>
<td>Basic</td>
<td>$0.07</td>
<td>$0.59</td>
<td>$0.09</td>
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<td>Diluted</td>
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<td>Weighted-average common units</td>
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<td>Basic</td>
<td>81,683,415</td>
<td>88,801,343</td>
<td>81,284,238</td>
<td>87,079,007</td>
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<td>Diluted</td>
<td>85,849,938</td>
<td>96,986,255</td>
<td>304,176,760</td>
<td>94,486,422</td>
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</table>

(1) Included in net income attributable to The Carlyle Group L.P. on a fully diluted basis is incremental net income from the assumed exchange of Carlyle Holdings partnership units of $13.6 million for the six months ended June 30, 2016.
Total Segment Information (Unaudited)

The following table sets forth information in the format used by management when making resource deployment decisions and in assessing the performance of our segments. The information below is the aggregate results of our four segments.

<table>
<thead>
<tr>
<th>Total Segment Revenues</th>
<th>Three Months Ended</th>
<th>Twelve Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund level fee revenues</strong></td>
<td></td>
<td></td>
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<tr>
<td>Fund management fees</td>
<td>$279.7</td>
<td>$255.6</td>
</tr>
<tr>
<td>Portfolio advisory fees, net</td>
<td>5.8</td>
<td>4.0</td>
</tr>
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<td>Transaction fees, net</td>
<td>2.6</td>
<td>7.7</td>
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<tr>
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<td>288.1</td>
<td>267.3</td>
</tr>
<tr>
<td><strong>Performance fees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized</td>
<td>406.3</td>
<td>83.0</td>
</tr>
<tr>
<td>Unrealized</td>
<td>(196.0)</td>
<td>631.7</td>
</tr>
<tr>
<td>Total performance fees</td>
<td>210.3</td>
<td>714.7</td>
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<td><strong>Investment income (loss)</strong></td>
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<td></td>
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<tr>
<td>Realized</td>
<td>9.3</td>
<td>(5.4)</td>
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<tr>
<td>Unrealized</td>
<td>19.6</td>
<td>16.0</td>
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<td>28.9</td>
<td>10.6</td>
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<tr>
<td><strong>Total Segment Revenues</strong></td>
<td>$532.5</td>
<td>$1,001.2</td>
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<table>
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<th>Total Segment Expenses</th>
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<th>Twelve Months Ended</th>
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<tr>
<td><strong>Compensation and benefits</strong></td>
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<td></td>
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<tr>
<td>Direct base compensation</td>
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<td>$108.3</td>
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<tr>
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<td>30.9</td>
<td>30.1</td>
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<tr>
<td>Performance fee related</td>
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<tr>
<td>Realized</td>
<td>173.0</td>
<td>47.7</td>
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<tr>
<td>Unrealized</td>
<td>(78.1)</td>
<td>272.9</td>
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<td>Total compensation and benefits</td>
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<td>General, administrative, and other indirect expenses</td>
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<td>Depreciation and amortization expense</td>
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<td>7.5</td>
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<tr>
<td><strong>Economic Net Income</strong></td>
<td>$158.3</td>
<td>$400.1</td>
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<td>(+) Net Performance Fees</td>
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<td>10.6</td>
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<td>30.1</td>
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<td>(+) Realized Net Performance Fees</td>
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<td>35.3</td>
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<td>(5.4)</td>
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<td>(=) Distributable Earnings</td>
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<td>$55.4</td>
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Total Segment Information (Unaudited), cont.

### Three Months Ended

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<td>263.3</td>
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<td>(4.0)</td>
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<td>17.0</td>
<td>(5.4)</td>
<td>10.6</td>
<td>1.3</td>
<td>16.0</td>
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<td>(2.5)</td>
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<td>1.0</td>
<td>20.6</td>
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<td>31.2</td>
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<td>3.4</td>
<td>2.4</td>
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<td>(1.0)</td>
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<td>2.8</td>
<td>0.1</td>
<td>(2.4)</td>
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<td>$435.5</td>
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<td>$326.5</td>
<td>($142.2)</td>
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<tr>
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<td>$107.1</td>
<td>$99.7</td>
<td>$108.3</td>
<td>$103.4</td>
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<td>(4.9)</td>
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<td>39.0</td>
<td>49.6</td>
<td>11.2</td>
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<td>32.9</td>
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<td>36.7</td>
<td>5.8</td>
<td>6.6</td>
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<tr>
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<td>194.6</td>
<td>161.0</td>
<td>47.7</td>
<td>170.6</td>
<td>(2.4)</td>
<td>122.9</td>
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<td>(81.9)</td>
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<td>272.9</td>
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<td>449.6</td>
<td>176.9</td>
<td>(48.4)</td>
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<td>80.6</td>
<td>85.4</td>
<td>6.7</td>
<td>4.8</td>
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<tr>
<td>Depreciation and amortization expense</td>
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<td>7.2</td>
<td>7.2</td>
<td>7.5</td>
<td>7.5</td>
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<td>15.6</td>
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<td>16.4</td>
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<td>$601.1</td>
<td>$558.9</td>
<td>$184.7</td>
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### Three Months Ended

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<td></td>
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<td></td>
<td></td>
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<tr>
<td>Total Segment Revenues</td>
<td>$532.5</td>
<td>$539.5</td>
<td>$435.5</td>
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<td>$859.0</td>
<td>$326.5</td>
<td>($142.2)</td>
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<tr>
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<td>374.2</td>
<td>486.0</td>
<td>429.9</td>
<td>601.1</td>
<td>558.9</td>
<td>184.7</td>
<td>(42.2)</td>
</tr>
<tr>
<td>Economic Net Income</td>
<td>$158.3</td>
<td>$53.5</td>
<td>$5.6</td>
<td>$400.1</td>
<td>$300.1</td>
<td>$141.8</td>
<td>($100.0)</td>
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<td>(+) Net Performance Fees</td>
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<td>60.7</td>
<td>394.1</td>
<td>299.4</td>
<td>184.0</td>
<td>(94.7)</td>
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<tr>
<td>(+) Investment Income (Loss)</td>
<td>28.9</td>
<td>13.3</td>
<td>14.5</td>
<td>10.6</td>
<td>31.2</td>
<td>2.3</td>
<td>20.6</td>
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<td>(+) Equity-based compensation</td>
<td>30.9</td>
<td>32.9</td>
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<td>36.7</td>
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<td>(+) Reserve for Litigation and Contingencies</td>
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<td>146.8</td>
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<td>11.1</td>
<td>17.0</td>
<td>(5.4)</td>
<td>10.6</td>
<td>1.3</td>
<td>16.0</td>
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<tr>
<td>(=) Distributable Earnings</td>
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## Corporate Private Equity Segment Results (Unaudited)

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<td>7.7</td>
<td>1.2</td>
<td>(1.4) vs (6.5)</td>
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<td>127.2</td>
<td>132.2</td>
<td>127.2</td>
<td>123.4</td>
<td>(11.2) vs (3.8)</td>
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<td>337.9</td>
<td>311.1</td>
<td>285.3</td>
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<td>272.1</td>
<td>(65.8) vs 220.8</td>
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<td>(281.3)</td>
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<td>18.0</td>
<td>24.1</td>
<td>13.7</td>
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<td>8.9</td>
<td>(9.1) vs 8.7</td>
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<td>1.7</td>
<td>5.5</td>
<td>13.3</td>
<td>10.3 vs 7.8</td>
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<td>1.2 vs 16.5</td>
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<td>0.8</td>
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<td>1.3</td>
<td>2.0</td>
<td>1.3</td>
<td>1.3</td>
<td>0.1</td>
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<td>154.3</td>
<td>701.9</td>
<td>562.7</td>
<td>346.0 vs 139.2</td>
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</tbody>
</table>

| Expenses | | | | | | | |
| Compensation and benefits | | | | | | | |
| Direct base compensation | | 53.3 | 52.7 | 45.0 | 55.4 | 54.7 | 1.4 vs 0.7 |
| Indirect base compensation | | 18.2 | 17.8 | 23.2 | 18.7 | 18.0 | (0.2) vs (0.7) |
| Equity-based compensation | | 18.4 | 19.8 | 13.3 | 15.0 | 17.8 | (0.6) vs 2.8 |
| Performance fee related | | | | | | | |
| Realized | | 143.3 | 143.5 | 126.7 | 26.1 | 121.6 | (21.7) vs 95.5 |
| Unrealized | | (117.4) | (57.8) | (122.7) | 227.8 | 69.4 | 186.8 vs (158.4) |
| Total compensation and benefits | | 115.8 | 176.0 | 85.5 | 343.0 | 281.5 | 165.7 vs (61.5) |
| General, administrative, and other indirect expenses | | 32.0 | 81.4 | (12.4) | 35.0 | 28.4 | (3.6) vs (6.6) |
| Depreciation and amortization expense | | 3.4 | 3.4 | 3.4 | 3.7 | 3.7 | 0.3 |
| Interest expense | | 7.3 | 7.0 | 7.0 | 6.8 | 7.3 | — vs 0.5 |
| Total expenses | | 158.5 | 267.8 | 83.5 | 388.5 | 320.9 | 162.4 vs (67.6) |

| Economic Net Income | | | | | | | |
| (-) Net Performance Fees | | $33.1 | $101.2 | — | $312.7 | $224.0 | $190.9 vs (88.7) |
| (+) Investment Income | | 21.0 | 14.5 | 15.4 | 5.7 | 22.2 | 1.2 vs 16.5 |
| (+) Equity-based compensation | | 18.4 | 19.8 | 13.3 | 15.0 | 17.8 | (0.6) vs 2.8 |
| (+) Reserve for Litigation and Contingencies | | 49.8 | — | — | — | — |
| (+) Realized Net Performance Fees | | 194.6 | 167.6 | 158.6 | 25.2 | 150.5 | (44.1) vs 125.3 |
| (+) Realized Investment Income | | 18.0 | 24.1 | 13.7 | 0.2 | 8.9 | (9.1) vs 8.7 |
| (=) Fee Related Earnings | | $22.5 | $16.9 | $18.9 | $10.0 | $13.4 | $9.1 vs 3.4 |
| (+) Realized Net Performance Fees | | 194.6 | 167.6 | 158.6 | 25.2 | 150.5 | (44.1) vs 125.3 |
| (+) Realized Investment Income | | 18.0 | 24.1 | 13.7 | 0.2 | 8.9 | (9.1) vs 8.7 |
| (=) Distributable Earnings | | $235.1 | $208.6 | $191.2 | $35.4 | $172.8 | $62.3 vs 137.4 |
### Real Assets Segment Results (Unaudited)

#### Three Months Ended

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<td></td>
<td>(Dollars in millions)</td>
<td>(Dollars in millions)</td>
<td>(Dollars in millions)</td>
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#### Revenues

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<td>$60.3</td>
<td>$59.1</td>
<td>$56.0</td>
<td>$58.2</td>
<td>$(8.3) $2.2</td>
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<td>Portfolio advisory fees, net</td>
<td>0.1</td>
<td>—</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>—</td>
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<tr>
<td>Transaction fees, net</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<tr>
<td><strong>Total fee revenues</strong></td>
<td><strong>66.6</strong></td>
<td><strong>60.3</strong></td>
<td><strong>59.2</strong></td>
<td><strong>56.1</strong></td>
<td><strong>58.3</strong></td>
<td><strong>(8.3) $2.2</strong></td>
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#### Performance fees

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<td>Realized</td>
<td>58.8</td>
<td>19.2</td>
<td>(26.7)</td>
<td>13.5</td>
<td>39.7</td>
<td>(19.1) 26.2</td>
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<tr>
<td>Unrealized</td>
<td>66.1</td>
<td>2.0</td>
<td>108.2</td>
<td>78.7</td>
<td>60.6</td>
<td>(5.5) (18.1)</td>
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<td><strong>Total performance fees</strong></td>
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<td><strong>21.2</strong></td>
<td><strong>81.5</strong></td>
<td><strong>92.2</strong></td>
<td><strong>100.3</strong></td>
<td><strong>(24.6) 8.1</strong></td>
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#### Investment income (loss)

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<td>Realized</td>
<td>(9.5)</td>
<td>(14.1)</td>
<td>0.8</td>
<td>(8.1)</td>
<td>0.3</td>
<td>9.8 8.4</td>
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<td>6.7</td>
<td>4.5</td>
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<td>5.2</td>
<td>6.8</td>
<td>0.1 1.6</td>
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<td><strong>Total investment income (loss)</strong></td>
<td><strong>(2.8) (9.6) (4.3) (2.9) 7.1</strong></td>
<td><strong>9.9 10.0</strong></td>
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#### Expenses

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<td>16.7</td>
<td>19.7</td>
<td>17.4</td>
<td>(0.6) 2.3</td>
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<td>Indirect base compensation</td>
<td>10.1</td>
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<td>10.9</td>
<td>10.9</td>
<td>19.9</td>
<td>9.8 9.0</td>
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<tr>
<td>Equity-based compensation</td>
<td>7.0</td>
<td>7.1</td>
<td>6.0</td>
<td>8.8</td>
<td>9.3</td>
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#### Performance fee related compensation

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<tr>
<td>Realized</td>
<td>25.3</td>
<td>8.7</td>
<td>2.8</td>
<td>6.8</td>
<td>17.4</td>
<td>(7.9) 10.6</td>
</tr>
<tr>
<td>Unrealized</td>
<td>26.1</td>
<td>(15.7)</td>
<td>26.7</td>
<td>19.3</td>
<td>19.2</td>
<td>(6.9) (0.1)</td>
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<tr>
<td><strong>Total compensation and benefits</strong></td>
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<td><strong>63.1</strong></td>
<td><strong>65.5</strong></td>
<td><strong>83.2</strong></td>
<td><strong>(3.3) 17.7</strong></td>
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#### General, administrative, and other indirect expenses

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</thead>
<tbody>
<tr>
<td>18.6</td>
<td>37.2</td>
<td>(3.6)</td>
<td>15.6</td>
<td>26.5</td>
<td>7.9</td>
<td>10.9</td>
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#### Depreciation and amortization expense

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<tr>
<td>1.5</td>
<td>1.4</td>
<td>1.5</td>
<td>1.8</td>
<td>1.6</td>
<td>0.1</td>
<td>(0.2)</td>
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#### Interest expense

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<td>4.0</td>
<td>4.1</td>
<td>3.9</td>
<td>4.1</td>
<td>4.4</td>
<td>0.4</td>
<td>0.3</td>
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<tr>
<td><strong>Total expenses</strong></td>
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<td><strong>68.9</strong></td>
<td><strong>64.9</strong></td>
<td><strong>87.0</strong></td>
<td><strong>115.7</strong></td>
<td><strong>5.1 28.7</strong></td>
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#### Economic Net Income

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</thead>
<tbody>
<tr>
<td>(-) Net Performance Fees</td>
<td>73.5</td>
<td>28.2</td>
<td>52.0</td>
<td>66.1</td>
<td>63.7</td>
<td>(9.8) (2.4)</td>
</tr>
<tr>
<td>(-) Investment Income (Loss)</td>
<td>(2.8)</td>
<td>(9.6)</td>
<td>(4.3)</td>
<td>(2.9)</td>
<td>7.1</td>
<td>9.9 10.0</td>
</tr>
<tr>
<td>(+) Equity-based compensation</td>
<td>7.0</td>
<td>7.1</td>
<td>6.0</td>
<td>8.8</td>
<td>9.3</td>
<td>2.3 0.5</td>
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<tr>
<td>(+) Reserve for Litigation and Contingencies</td>
<td>—</td>
<td>21.6</td>
<td>(21.6)</td>
<td>—</td>
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#### Fee Related Earnings

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</thead>
<tbody>
<tr>
<td>(+) Realized Net Performance Fees</td>
<td>33.5</td>
<td>10.5</td>
<td>(29.5)</td>
<td>6.7</td>
<td>22.3</td>
<td>(11.2) 15.6</td>
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<tr>
<td>(+) Realized Investment Income (Loss)</td>
<td>(9.5)</td>
<td>(14.1)</td>
<td>0.8</td>
<td>(8.1)</td>
<td>0.3</td>
<td>9.8 8.4</td>
</tr>
<tr>
<td><strong>Total Fee Related Earnings</strong></td>
<td><strong>39.0</strong></td>
<td><strong>10.3</strong></td>
<td><strong>(19.5)</strong></td>
<td><strong>3.6</strong></td>
<td><strong>11.8</strong></td>
<td><strong>(27.2)</strong></td>
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# Global Market Strategies Segment Results (Unaudited)

## Revenues

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<td></td>
<td></td>
<td></td>
<td></td>
<td>Mar 31, 2017</td>
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<tr>
<td>Fund management fees</td>
<td>$52.2</td>
<td>$44.1</td>
<td>$48.1</td>
<td>$48.1</td>
<td>$45.1</td>
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<tr>
<td>Portfolio advisory fees, net</td>
<td>0.5</td>
<td>0.1</td>
<td>0.4</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Transaction fees, net</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total fee revenues</td>
<td>$52.7</td>
<td>$44.2</td>
<td>$48.5</td>
<td>$48.2</td>
<td>$45.4</td>
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## Performance fees

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<td>Realized</td>
<td>5.4</td>
<td>14.3</td>
<td>15.1</td>
<td>5.6</td>
<td>11.8 (16.6)</td>
</tr>
<tr>
<td>Unrealized</td>
<td>1.8</td>
<td>3.1</td>
<td>(3.4)</td>
<td>14.5</td>
<td>(16.1) (11.6)</td>
</tr>
<tr>
<td>Total performance fees</td>
<td>7.2</td>
<td>17.4</td>
<td>11.7</td>
<td>20.1</td>
<td>15.6 (8.4)</td>
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## Investment income

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<td>Realized</td>
<td>0.8</td>
<td>1.1</td>
<td>2.4</td>
<td>2.4</td>
<td>1.5 (0.9)</td>
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<tr>
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<td>9.9</td>
<td>7.1</td>
<td>0.4</td>
<td>4.2</td>
<td>0.1 (4.1)</td>
</tr>
<tr>
<td>Total investment income</td>
<td>10.7</td>
<td>8.2</td>
<td>2.8</td>
<td>6.6</td>
<td>1.6 (5.0)</td>
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## Expenses

### Compensation and benefits

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<tr>
<td>Direct base compensation</td>
<td>22.2</td>
<td>20.9</td>
<td>21.1</td>
<td>17.1</td>
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<tr>
<td>Indirect base compensation</td>
<td>7.0</td>
<td>7.5</td>
<td>9.9</td>
<td>6.6</td>
<td>7.6 (0.6)</td>
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<tr>
<td>Equity-based compensation</td>
<td>4.4</td>
<td>4.4</td>
<td>3.8</td>
<td>4.3</td>
<td>7.5 (3.1)</td>
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<td>Total compensation and benefits</td>
<td>36.3</td>
<td>40.7</td>
<td>42.7</td>
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## Total economic results

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<tbody>
<tr>
<td>(-) Net Performance Fees</td>
<td>$4.5</td>
<td>$9.5</td>
<td>$3.8</td>
<td>$10.6</td>
<td>$8.1 (3.6)</td>
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<tr>
<td>(-) Investment Income</td>
<td>10.7</td>
<td>8.2</td>
<td>2.8</td>
<td>6.6</td>
<td>1.6 (9.1)</td>
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<tr>
<td>(+) Equity-based compensation</td>
<td>4.4</td>
<td>4.4</td>
<td>3.8</td>
<td>4.3</td>
<td>7.5 (3.1)</td>
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<tr>
<td>(+) Reserve for Litigation and Contingencies</td>
<td>19.0</td>
<td>(19.0)</td>
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<td>(=) Fee Related Earnings (Loss)</td>
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<td>$(5.1)</td>
<td>$(176.6)</td>
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## Distributable earnings

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<tr>
<td>(+) Realized Net Performance Fees</td>
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<td>7.7</td>
<td>5.6</td>
<td>2.9</td>
<td>9.0 (4.3)</td>
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<td>(+) Realized Investment Income</td>
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<td>2.4</td>
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<td>1.5 (0.7)</td>
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<td>$6.7</td>
<td>$3.7</td>
<td>$(168.6)</td>
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<td>$8.9 (2.2)</td>
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Page | 20
## Investment Solutions Segment Results (Unaudited)

### Revenues

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<td>Transaction fees, net</td>
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<td><strong>Total fee revenues</strong></td>
<td>$34.2</td>
<td>$33.9</td>
<td>$36.6</td>
<td>$35.8</td>
<td>$36.2</td>
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<td>12.6</td>
<td>23.7</td>
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<td>23.2</td>
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<td>(18.5)</td>
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<td>41.2</td>
<td>35.8</td>
<td>28.4</td>
<td>9.2</td>
<td>(7.4)</td>
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<td>0.1</td>
<td>0.1</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Unrealized</td>
<td>—</td>
<td>0.2</td>
<td>0.5</td>
<td>1.1</td>
<td>0.4</td>
<td>0.4</td>
<td>(0.7)</td>
</tr>
<tr>
<td><strong>Total investment income</strong></td>
<td>—</td>
<td>0.2</td>
<td>0.6</td>
<td>1.2</td>
<td>0.3</td>
<td>0.3</td>
<td>(0.9)</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>0.1</td>
<td>0.2</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$53.6</td>
<td>$63.9</td>
<td>$78.6</td>
<td>$73.0</td>
<td>$65.2</td>
<td>$11.6</td>
<td>$(7.8)</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Compensation and benefits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct base compensation</td>
<td>15.0</td>
<td>16.3</td>
<td>16.9</td>
<td>16.1</td>
</tr>
<tr>
<td>Indirect base compensation</td>
<td>3.1</td>
<td>2.7</td>
<td>5.1</td>
<td>2.8</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>1.1</td>
<td>1.6</td>
<td>1.3</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Performance fee related</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized</td>
<td>3.7</td>
<td>35.8</td>
<td>22.0</td>
<td>12.1</td>
</tr>
<tr>
<td>Unrealized</td>
<td>11.2</td>
<td>(9.7)</td>
<td>14.3</td>
<td>19.0</td>
</tr>
<tr>
<td><strong>Total compensation and benefits</strong></td>
<td>34.1</td>
<td>46.7</td>
<td>59.6</td>
<td>52.0</td>
</tr>
<tr>
<td>General, administrative, and other indirect expenses</td>
<td>7.9</td>
<td>17.3</td>
<td>(0.1)</td>
<td>6.8</td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>0.8</td>
<td>0.9</td>
<td>0.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Interest expense</td>
<td>1.4</td>
<td>1.5</td>
<td>1.3</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>44.2</td>
<td>66.4</td>
<td>61.5</td>
<td>58.2</td>
</tr>
</tbody>
</table>

### Economic Net Income (Loss)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(-) Fee Related Earnings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized Net Performance Fees</td>
<td>0.5</td>
<td>0.5</td>
<td>0.9</td>
<td>0.5</td>
</tr>
<tr>
<td>Realized Investment Income (Loss)</td>
<td>—</td>
<td>—</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>(-) Distributable Earnings</strong></td>
<td>$6.7</td>
<td>$5.6</td>
<td>$4.3</td>
<td>$8.6</td>
</tr>
</tbody>
</table>

(Dollars in millions)
<table>
<thead>
<tr>
<th>Period</th>
<th>Corporate Private Equity</th>
<th>Real Assets</th>
<th>Global Market Strategies (9)</th>
<th>Investment Solutions (10)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance, As of March 31, 2017</strong></td>
<td>$16,100</td>
<td>$36,870</td>
<td>$52,970</td>
<td>$11,916</td>
<td>$23,658</td>
</tr>
<tr>
<td>Commitments (2)</td>
<td>344</td>
<td>—</td>
<td>344</td>
<td>3,484</td>
<td>—</td>
</tr>
<tr>
<td>Capital Called, net (3)</td>
<td>(1,001)</td>
<td>960</td>
<td>(41)</td>
<td>(855)</td>
<td>751</td>
</tr>
<tr>
<td>Distributions (4)</td>
<td>355</td>
<td>(2,711)</td>
<td>(2,356)</td>
<td>83</td>
<td>(1,236)</td>
</tr>
<tr>
<td>Changes in CLO collateral balances (6)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Market Appreciation/(Depreciation) (7)</td>
<td>—</td>
<td>2,937</td>
<td>2,937</td>
<td>—</td>
<td>1,114</td>
</tr>
<tr>
<td>Foreign Exchange and other (8)</td>
<td>197</td>
<td>272</td>
<td>469</td>
<td>8</td>
<td>21</td>
</tr>
<tr>
<td><strong>Balance, As of June 30, 2017</strong></td>
<td>$15,995</td>
<td>$38,328</td>
<td>$54,323</td>
<td>$14,636</td>
<td>$24,308</td>
</tr>
<tr>
<td>Acquisitions/(Divestments) (1)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Commitments (2)</td>
<td>111</td>
<td>—</td>
<td>111</td>
<td>4,226</td>
<td>—</td>
</tr>
<tr>
<td>Capital Called, net (3)</td>
<td>(6,321)</td>
<td>6,104</td>
<td>(217)</td>
<td>(4,370)</td>
<td>3,951</td>
</tr>
<tr>
<td>Distributions (4)</td>
<td>1,595</td>
<td>(12,181)</td>
<td>(10,586)</td>
<td>311</td>
<td>(7,071)</td>
</tr>
<tr>
<td>Subscriptions, net of Redemptions (5)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Changes in CLO collateral balances (6)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Market Appreciation/(Depreciation) (7)</td>
<td>—</td>
<td>7,375</td>
<td>7,375</td>
<td>—</td>
<td>4,346</td>
</tr>
<tr>
<td>Foreign Exchange and other (8)</td>
<td>30</td>
<td>(12)</td>
<td>18</td>
<td>3</td>
<td>17</td>
</tr>
</tbody>
</table>

(1) Divestment activity represents ESG assets which were transferred to the ESG founders in a transaction that closed in October 2016 and Claren Road assets which were transferred to the Claren Road founders in a transaction that closed in January 2017.

(2) Represents capital raised by our carry funds and NGP management fee funds, net of expired available capital.

(3) Represents capital called by our carry funds and NGP management fee funds, net of fund fees and expenses and investments in our business development companies. Invested capital amounts may vary from capital called due to timing differences between investment acquisition and capital call dates.

(4) Represents distributions from our carry funds and NGP management fee funds, net of amounts recycled and distributions from our business development companies. Distributions are based on when proceeds are actually distributed to investors, which may differ from when they are realized.

(5) Represents the net result of subscriptions to and redemptions from our hedge funds and fund of hedge funds vehicles.

(6) Represents the change in the aggregate collateral balance and principal cash at par of the CLOs/structured products.

(7) Market Appreciation/(Depreciation) represents realized and unrealized gains (losses) on portfolio investments and changes in the net asset value of our hedge funds, mutual fund, and fund of hedge funds vehicles. Appreciation for the second quarter of 2017 was driven by 10% appreciation ($0.8 billion) in the public portfolio and 6% appreciation ($2.9 billion) in the private portfolio of our Corporate Private Equity, Real Assets, and Global Market Strategies carry funds, in addition to $0.4 billion of appreciation in our Investment Solutions carry funds. Appreciation for the twelve months ended June 30, 2017 was primarily driven by appreciation in the private and public portfolios of our Corporate Private Equity, Real Assets, and Global Market Strategies carry funds of $8.3 billion (22%) and $2.7 billion (20%), respectively. Remaining market appreciation was driven by appreciation of $4.8 billion in our Investment Solutions carry funds as well as appreciation in our NGP management fee funds.

(8) Represents the impact of foreign exchange rate fluctuations on the translation of our non-U.S. dollar denominated funds and other changes in AUM. Activity during the period is translated at the average rate for the period. Ending balances are translated at the spot rate as of the period end.

(9) Ending balance is comprised of approximately $18.8 billion from our structured credit funds, $10.3 billion from our hedge funds, $2.7 billion from our real estate funds, and $1.8 billion from our business development companies.

(10) The fair market values for our Investment Solutions carry funds are based on the latest available valuations of the underlying limited partnership interests (in most cases as of March 31, 2017) as provided by their general partners, plus the net cash flows since the latest valuation, up to June 30, 2017.
Fee-Earning AUM Roll Forward (Unaudited)

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Corporate Private Equity</th>
<th>Real Assets (8)</th>
<th>Global Market Strategies</th>
<th>Investment Solutions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three Months Ended June 30, 2017</td>
<td>$ 36,216</td>
<td>$ 26,236</td>
<td>$ 25,214</td>
<td>$ 28,468</td>
<td>$ 116,134</td>
</tr>
<tr>
<td>(USD in millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee-earning AUM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, Beginning of Period</td>
<td>$ 36,878</td>
<td>$ 27,157</td>
<td>$ 24,422</td>
<td>$ 26,428</td>
<td>$ 114,905</td>
</tr>
<tr>
<td>Inflows, including Fee-paying Commitments (2)</td>
<td>41</td>
<td>286</td>
<td>45</td>
<td>1,931</td>
<td>2,303</td>
</tr>
<tr>
<td>Outflows, including Distributions (3)</td>
<td>(1,046)</td>
<td>(1,272)</td>
<td>(99)</td>
<td>(1,078)</td>
<td>(3,495)</td>
</tr>
<tr>
<td>Changes in CLO collateral balances (5)</td>
<td>—</td>
<td>—</td>
<td>389</td>
<td>—</td>
<td>389</td>
</tr>
<tr>
<td>Market Appreciation/(Depreciation) (6)</td>
<td>4</td>
<td>7</td>
<td>1</td>
<td>(191)</td>
<td>(179)</td>
</tr>
<tr>
<td>Foreign Exchange and other (7)</td>
<td>339</td>
<td>58</td>
<td>436</td>
<td>1,378</td>
<td>2,211</td>
</tr>
<tr>
<td><strong>Balance, End of Period</strong></td>
<td><strong>$ 36,216</strong></td>
<td><strong>$ 26,236</strong></td>
<td><strong>$ 25,214</strong></td>
<td><strong>$ 28,468</strong></td>
<td><strong>$ 116,134</strong></td>
</tr>
</tbody>
</table>

For the Twelve Months Ended June 30, 2017

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Corporate Private Equity</th>
<th>Real Assets (8)</th>
<th>Global Market Strategies</th>
<th>Investment Solutions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(USD in millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee-earning AUM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, Beginning of Period</td>
<td>$ 38,938</td>
<td>$ 30,422</td>
<td>$ 28,732</td>
<td>$ 27,227</td>
<td>$ 125,319</td>
</tr>
<tr>
<td>Acquisitions/(Divestments) (1)</td>
<td>—</td>
<td>—</td>
<td>(4,356)</td>
<td>—</td>
<td>(4,356)</td>
</tr>
<tr>
<td>Inflows, including Fee-paying Commitments (2)</td>
<td>1,106</td>
<td>1,010</td>
<td>2,552</td>
<td>7,565</td>
<td>12,233</td>
</tr>
<tr>
<td>Outflows, including Distributions (3)</td>
<td>(3,627)</td>
<td>(5,198)</td>
<td>(265)</td>
<td>(6,521)</td>
<td>(15,611)</td>
</tr>
<tr>
<td>Subscriptions, net of Redemptions (4)</td>
<td>—</td>
<td>—</td>
<td>(871)</td>
<td>(1,164)</td>
<td>(2,035)</td>
</tr>
<tr>
<td>Changes in CLO collateral balances (5)</td>
<td>—</td>
<td>—</td>
<td>(930)</td>
<td>—</td>
<td>(930)</td>
</tr>
<tr>
<td>Market Appreciation/(Depreciation) (6)</td>
<td>(216)</td>
<td>45</td>
<td>(72)</td>
<td>744</td>
<td>501</td>
</tr>
<tr>
<td>Foreign Exchange and other (7)</td>
<td>15</td>
<td>(43)</td>
<td>424</td>
<td>617</td>
<td>1,013</td>
</tr>
<tr>
<td><strong>Balance, End of Period</strong></td>
<td><strong>$ 36,216</strong></td>
<td><strong>$ 26,236</strong></td>
<td><strong>$ 25,214</strong></td>
<td><strong>$ 28,468</strong></td>
<td><strong>$ 116,134</strong></td>
</tr>
</tbody>
</table>

(1) Divestment activity represents ESG assets which were transferred to the ESG founders in a transaction that closed in October 2016 and Claren Road assets which were transferred to the Claren Road founders in a transaction that closed in January 2017.

(2) Inflows represent limited partner capital raised and capital invested by our carry funds and NGP management fee funds outside the investment period, weighted-average investment period or commitment fee period. Inflows do not include amounts raised of $8.6 billion for which fees have not yet commenced.

(3) Outflows represent limited partner distributions from our carry funds and NGP management fee funds, changes in basis for our carry funds where the investment period, weighted-average investment period or commitment fee period has expired, and reductions for funds that are no longer calling for fees.

(4) Represents the net result of subscriptions to and redemptions from our hedge funds and fund of hedge funds vehicles.

(5) Represents the change in the aggregate Fee-earning collateral balances at par of our CLOs/structured products, as of the quarterly cut-off dates.

(6) Market Appreciation/(Depreciation) represents changes in the net asset value of our hedge funds and fund of hedge funds vehicles, and realized and unrealized gains (losses) on portfolio investments in our carry funds based on the lower of cost or fair value and net asset value.

(7) Includes activity of funds with fees based on gross asset value. Represents the impact of foreign exchange rate fluctuations on the translation of our non-U.S. dollar denominated funds. Activity during the period is translated at the average rate for the period. Ending balances are translated at the spot rate as of the period end.

(8) Energy II, Energy III, Energy IV, and Renew II (collectively, the “Legacy Energy Funds”), 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. Carlyle has a minority representation on the management committees of Energy IV and Renew II. Carlyle and Riverstone each hold half of the seats on the management committees of Energy II and Energy III, but the investment period for these funds has expired and the remaining investments in such funds are being disposed of in the ordinary course of business. As of June 30, 2017, the Legacy Energy Funds had, in the aggregate, approximately $6.3 billion in AUM and $4.7 billion in Fee-earning AUM. NGP VII, NGP VIII, NGP IX, or in the case of NGP M&R, NGP ETP I, and NGP ETP II, certain affiliated entities (collectively, the “NGP management fee funds”) and NGP X, NGP GAP and NGP XI (referred to herein as, "carry funds"), are managed by NGP Energy Capital Management. As of June 30, 2017, the NGP management fee funds and carry funds had, in the aggregate, approximately $10.0 billion in AUM and $9.6 billion in Fee-earning AUM.
Corporate Private Equity Fund Performance (Unaudited)

The fund return information reflected in this discussion and analysis 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. An investment in The Carlyle Group L.P. is not an investment in any of our funds. There can be no assurance that any of our existing or future funds will achieve similar returns.

<table>
<thead>
<tr>
<th>Corporate Private Equity</th>
<th>Fund Inception Date (1)</th>
<th>Committed Capital</th>
<th>Cumulative Invested Capital (2)</th>
<th>Total Fair Value (3)</th>
<th>MOIC (4)</th>
<th>Gross IRR (7)(12)</th>
<th>Net IRR (8)(12)</th>
<th>As of June 30, 2017 (Reported in Local Currency, in Millions)</th>
<th>Realized/Partially Realized Investments (5) As of June 30, 2017 (Reported in Local Currency, in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds in the Investment Period (6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CP VI</td>
<td>5/2012</td>
<td>$13,000.0</td>
<td>$9,348.9</td>
<td>$12,432.5</td>
<td>1.3x</td>
<td>19%</td>
<td>11%</td>
<td>$4,175.8</td>
<td>$129,804.8</td>
</tr>
<tr>
<td>CEP IV</td>
<td>8/2013</td>
<td>€3,669.5</td>
<td>€2,471.1</td>
<td>€2,746.6</td>
<td>1.1x</td>
<td>NM</td>
<td>NM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAP IV</td>
<td>11/2012</td>
<td>$3,880.4</td>
<td>$2,320.0</td>
<td>$3,844.4</td>
<td>1.7x</td>
<td>NM</td>
<td>NM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CGP</td>
<td>12/2014</td>
<td>$3,588.0</td>
<td>$1,520.6</td>
<td>$1,587.9</td>
<td>1.0x</td>
<td>NM</td>
<td>NM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CGFSP II</td>
<td>4/2013</td>
<td>$1,000.0</td>
<td>$768.2</td>
<td>$1,042.9</td>
<td>1.4x</td>
<td>21%</td>
<td>11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIP III</td>
<td>8/2013</td>
<td>¥119,501.5</td>
<td>¥60,094.5</td>
<td>¥92,717.9</td>
<td>1.5x</td>
<td>NM</td>
<td>NM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEOF I</td>
<td>3/2015</td>
<td>$2,400.0</td>
<td>$562.8</td>
<td>$695.0</td>
<td>1.2x</td>
<td>NM</td>
<td>NM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Other Funds (11)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Funds in the Investment Period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$18,932.3</td>
<td>$24,857.8</td>
<td>1.3x</td>
<td>19%</td>
<td>10%</td>
<td>$1,122.7</td>
<td>2.8x</td>
<td>25x</td>
<td>64%</td>
</tr>
<tr>
<td>TOTAL CORPORATE PRIVATE EQUITY (13)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$79,117.6</td>
<td>$154,662.6</td>
<td>2.0x</td>
<td>26%</td>
<td>18%</td>
<td>$46,878.5</td>
<td>2.5x</td>
<td>28%</td>
<td></td>
</tr>
</tbody>
</table>
Real Assets Carry Funds Fund Performance (Unaudited)

<table>
<thead>
<tr>
<th>Real Assets</th>
<th>Fund Inception Date (1)</th>
<th>Committed Capital</th>
<th>Cumulative Invested Capital (2)</th>
<th>Total Fair Value (3)</th>
<th>MOIC (4)</th>
<th>Gross IRR (7/12)</th>
<th>Net IRR (8/12)</th>
<th>(Reported in Local Currency, in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>As of June 30, 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>TOTAL INVESTMENTS</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>As of June 30, 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(Reported in Local Currency, in Millions)</td>
</tr>
<tr>
<td>CRP III</td>
<td>11/2000</td>
<td>$564.1</td>
<td>$522.5</td>
<td>$1,803.3</td>
<td>3.5x</td>
<td>44%</td>
<td>30%</td>
<td>$522.5</td>
</tr>
<tr>
<td>CRP IV</td>
<td>12/2004</td>
<td>$950.0</td>
<td>$1,198.5</td>
<td>$1,903.0</td>
<td>1.6x</td>
<td>7%</td>
<td>4%</td>
<td>$984.8</td>
</tr>
<tr>
<td>CRP V</td>
<td>11/2006</td>
<td>$3,000.0</td>
<td>$3,293.5</td>
<td>$5,487.8</td>
<td>1.7x</td>
<td>12%</td>
<td>9%</td>
<td>$2,923.3</td>
</tr>
<tr>
<td>CRP VI</td>
<td>9/2010</td>
<td>$2,340.0</td>
<td>$2,108.0</td>
<td>$3,904.7</td>
<td>1.9x</td>
<td>30%</td>
<td>21%</td>
<td>$1,439.9</td>
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<tr>
<td>CEREP I</td>
<td>3/2002</td>
<td>€426.6</td>
<td>€517.0</td>
<td>€698.6</td>
<td>1.4x</td>
<td>14%</td>
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</tr>
<tr>
<td>CEREP II</td>
<td>4/2005</td>
<td>€762.7</td>
<td>€833.8</td>
<td>€128.1</td>
<td>0.2x</td>
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<td>Neg</td>
<td>€798.2</td>
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<tr>
<td>CEREP III</td>
<td>5/2007</td>
<td>€2,229.5</td>
<td>€2,054.2</td>
<td>€2,413.7</td>
<td>1.2x</td>
<td>3%</td>
<td>0%</td>
<td>€1,432.7</td>
</tr>
<tr>
<td>CIP</td>
<td>9/2006</td>
<td>$1,143.7</td>
<td>$1,069.8</td>
<td>$1,307.3</td>
<td>1.2x</td>
<td>4%</td>
<td>1%</td>
<td>$857.0</td>
</tr>
<tr>
<td>NGP X</td>
<td>1/2012</td>
<td>$3,586.0</td>
<td>$3,261.9</td>
<td>$3,969.0</td>
<td>1.2x</td>
<td>8%</td>
<td>5%</td>
<td>$1,237.5</td>
</tr>
<tr>
<td>Energy II</td>
<td>7/2002</td>
<td>$1,100.0</td>
<td>$1,334.8</td>
<td>$3,134.8</td>
<td>2.3x</td>
<td>81%</td>
<td>55%</td>
<td>$1,116.2</td>
</tr>
<tr>
<td>Energy III</td>
<td>10/2005</td>
<td>$3,800.0</td>
<td>$3,569.7</td>
<td>$5,424.0</td>
<td>1.5x</td>
<td>9%</td>
<td>6%</td>
<td>$2,510.6</td>
</tr>
<tr>
<td>Energy IV</td>
<td>12/2007</td>
<td>$5,979.1</td>
<td>$6,269.1</td>
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<td>1.3x</td>
<td>9%</td>
<td>6%</td>
<td>$3,379.4</td>
</tr>
<tr>
<td>Renew II</td>
<td>3/2008</td>
<td>$3,417.5</td>
<td>$2,809.4</td>
<td>$4,127.3</td>
<td>1.5x</td>
<td>9%</td>
<td>6%</td>
<td>$1,490.3</td>
</tr>
<tr>
<td>All Other Funds (14)</td>
<td>$2,939.5</td>
<td>$3,284.6</td>
<td>1.1x</td>
<td>4%</td>
<td>Neg</td>
<td>$2,662.1</td>
<td>$3,019.7</td>
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</tr>
<tr>
<td>Coinvestments and Other (10)</td>
<td>$5,635.0</td>
<td>$9,308.4</td>
<td>1.7x</td>
<td>17%</td>
<td>13%</td>
<td>$3,999.5</td>
<td>$7,403.2</td>
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<tr>
<td>Total Fully Invested Funds</td>
<td>$37,897.9</td>
<td>$55,649.4</td>
<td>1.5x</td>
<td>12%</td>
<td>7%</td>
<td>$26,259.4</td>
<td>$44,731.9</td>
<td></td>
</tr>
<tr>
<td>Funds in the Investment Period (6)</td>
<td>$33,300.3</td>
<td>$50,372.1</td>
<td>1.5x</td>
<td>12%</td>
<td>7%</td>
<td>$26,259.4</td>
<td>$44,731.9</td>
<td></td>
</tr>
<tr>
<td>CRP VII</td>
<td>3/2014</td>
<td>$4,161.6</td>
<td>$2,605.3</td>
<td>$3,420.7</td>
<td>1.3x</td>
<td>NM</td>
<td>NM</td>
<td>$26,259.4</td>
</tr>
<tr>
<td>CIEP I</td>
<td>9/2013</td>
<td>$2,500.0</td>
<td>$501.3</td>
<td>$841.2</td>
<td>1.7x</td>
<td>NM</td>
<td>NM</td>
<td>$26,259.4</td>
</tr>
<tr>
<td>NGP XI</td>
<td>6/2014</td>
<td>$5,325.0</td>
<td>$3,099.7</td>
<td>$4,161.5</td>
<td>1.4x</td>
<td>NM</td>
<td>NM</td>
<td>$26,259.4</td>
</tr>
<tr>
<td>CPP II</td>
<td>6/2014</td>
<td>$1,526.9</td>
<td>$501.0</td>
<td>$549.2</td>
<td>1.1x</td>
<td>NM</td>
<td>NM</td>
<td>$26,259.4</td>
</tr>
<tr>
<td>All Other Funds (15)</td>
<td>$883.4</td>
<td>$980.0</td>
<td>1.1x</td>
<td>NM</td>
<td>NM</td>
<td>$26,259.4</td>
<td>$44,731.9</td>
<td></td>
</tr>
<tr>
<td>Total Funds in the Investment Period</td>
<td>$7,506.6</td>
<td>$9,952.6</td>
<td>1.3x</td>
<td>28%</td>
<td>18%</td>
<td>$275.0</td>
<td>$563.9</td>
<td>$2.0x</td>
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<tr>
<td>TOTAL Real Assets (13)</td>
<td>$45,398.5</td>
<td>$65,602.0</td>
<td>1.4x</td>
<td>13%</td>
<td>8%</td>
<td>$26,534.9</td>
<td>$45,295.8</td>
<td>1.7x</td>
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</tbody>
</table>
## Total Investments

<table>
<thead>
<tr>
<th>Global Market Strategies (Carry Funds Only)</th>
<th>Fund Inception Date (1)</th>
<th>Committed Capital (in Millions)</th>
<th>Cumulative Invested Capital (17)</th>
<th>Total Fair Value (3)</th>
<th>MOIC (4)</th>
<th>Gross IRR (7)(12)</th>
<th>Net IRR (8)(12)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fully Invested Funds (6)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSP II</td>
<td>6/2007</td>
<td>$1,352.3</td>
<td>$1,352.3</td>
<td>$2,465.6</td>
<td>1.8x</td>
<td>17%</td>
<td>11%</td>
</tr>
<tr>
<td>CSP III</td>
<td>8/2011</td>
<td>$702.8</td>
<td>$738.1</td>
<td>$1,193.1</td>
<td>1.6x</td>
<td>34%</td>
<td>22%</td>
</tr>
<tr>
<td>CEMOF I</td>
<td>12/2010</td>
<td>$1,382.5</td>
<td>$1,249.9</td>
<td>$1,075.7</td>
<td>0.9x</td>
<td>Neg</td>
<td>Neg</td>
</tr>
<tr>
<td>All Other Funds (16)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coinvestments and Other (10)</td>
<td></td>
<td>$1,438.5</td>
<td>$2,001.0</td>
<td>1.4x</td>
<td>12%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Fully Invested Funds</strong></td>
<td></td>
<td>$5,408.7</td>
<td>$7,324.3</td>
<td>1.4x</td>
<td>12%</td>
<td>7%</td>
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<tr>
<td><strong>Funds in the Investment Period (6)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSP IV</td>
<td>3/2016</td>
<td>$2,500.0</td>
<td>$477.8</td>
<td>$568.0</td>
<td>1.2x</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td>CEMOF II</td>
<td>2/2015</td>
<td>$2,819.2</td>
<td>$203.0</td>
<td>$226.1</td>
<td>1.1x</td>
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<td>All Other Funds</td>
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<td>$27.5</td>
<td>$28.5</td>
<td>1.0x</td>
<td>NM</td>
<td>NM</td>
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<tr>
<td><strong>Total Funds in the Investment Period</strong></td>
<td></td>
<td>$708.3</td>
<td>$822.6</td>
<td>1.2x</td>
<td>NM</td>
<td>NM</td>
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<tr>
<td><strong>TOTAL Global Market Strategies</strong></td>
<td></td>
<td>$6,117.0</td>
<td>$8,146.9</td>
<td>1.3x</td>
<td>13%</td>
<td>7%</td>
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### Investment Solutions Fund Performance (Unaudited)

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<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fully Committed Funds (18)</strong></td>
<td></td>
<td></td>
<td>(Reported in Local Currency, in Millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Main Fund I - Fund Investments</td>
<td>2000</td>
<td>€ 5,174.6</td>
<td>€ 4,294.6</td>
<td>€ 7,059.7</td>
<td>1.6x</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>Main Fund II - Fund Investments</td>
<td>2003</td>
<td>€ 4,545.0</td>
<td>€ 4,878.3</td>
<td>€ 7,680.0</td>
<td>1.6x</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Main Fund III - Fund Investments</td>
<td>2005</td>
<td>€ 11,500.0</td>
<td>€ 12,885.6</td>
<td>€ 20,300.8</td>
<td>1.6x</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Main Fund IV - Fund Investments</td>
<td>2009</td>
<td>€ 4,877.3</td>
<td>€ 4,909.2</td>
<td>€ 7,462.2</td>
<td>1.5x</td>
<td>16%</td>
<td>15%</td>
</tr>
<tr>
<td>Main Fund V - Fund Investments</td>
<td>2012</td>
<td>€ 5,080.0</td>
<td>€ 3,377.8</td>
<td>€ 4,061.3</td>
<td>1.2x</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>Main Fund VI - Fund Investments</td>
<td>2015</td>
<td>€ 1,106.4</td>
<td>€ 311.0</td>
<td>€ 304.7</td>
<td>1.0x</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td>Main Fund I - Secondary Investments</td>
<td>2002</td>
<td>€ 519.4</td>
<td>€ 483.5</td>
<td>€ 914.2</td>
<td>1.9x</td>
<td>58%</td>
<td>54%</td>
</tr>
<tr>
<td>Main Fund II - Secondary Investments</td>
<td>2003</td>
<td>€ 998.4</td>
<td>€ 1,017.7</td>
<td>€ 1,857.8</td>
<td>1.8x</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>Main Fund III - Secondary Investments</td>
<td>2006</td>
<td>€ 2,250.0</td>
<td>€ 2,349.6</td>
<td>€ 3,526.2</td>
<td>1.5x</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Main Fund IV - Secondary Investments</td>
<td>2010</td>
<td>€ 1,859.1</td>
<td>€ 1,948.4</td>
<td>€ 3,260.5</td>
<td>1.7x</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>Main Fund V - Secondary Investments</td>
<td>2011</td>
<td>€ 4,272.8</td>
<td>€ 3,603.9</td>
<td>€ 5,276.1</td>
<td>1.5x</td>
<td>22%</td>
<td>20%</td>
</tr>
<tr>
<td>Main Fund II - Co-Investments</td>
<td>2003</td>
<td>€ 1,090.0</td>
<td>€ 912.5</td>
<td>€ 2,533.9</td>
<td>2.8x</td>
<td>44%</td>
<td>42%</td>
</tr>
<tr>
<td>Main Fund III - Co-Investments</td>
<td>2006</td>
<td>€ 2,760.0</td>
<td>€ 2,814.4</td>
<td>€ 3,888.2</td>
<td>1.4x</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Main Fund IV - Co-Investments</td>
<td>2010</td>
<td>€ 1,475.0</td>
<td>€ 1,359.8</td>
<td>€ 3,526.3</td>
<td>2.6x</td>
<td>24%</td>
<td>23%</td>
</tr>
<tr>
<td>Main Fund V - Co-Investments</td>
<td>2012</td>
<td>€ 1,122.2</td>
<td>€ 1,036.8</td>
<td>€ 2,272.0</td>
<td>2.2x</td>
<td>33%</td>
<td>31%</td>
</tr>
<tr>
<td>Main Fund II - Mezzanine Investments</td>
<td>2004</td>
<td>€ 700.0</td>
<td>€ 764.4</td>
<td>€ 1,043.0</td>
<td>1.4x</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Main Fund III - Mezzanine Investments</td>
<td>2006</td>
<td>€ 2,000.0</td>
<td>€ 1,968.3</td>
<td>€ 2,651.7</td>
<td>1.3x</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>All Other Funds (21)</td>
<td>Various</td>
<td>€ 1,939.0</td>
<td>€ 2,677.6</td>
<td>1.4x</td>
<td>14%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Fully Committed Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td>€ 50,854.7</td>
<td>€ 80,296.2</td>
<td>1.6x</td>
<td>13%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funds in the Commitment Period (18)</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Fund VI - Secondary Investments</td>
<td>2017</td>
<td>€ 4,160.5</td>
<td>€ 442.5</td>
<td>€ 440.8</td>
<td>1.0x</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td>Main Fund VI - Co-Investments</td>
<td>2014</td>
<td>€ 1,115.0</td>
<td>€ 905.0</td>
<td>€ 1,210.3</td>
<td>1.3x</td>
<td>22%</td>
<td>19%</td>
</tr>
<tr>
<td>Main Fund VII - Co-Investments</td>
<td>2017</td>
<td>€ 1,375.5</td>
<td>€ 38.6</td>
<td>€ 38.5</td>
<td>1.0x</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td>All Other Funds (21)</td>
<td>Various</td>
<td>€ 583.8</td>
<td>€ 723.8</td>
<td>1.2x</td>
<td>18%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Funds in the Commitment Period</strong></td>
<td></td>
<td></td>
<td></td>
<td>€ 1,970.0</td>
<td>€ 2,413.5</td>
<td>1.2x</td>
<td>20%</td>
</tr>
</tbody>
</table>

| **TOTAL INVESTMENT SOLUTIONS** | € 52,824.7 | € 82,709.6 | 1.6x | 13% | 12% |

| **TOTAL INVESTMENT SOLUTIONS (USD) (22)** | $ 60,288.4 | $ 94,395.8 | 1.6x |

**Note:** Investment Solutions Fund Performance excludes the impact of Metropolitan Real Estate investment vehicles. As of June 30, 2017, these investment vehicles had a combined fair value of $1.1 billion.

(1) The data presented herein that provides “inception to date” performance results of our segments relates to the period following the formation of the first fund within each segment. For our Corporate Private Equity segment our first fund was formed in 1990. For our Real Assets segment our first fund was formed in 1997. For our Global Market Strategies segment our first carry fund was formed in 2004.

(2) Represents the original cost of investments since inception of the fund.

(3) Represents all realized proceeds combined with remaining fair value, before management fees, expenses and carried interest.

(4) Multiple of invested capital (“MOIC”) represents total fair value, before management fees, expenses and carried interest, divided by cumulative invested capital.

(5) 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 amount of 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. Because part of our value creation strategy involves pursuing best exit alternatives, we believe information regarding Realized/Partially Realized MOIC and Gross IRR, when considered together with the other investment performance metrics presented, provides investors with meaningful information regarding our investment performance by removing the impact of investments where significant realization activity has not yet occurred. Realized/Partially Realized MOIC and Gross IRR have limitations as measures of investment performance, and should not be considered in isolation. Such limitations include the fact that these measures do not include the performance of earlier stage and other investments that do not satisfy the criteria provided above. The exclusion of such investments will have a positive impact on Realized/Partially Realized MOIC and Gross IRR in instances when the MOIC and Gross IRR in respect of such investments are less than the aggregate MOIC and Gross IRR. Our measurements of Realized/Partially Realized MOIC and Gross IRR may not be comparable to those of other companies that use similarly titled measures. We do not present Realized/Partially Realized performance information separately for funds that are still in the investment period because of the relatively insignificant level of realizations for funds of this type. However, to the extent such funds have had realizations, they are included in the Realized/Partially Realized performance information presented for Total Corporate Private Equity and Total Real Assets.

(6) Fully Invested funds are past the expiration date of the investment period as defined in the respective limited partnership agreement. In instances where a successor fund has had its first capital call, the predecessor fund is categorized as fully invested.
(7) Gross Internal Rate of Return (“Gross IRR”) represents the annualized IRR for the period indicated on Limited Partner invested capital based on contributions, distributions and unrealized value before management fees, expenses and carried interest.

(8) Net Internal Rate of Return (“Net IRR”) represents the annualized IRR for the period indicated on Limited Partner invested capital based on contributions, distributions and unrealized value after management fees, expenses and carried interest.

(9) Aggregate includes the following funds: CP I, CMG, CVP I, CVP II, CUSGF III, CEVP, CETP I, CAVP I, CAVP II, CAGP III, CSABF, Mexico, CBPF, and MENA.

(10) Includes coinvestments and certain other stand-alone investments arranged by us.

(11) Aggregate, which is considered not meaningful, includes the following funds and their respective commencement dates: CSSAF (April 2012) , CPF I (June 2012), CCI (December 2012), CETP III (May 2014), and CAGP V (May 2016).

(12) For funds marked “NM,” IRR may be positive or negative, but is not considered meaningful because of the limited time since initial investment and early stage of capital deployment. For funds marked “Neg,” IRR is negative as of reporting period end.

(13) For purposes of aggregation, funds that report in foreign currency have been converted to U.S. dollars at the reporting period spot rate.

(14) Aggregate includes the following funds: CRP I, CRP II, CAREP I, CAREP II, CRCP I, CPOCP, Energy I and Renew I.

(15) Aggregate includes NGP GAP, CPI, CCR, and CRP VIII. Return is not considered meaningful, as the investment period commenced in December 2013 for NGP GAP, May 2016 for CPI, October 2016 for CCR, and May 2017 for CRP VIII.

(16) Aggregate includes the following funds: CMP I, CMP II, CSP I, and CASCOF.

(17) Represents the original cost of investments net of investment level recallable proceeds which is adjusted to reflect recyclability of invested capital for the purpose of calculating the fund MOIC.

(18) Fully Committed funds are past the expiration date of the commitment period as defined in the respective limited partnership agreement.

(19) Includes private equity and mezzanine primary fund investments, secondary fund investments and co-investments originated by the AlpInvest team. Excluded from the performance information shown are a) investments that were not originated by AlpInvest, and b) Direct Investments, which was spun off from AlpInvest in 2005. As of June 30, 2017, these excluded investments represent $0.3 billion of AUM at AlpInvest.

(20) To exclude the impact of FX, all foreign currency cash flows have been converted to EUR at the reporting period spot rate.

(21) Aggregate includes Main Fund VII - Fund Investments, Main Fund VIII - Fund Investments, Main Fund I - Co-Investments, Main Fund I - Mezzanine Investments, Main Fund IV - Mezzanine Investments, Main Fund V - Mezzanine Investments, AlpInvest CleanTech Funds and funds which are not included as part of a main fund.

(22) Represents the U.S. dollar equivalent balance translated at the spot rate as of period end.
### Remaining Fair Value Analysis

<table>
<thead>
<tr>
<th>Remaining Fair Value (1)</th>
<th>Unrealized MOIC (2)</th>
<th>Total MOIC (3)</th>
<th>% Invested (4)</th>
<th>In Accrued Carry/Clawback (5)</th>
<th>LTM Realized Carry/(Clawback) (6)</th>
<th>Catch-up Rate</th>
<th>Fee Initiation Date (?)</th>
<th>Quarters Since Fee Initiation</th>
<th>Original Investment Period End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Private Equity (Reported in Local Currency, in Millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CP VI</td>
<td>$ 9,738.9</td>
<td>1.2x</td>
<td>1.3x</td>
<td>72%</td>
<td>X</td>
<td>100%</td>
<td>Jun-13</td>
<td>17</td>
<td>May-18</td>
</tr>
<tr>
<td>CP V</td>
<td>$ 5,251.4</td>
<td>0.8x</td>
<td>2.1x</td>
<td>96%</td>
<td>X</td>
<td>100%</td>
<td>Jun-07</td>
<td>41</td>
<td>May-13</td>
</tr>
<tr>
<td>CAP IV</td>
<td>$ 3,429.2</td>
<td>1.7x</td>
<td>1.7x</td>
<td>60%</td>
<td>X</td>
<td>100%</td>
<td>Jul-13</td>
<td>16</td>
<td>Nov-18</td>
</tr>
<tr>
<td>CEP IV</td>
<td>€ 1,803.0</td>
<td>1.1x</td>
<td>1.1x</td>
<td>66%</td>
<td>100%</td>
<td>Sep-14</td>
<td>12</td>
<td>Aug-19</td>
<td></td>
</tr>
<tr>
<td>CEP III</td>
<td>€ 1,412.8</td>
<td>1.5x</td>
<td>2.2x</td>
<td>97%</td>
<td>X</td>
<td>100%</td>
<td>Jul-07</td>
<td>40</td>
<td>Dec-12</td>
</tr>
<tr>
<td>CGP</td>
<td>$ 1,590.0</td>
<td>1.0x</td>
<td>1.0x</td>
<td>42%</td>
<td>100%</td>
<td>Jun-15</td>
<td>10</td>
<td>Dec-20</td>
<td></td>
</tr>
<tr>
<td>CAP III</td>
<td>$ 1,557.3</td>
<td>1.9x</td>
<td>1.8x</td>
<td>100%</td>
<td>X</td>
<td>100%</td>
<td>Jun-08</td>
<td>37</td>
<td>May-14</td>
</tr>
<tr>
<td>CEOF I</td>
<td>$ 1,007.7</td>
<td>1.1x</td>
<td>1.3x</td>
<td>103%</td>
<td>X</td>
<td>80%</td>
<td>Sep-11</td>
<td>24</td>
<td>May-17</td>
</tr>
<tr>
<td>CGFSF II</td>
<td>$ 903.9</td>
<td>1.4x</td>
<td>1.4x</td>
<td>77%</td>
<td>X</td>
<td>100%</td>
<td>Jun-13</td>
<td>17</td>
<td>Dec-17</td>
</tr>
<tr>
<td>CIP III</td>
<td>¥ 85,015.5</td>
<td>1.5x</td>
<td>1.5x</td>
<td>50%</td>
<td>X</td>
<td>100%</td>
<td>Sep-13</td>
<td>16</td>
<td>Feb-20</td>
</tr>
<tr>
<td>CGFSF I</td>
<td>$ 688.0</td>
<td>1.9x</td>
<td>2.2x</td>
<td>98%</td>
<td>X</td>
<td>100%</td>
<td>Oct-08</td>
<td>35</td>
<td>Sep-14</td>
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<tr>
<td>CAGP IV</td>
<td>$ 671.2</td>
<td>1.2x</td>
<td>1.5x</td>
<td>92%</td>
<td>100%</td>
<td>Aug-08</td>
<td>36</td>
<td>Jun-14</td>
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<tr>
<td>CEOF II</td>
<td>$ 604.8</td>
<td>1.2x</td>
<td>1.2x</td>
<td>23%</td>
<td>80%</td>
<td>Nov-15</td>
<td>7</td>
<td>Mar-21</td>
<td></td>
</tr>
<tr>
<td>CIP II</td>
<td>¥ 60,222.0</td>
<td>1.1x</td>
<td>1.5x</td>
<td>86%</td>
<td>80%</td>
<td>Oct-06</td>
<td>43</td>
<td>Jul-12</td>
<td></td>
</tr>
<tr>
<td>CP IV</td>
<td>$ 267.7</td>
<td>2.7x</td>
<td>2.4x</td>
<td>97%</td>
<td>X</td>
<td>80%</td>
<td>Apr-05</td>
<td>49</td>
<td>Dec-10</td>
</tr>
<tr>
<td>CETP II</td>
<td>€ 231.2</td>
<td>1.4x</td>
<td>2.8x</td>
<td>84%</td>
<td>X</td>
<td>100%</td>
<td>Jan-08</td>
<td>38</td>
<td>Jul-13</td>
</tr>
<tr>
<td>CAP II</td>
<td>$ 223.7</td>
<td>1.2x</td>
<td>1.8x</td>
<td>90%</td>
<td>80%</td>
<td>Mar-06</td>
<td>46</td>
<td>Feb-12</td>
<td></td>
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<tr>
<td>All Other Funds (8)</td>
<td>$ 2,563.4</td>
<td>1.0x</td>
<td>2.1x</td>
<td>NM</td>
<td>NM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-investment and Other (9)</td>
<td>$ 4,600.3</td>
<td>1.3x</td>
<td>2.4x</td>
<td>NM</td>
<td>NM</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total Corporate Private Equity (12)</strong></td>
<td>$ 38,324.4</td>
<td>1.2x</td>
<td>2.0x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Real Assets</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>NGP XI</td>
<td>$ 3,545.5</td>
<td>1.3x</td>
<td>1.4x</td>
<td>57%</td>
<td>X</td>
<td>80%</td>
<td>Feb-15</td>
<td>10</td>
<td>Oct-19</td>
</tr>
<tr>
<td>CRP VII</td>
<td>$ 3,281.7</td>
<td>1.3x</td>
<td>1.3x</td>
<td>63%</td>
<td>X</td>
<td>80%</td>
<td>Jun-14</td>
<td>13</td>
<td>Mar-19</td>
</tr>
<tr>
<td>Energy IV</td>
<td>$ 3,192.9</td>
<td>0.8x</td>
<td>1.3x</td>
<td>105%</td>
<td>(X)</td>
<td>80%</td>
<td>Feb-08</td>
<td>38</td>
<td>Dec-13</td>
</tr>
<tr>
<td>Renew II</td>
<td>$ 1,985.7</td>
<td>1.3x</td>
<td>1.5x</td>
<td>82%</td>
<td>(X)</td>
<td>80%</td>
<td>Mar-08</td>
<td>38</td>
<td>May-14</td>
</tr>
<tr>
<td>NGP X</td>
<td>$ 1,664.0</td>
<td>0.8x</td>
<td>1.2x</td>
<td>91%</td>
<td>80%</td>
<td>Jan-12</td>
<td>22</td>
<td>May-17</td>
<td></td>
</tr>
<tr>
<td>CRP V</td>
<td>$ 1,210.1</td>
<td>2.0x</td>
<td>1.7x</td>
<td>110%</td>
<td>X</td>
<td>50%</td>
<td>Nov-06</td>
<td>43</td>
<td>Nov-11</td>
</tr>
<tr>
<td>CRP VI</td>
<td>$ 961.7</td>
<td>1.4x</td>
<td>1.9x</td>
<td>90%</td>
<td>X</td>
<td>50%</td>
<td>Mar-11</td>
<td>26</td>
<td>Mar-16</td>
</tr>
<tr>
<td>CIEP I</td>
<td>$ 825.0</td>
<td>1.6x</td>
<td>1.7x</td>
<td>20%</td>
<td>80%</td>
<td>Oct-13</td>
<td>15</td>
<td>Sep-19</td>
<td></td>
</tr>
<tr>
<td>CRP IV</td>
<td>$ 719.8</td>
<td>2.5x</td>
<td>1.6x</td>
<td>126%</td>
<td>50%</td>
<td>Jan-05</td>
<td>50</td>
<td>Dec-09</td>
<td></td>
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<tr>
<td>CEREPIII</td>
<td>€ 423.5</td>
<td>0.8x</td>
<td>1.2x</td>
<td>92%</td>
<td>67%</td>
<td>Jun-07</td>
<td>41</td>
<td>May-11</td>
<td></td>
</tr>
<tr>
<td>CPP II</td>
<td>$ 447.6</td>
<td>1.1x</td>
<td>1.1x</td>
<td>33%</td>
<td>80%</td>
<td>Sep-14</td>
<td>12</td>
<td>Apr-21</td>
<td></td>
</tr>
<tr>
<td>CRP III</td>
<td>$ 428.8</td>
<td>127.5x</td>
<td>3.5x</td>
<td>93%</td>
<td>X</td>
<td>50%</td>
<td>Mar-01</td>
<td>66</td>
<td>May-05</td>
</tr>
<tr>
<td>CIP</td>
<td>$ 342.5</td>
<td>1.2x</td>
<td>1.2x</td>
<td>94%</td>
<td>80%</td>
<td>Oct-06</td>
<td>43</td>
<td>Sep-12</td>
<td></td>
</tr>
<tr>
<td>Energy III</td>
<td>$ 338.6</td>
<td>0.2x</td>
<td>1.5x</td>
<td>94%</td>
<td>(X)</td>
<td>80%</td>
<td>Nov-05</td>
<td>47</td>
<td>Oct-11</td>
</tr>
<tr>
<td>All Other Funds (10)</td>
<td>$ 914.7</td>
<td>0.7x</td>
<td>1.2x</td>
<td>NM</td>
<td>NM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-investment and Other (9)</td>
<td>$ 2,263.2</td>
<td>1.3x</td>
<td>1.7x</td>
<td>NM</td>
<td>NM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Real Assets (12)</strong></td>
<td>$ 22,605.3</td>
<td>1.1x</td>
<td>1.4x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Global Market Strategies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEMOF I</td>
<td>$ 728.9</td>
<td>0.6x</td>
<td>0.9x</td>
<td>90%</td>
<td>100%</td>
<td>Dec-10</td>
<td>27</td>
<td>Dec-15</td>
<td></td>
</tr>
<tr>
<td>CSP III</td>
<td>$ 522.6</td>
<td>1.4x</td>
<td>1.6x</td>
<td>105%</td>
<td>X</td>
<td>80%</td>
<td>Dec-11</td>
<td>23</td>
<td>Aug-15</td>
</tr>
<tr>
<td>CSP IV</td>
<td>$ 282.6</td>
<td>1.2x</td>
<td>1.2x</td>
<td>19%</td>
<td>X</td>
<td>100%</td>
<td>Feb-17</td>
<td>2</td>
<td>Jun-20</td>
</tr>
<tr>
<td>CEMOF II</td>
<td>$ 207.7</td>
<td>1.0x</td>
<td>1.1x</td>
<td>7%</td>
<td>100%</td>
<td>Dec-15</td>
<td>7</td>
<td>Feb-20</td>
<td></td>
</tr>
<tr>
<td>CSP II</td>
<td>$ 159.2</td>
<td>0.9x</td>
<td>1.8x</td>
<td>100%</td>
<td>X</td>
<td>80%</td>
<td>Dec-07</td>
<td>39</td>
<td>Jun-11</td>
</tr>
<tr>
<td>All Other Funds (11)</td>
<td>$ 203.4</td>
<td>0.8x</td>
<td>1.4x</td>
<td>NM</td>
<td>NM</td>
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<td></td>
</tr>
<tr>
<td>Co-investment and Other (9)</td>
<td>$ 481.9</td>
<td>0.7x</td>
<td>0.9x</td>
<td>NM</td>
<td>NM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Global Market Strategies</strong></td>
<td>$ 2,586.3</td>
<td>0.8x</td>
<td>1.3x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As of June 30, 2017
Remaining Fair Value Analysis, Notes

(1) Net asset value of our carry funds. Reflects significant funds with remaining fair value of greater than $100 million.
(2) Unrealized multiple of invested capital (“MOIC”) represents remaining fair market value, before management fees, expenses and carried interest, divided by remaining investment cost.
(3) Total MOIC represents total fair value (realized proceeds combined with remaining fair value), before management fees, expenses and carried interest, divided by cumulative invested capital. For certain funds, represents the original cost of investments net of investment-level recallable proceeds, which is adjusted to reflect recyclability of invested capital for the purpose of calculating the fund MOIC.
(4) Represents cumulative equity invested as of the reporting period divided by total commitments. Amount can be greater than 100% due to the re-investment of recallable distributions to fund investors.
(5) Fund has a net accrued performance fee balance/(giveback obligation) as of the current quarter end, driven by a significant portion of the fund’s asset base.
(6) Fund has generated realized net performance fees/(realized giveback) in the last twelve months.
(7) Represents the date of the first capital contribution for management fees.
(8) Aggregate includes the following funds: CMG, CP I, CP II, CP III, CEP I, CEP II, CAP I, CBPF, CJP I, CEVP, CETP I, CETP III, CCI, CAVP I, CAVP II, CAGP III, CAGP V, Mexico, MENA, CSABF, CSSAF, CPF, CVP I, CVP II, and CUSGF III. In Accrued Carry/(Clawback) and LTM Realized Carry not indicated because the indicator does not apply to each fund within the aggregate.
(9) Includes co-investments, prefund investments and certain other stand-alone investments arranged by us. In Accrued Carry/(Clawback) and LTM Realized Carry not indicated because the indicator does not apply to each fund within the aggregate.
(10) Aggregate includes the following funds: CRP I, CRP II, CRCP I, CPI, CRP VIII, CEREP I, CEREP II, CAREP I, CAREP II, CCR, CPOCP I, NGP GAP, Energy I, Energy II and Renew I. In Accrued Carry/(Clawback) and LTM Realized Carry not indicated because the indicator does not apply to each fund within the aggregate.
(11) Aggregate includes the following funds: CSP I, CMP I, CMP II, CSC, and CASCOF. In Accrued Carry/(Clawback) and LTM Realized Carry not indicated because the indicator does not apply to each fund within the aggregate.
(12) For purposes of aggregation, funds that report in foreign currency have been converted to U.S. dollars at the reporting period spot rate.
Largest Publicly Traded Equity Positions in Carry Funds (1)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Largest Publicly Traded Equity Positions</th>
<th>Fund(s)</th>
<th>Q2 2017 Value (2,3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CoreSite Realty Corporation</td>
<td>CRP III, CRP IV, CRP V</td>
<td>$1,474,737,001</td>
</tr>
<tr>
<td>2</td>
<td>PNB Housing Finance Limited</td>
<td>CAP IV</td>
<td>1,447,413,023</td>
</tr>
<tr>
<td>3</td>
<td>Focus Media Holding Limited</td>
<td>CAP III</td>
<td>1,355,651,265</td>
</tr>
<tr>
<td>4</td>
<td>Pattern Energy Group Holdings, L.P.</td>
<td>RENEW II</td>
<td>971,137,495</td>
</tr>
<tr>
<td>5</td>
<td>Enviva Partners, LP</td>
<td>RENEW II</td>
<td>847,842,330</td>
</tr>
<tr>
<td>6</td>
<td>Wildhorse Resource Development Corp.</td>
<td>NGP X (4), NGP XI (4)</td>
<td>732,300,000</td>
</tr>
<tr>
<td>7</td>
<td>USA Compression</td>
<td>ENERGY IV</td>
<td>457,120,610</td>
</tr>
<tr>
<td>8</td>
<td>Tsubaki Nakashima Co., Ltd.</td>
<td>CJP II</td>
<td>365,021,221</td>
</tr>
<tr>
<td>9</td>
<td>Wesco Holdings, Inc.</td>
<td>CP IV</td>
<td>250,601,172</td>
</tr>
<tr>
<td>10</td>
<td>Centennial Resource Development, Inc.</td>
<td>CP VI, NGP X (4)</td>
<td>190,850,606</td>
</tr>
</tbody>
</table>

**Top 10 Positions**

| Total Public Equity Portfolio (carry fund only) | $9,227,550,734 |

% of public portfolio in top 10 positions

88%

(1) Excludes Investment Solutions carry funds.
(2) Figures represent gross investment results, inclusive of Carlyle-sponsored coinvestments. May include portion of private business in value.
(3) In U.S. dollars, or converted to U.S. dollars at the prevailing exchange rate on the last day of the fiscal period.
(4) These funds are advised by NGP, which is a separately registered investment adviser.
Note: Includes all classes of shares irrespective of trading status.
## Reconciliation for Total Segment Information (Unaudited)

### Three Months Ended June 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Total Reportable Segments</th>
<th>Consolidated Funds</th>
<th>Reconciling Items</th>
<th>Carlyle Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$ 532.5</td>
<td>$ 35.9</td>
<td>$ 39.6</td>
<td>$ 608.0</td>
</tr>
<tr>
<td>Expenses</td>
<td>$ 374.2</td>
<td>$ 35.0</td>
<td>$ 137.7</td>
<td>$ 546.9</td>
</tr>
<tr>
<td>Other income (loss)</td>
<td>—</td>
<td>$ 6.7</td>
<td>—</td>
<td>$ 6.7</td>
</tr>
<tr>
<td>Economic net income (loss)</td>
<td>$ 158.3</td>
<td>$ 7.6</td>
<td>$(98.1)</td>
<td>$ 67.8 (1)</td>
</tr>
</tbody>
</table>

### Three Months Ended September 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Total Reportable Segments</th>
<th>Consolidated Funds</th>
<th>Reconciling Items</th>
<th>Carlyle Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$ 539.5</td>
<td>$ 43.0</td>
<td>$ 24.8</td>
<td>$ 607.3</td>
</tr>
<tr>
<td>Expenses</td>
<td>$ 486.0</td>
<td>$ 41.2</td>
<td>$ 134.6</td>
<td>$ 661.8</td>
</tr>
<tr>
<td>Other income (loss)</td>
<td>—</td>
<td>$ 4.8</td>
<td>—</td>
<td>$ 4.8</td>
</tr>
<tr>
<td>Economic net income (loss)</td>
<td>$ 53.5</td>
<td>$ 6.6</td>
<td>$(109.8)</td>
<td>$(49.7) (1)</td>
</tr>
</tbody>
</table>

### Three Months Ended December 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>Total Reportable Segments</th>
<th>Consolidated Funds</th>
<th>Reconciling Items</th>
<th>Carlyle Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$ 435.5</td>
<td>$ 59.1</td>
<td>$ 81.3</td>
<td>$ 575.9</td>
</tr>
<tr>
<td>Expenses</td>
<td>$ 429.9</td>
<td>$ 47.2</td>
<td>$ 96.9</td>
<td>$ 574.0</td>
</tr>
<tr>
<td>Other income (loss)</td>
<td>—</td>
<td>$ 10.0</td>
<td>—</td>
<td>$ 10.0</td>
</tr>
<tr>
<td>Economic net income (loss)</td>
<td>$ 5.6</td>
<td>$ 21.9</td>
<td>$(15.6)</td>
<td>$ 11.9 (1)</td>
</tr>
</tbody>
</table>

### Three Months Ended March 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>Total Reportable Segments</th>
<th>Consolidated Funds</th>
<th>Reconciling Items</th>
<th>Carlyle Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$ 1,001.2</td>
<td>$ 42.9</td>
<td>$ 76.0</td>
<td>$ 1,120.1</td>
</tr>
<tr>
<td>Expenses</td>
<td>$ 601.1</td>
<td>$ 53.0</td>
<td>$ 155.4</td>
<td>$ 809.5</td>
</tr>
<tr>
<td>Other income (loss)</td>
<td>—</td>
<td>$ 17.1</td>
<td>—</td>
<td>$ 17.1</td>
</tr>
<tr>
<td>Economic net income (loss)</td>
<td>$ 400.1</td>
<td>$ 7.0</td>
<td>$(79.4)</td>
<td>$ 327.7 (1)</td>
</tr>
</tbody>
</table>

### Three Months Ended June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Total Reportable Segments</th>
<th>Consolidated Funds</th>
<th>Reconciling Items</th>
<th>Carlyle Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$ 859.0</td>
<td>$ 45.0</td>
<td>$ 4.4</td>
<td>$ 908.4</td>
</tr>
<tr>
<td>Expenses</td>
<td>$ 558.9</td>
<td>$ 91.9</td>
<td>$ 54.6</td>
<td>$ 705.4</td>
</tr>
<tr>
<td>Other income (loss)</td>
<td>—</td>
<td>$ 40.7</td>
<td>—</td>
<td>$ 40.7</td>
</tr>
<tr>
<td>Economic net income (loss)</td>
<td>$ 300.1</td>
<td>$ (6.2)</td>
<td>$(50.2)</td>
<td>$ 243.7 (1)</td>
</tr>
</tbody>
</table>

(1) The amount in the "Carlyle Consolidated" column is income before provision for income taxes, which is the GAAP measure that is most directly comparable to Economic Net Income (Loss).
(a) The Revenues adjustment principally represents fund management and performance fees earned from the Consolidated Funds that were eliminated in consolidation to arrive at Carlyle’s total revenues, adjustments for amounts attributable to non-controlling interests in consolidated entities, adjustments related to expenses associated with the investments in NGP Management and its affiliates that are included in operating captions or are excluded from the segment results, adjustments to reflect Carlyle’s share of Urbplan’s net losses as a component of investment income, the inclusion of tax expenses associated with certain performance fees, and adjustments to reflect Carlyle’s ownership interests in Claren Road (until January 2017), ESG (until October 2016) and Vermillion.

(b) The Expense adjustment represents the elimination of intercompany expenses of the Consolidated Funds payable to Carlyle, the inclusion of certain tax expenses associated with performance fee compensation, adjustments for amounts attributable to non-controlling interests in consolidated entities, adjustments related to expenses associated with the investment in NGP management that are included in operating captions, adjustments to reflect Carlyle’s share of Urbplan’s net losses as a component of investment income, changes in the tax receivable agreement liability, charges and credits associated with Carlyle corporate actions and non-recurring items and adjustments to reflect Carlyle’s economic interests in Claren Road (until January 2017), ESG (until October 2016) and Vermillion, as detailed below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity-based compensation issued in conjunction with the initial public offering, acquisitions and strategic investments</td>
<td>$79.3</td>
<td>$50.6</td>
<td>$48.1</td>
<td>$67.0</td>
<td>$58.5</td>
</tr>
<tr>
<td>Acquisition related charges, including amortization of intangibles and impairment</td>
<td>21.6</td>
<td>27.7</td>
<td>27.2</td>
<td>8.8</td>
<td>9.2</td>
</tr>
<tr>
<td>Other non-operating expense (income)</td>
<td>0.7</td>
<td>(3.7)</td>
<td>(12.0)</td>
<td>—</td>
<td>0.1</td>
</tr>
<tr>
<td>Tax (expense) benefit associated with performance fee compensation</td>
<td>(10.8)</td>
<td>(2.0)</td>
<td>1.0</td>
<td>(2.9)</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Non-Carlyle economic interests in acquired businesses and the consolidated real estate VIE</td>
<td>48.9</td>
<td>69.4</td>
<td>38.3</td>
<td>87.5</td>
<td>(4.9)</td>
</tr>
<tr>
<td>Severance and other adjustments</td>
<td>1.4</td>
<td>1.5</td>
<td>0.3</td>
<td>2.8</td>
<td>7.5</td>
</tr>
<tr>
<td>Elimination of expenses of Consolidated Funds</td>
<td>(3.4)</td>
<td>(8.9)</td>
<td>(6.0)</td>
<td>(7.8)</td>
<td>(13.4)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$137.7</strong></td>
<td><strong>$134.6</strong></td>
<td><strong>$96.9</strong></td>
<td><strong>$155.4</strong></td>
<td><strong>$54.6</strong></td>
</tr>
</tbody>
</table>

(c) The Other Income (Loss) adjustment results from the Consolidated Funds which were eliminated in consolidation to arrive at Carlyle’s total Other Income (Loss).
(d) Reconciliation for Economic Net Income and Distributable Earnings (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Dollars in millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income (loss) before provision for income taxes</td>
<td>$67.8</td>
<td>$(49.7)</td>
<td>$11.9</td>
<td>$327.7</td>
<td>$243.7</td>
<td>$571.4</td>
<td>$533.6</td>
<td></td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity-based compensation issued in conjunction with the initial public offering, acquisitions and strategic investments</td>
<td>79.3</td>
<td>50.6</td>
<td>48.1</td>
<td>67.0</td>
<td>58.5</td>
<td>125.5</td>
<td>224.2</td>
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<tr>
<td>Acquisition related charges, including amortization of intangibles and impairment</td>
<td>21.6</td>
<td>27.7</td>
<td>27.2</td>
<td>8.8</td>
<td>9.2</td>
<td>18.0</td>
<td>72.9</td>
<td></td>
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<tr>
<td>Other non-operating expense (income)</td>
<td>0.7</td>
<td>(3.7)</td>
<td>(12.0)</td>
<td>—</td>
<td>0.1</td>
<td>0.1</td>
<td>(15.6)</td>
<td></td>
</tr>
<tr>
<td>Tax (expense) benefit associated with performance fees</td>
<td>(10.8)</td>
<td>(2.0)</td>
<td>1.0</td>
<td>(2.9)</td>
<td>(2.4)</td>
<td>(5.3)</td>
<td>(6.3)</td>
<td></td>
</tr>
<tr>
<td>Net (income) loss attributable to non-controlling interests in consolidated entities</td>
<td>(1.6)</td>
<td>29.1</td>
<td>(70.8)</td>
<td>(3.3)</td>
<td>(16.5)</td>
<td>(19.8)</td>
<td>(61.5)</td>
<td></td>
</tr>
<tr>
<td>Severance and other adjustments</td>
<td>1.3</td>
<td>1.5</td>
<td>0.2</td>
<td>2.8</td>
<td>7.5</td>
<td>10.3</td>
<td>12.0</td>
<td></td>
</tr>
<tr>
<td>Economic Net Income</td>
<td>$158.3</td>
<td>$53.5</td>
<td>$5.6</td>
<td>$400.1</td>
<td>$300.1</td>
<td>$700.2</td>
<td>$759.3</td>
<td></td>
</tr>
<tr>
<td>Net performance fees</td>
<td>115.4</td>
<td>142.3</td>
<td>60.7</td>
<td>384.1</td>
<td>299.4</td>
<td>693.5</td>
<td>896.5</td>
<td></td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>28.9</td>
<td>13.3</td>
<td>14.5</td>
<td>10.6</td>
<td>31.2</td>
<td>41.8</td>
<td>69.6</td>
<td></td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>30.9</td>
<td>32.9</td>
<td>24.4</td>
<td>8.1</td>
<td>36.7</td>
<td>66.8</td>
<td>124.1</td>
<td></td>
</tr>
<tr>
<td>Reserve for Litigation and Contingencies</td>
<td>—</td>
<td>100.0</td>
<td>(100.0)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Fee Related Earnings</td>
<td>$44.9</td>
<td>$30.8</td>
<td>$(145.2)</td>
<td>$25.5</td>
<td>$6.2</td>
<td>$31.7</td>
<td>$(82.7)</td>
<td></td>
</tr>
<tr>
<td>Realized performance fees, net of related compensation</td>
<td>233.3</td>
<td>186.3</td>
<td>135.6</td>
<td>35.3</td>
<td>182.1</td>
<td>217.4</td>
<td>539.3</td>
<td></td>
</tr>
<tr>
<td>Realized investment income (loss)</td>
<td>9.3</td>
<td>11.1</td>
<td>17.0</td>
<td>(5.4)</td>
<td>10.6</td>
<td>5.2</td>
<td>33.3</td>
<td></td>
</tr>
<tr>
<td>Distributable Earnings</td>
<td>$287.5</td>
<td>$228.2</td>
<td>$7.4</td>
<td>$55.4</td>
<td>$198.9</td>
<td>$254.3</td>
<td>$489.9</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>7.3</td>
<td>7.2</td>
<td>7.2</td>
<td>7.5</td>
<td>7.5</td>
<td>15.0</td>
<td>29.4</td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>15.5</td>
<td>15.6</td>
<td>15.0</td>
<td>15.0</td>
<td>16.4</td>
<td>31.4</td>
<td>62.0</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$310.3</td>
<td>$251.0</td>
<td>$29.6</td>
<td>$77.9</td>
<td>$222.8</td>
<td>$300.7</td>
<td>$581.3</td>
<td></td>
</tr>
</tbody>
</table>
Reconciliation for Economic Net Income and Distributable Earnings, cont.  
(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Six Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun 30, 2017</td>
<td></td>
<td>Jun 30, 2017</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Dollars in millions, except unit and per unit amounts)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Net Income</td>
<td>$ 300.1</td>
<td></td>
<td>$ 700.2</td>
<td></td>
</tr>
<tr>
<td>Less: Provision for Income Taxes</td>
<td>25.3</td>
<td></td>
<td>60.8</td>
<td></td>
</tr>
<tr>
<td>Economic Net Income, After Taxes</td>
<td>$ 274.8</td>
<td></td>
<td>$ 639.4</td>
<td></td>
</tr>
<tr>
<td>Economic Net Income, After Taxes per Adjusted Unit(^{(1)})</td>
<td>$ 0.81</td>
<td></td>
<td>$ 1.90</td>
<td></td>
</tr>
<tr>
<td>Distributable Earnings</td>
<td>$ 198.9</td>
<td></td>
<td>$ 254.3</td>
<td></td>
</tr>
<tr>
<td>Less: Estimated foreign, state, and local taxes</td>
<td>5.6</td>
<td></td>
<td>12.4</td>
<td></td>
</tr>
<tr>
<td>Distributable Earnings, After Taxes</td>
<td>$ 193.3</td>
<td></td>
<td>$ 241.9</td>
<td></td>
</tr>
<tr>
<td>Distributable Earnings to The Carlyle Group L.P.</td>
<td>$ 55.6</td>
<td></td>
<td>$ 68.6</td>
<td></td>
</tr>
<tr>
<td>Less: Estimated current corporate income taxes and TRA payments</td>
<td>1.8</td>
<td></td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>Distributable Earnings to The Carlyle Group L.P. net of corporate income taxes</td>
<td>$ 53.8</td>
<td></td>
<td>$ 65.3</td>
<td></td>
</tr>
<tr>
<td>Distributable Earnings, net, per The Carlyle Group L.P. common unit outstanding(^{(2)})</td>
<td>$ 0.56</td>
<td></td>
<td>$ 0.69</td>
<td></td>
</tr>
</tbody>
</table>

(1) Adjusted Units were determined as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The Carlyle Group L.P. common units outstanding</td>
<td>91,051,380</td>
</tr>
<tr>
<td>Carlyle Holdings partnership units not held by The Carlyle Group L.P.</td>
<td>238,256,989</td>
</tr>
<tr>
<td>Dilutive effect of unvested deferred restricted common units</td>
<td>7,586,968</td>
</tr>
<tr>
<td>Issuable Carlyle Holdings partnership units</td>
<td>597,944</td>
</tr>
<tr>
<td><strong>Total Adjusted Units</strong></td>
<td>337,493,281</td>
</tr>
</tbody>
</table>

(2) As of June 30, 2017, there were 91,051,380 outstanding common units of The Carlyle Group L.P. In July and August 2017, an additional 5,143,321 common units were issued in connection with the vesting of deferred restricted common units. For purposes of this calculation, these common units have been added to the common units outstanding as of June 30, 2017 because they will participate in the unitholder distribution that will be paid in August 2017. The resulting total common units outstanding used for this calculation are 96,194,701.
The Carlyle Group L.P.
GAAP Balance Sheet (Unaudited)

As of June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Operating Entities</th>
<th>Consolidated Funds</th>
<th>Eliminations</th>
<th>Consolidated (Dollars in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 789.9</td>
<td>$ —</td>
<td>—</td>
<td>$ 789.9</td>
</tr>
<tr>
<td>Cash and cash equivalents held at Consolidated Funds</td>
<td>—</td>
<td>$ 416.1</td>
<td>—</td>
<td>$ 416.1</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>9.4</td>
<td>—</td>
<td>—</td>
<td>9.4</td>
</tr>
<tr>
<td>Corporate Treasury investments</td>
<td>115.4</td>
<td>—</td>
<td>—</td>
<td>115.4</td>
</tr>
<tr>
<td>Accrued performance fees</td>
<td>3,364.5</td>
<td>—</td>
<td>—</td>
<td>3,364.5</td>
</tr>
<tr>
<td>Investments</td>
<td>1,497.6</td>
<td>—</td>
<td>(195.3)</td>
<td>1,302.3</td>
</tr>
<tr>
<td>Investments of Consolidated Funds</td>
<td>—</td>
<td>3,907.7</td>
<td>—</td>
<td>3,907.7</td>
</tr>
<tr>
<td>Due from affiliates and other receivables, net</td>
<td>257.9</td>
<td>—</td>
<td>(4.8)</td>
<td>253.1</td>
</tr>
<tr>
<td>Due from affiliates and other receivables of Consolidated Funds, net</td>
<td>—</td>
<td>60.1</td>
<td>—</td>
<td>60.1</td>
</tr>
<tr>
<td>Receivables and inventory of a consolidated real estate VIE</td>
<td>167.2</td>
<td>—</td>
<td>—</td>
<td>167.2</td>
</tr>
<tr>
<td>Fixed assets, net</td>
<td>98.6</td>
<td>—</td>
<td>—</td>
<td>98.6</td>
</tr>
<tr>
<td>Deposits and other</td>
<td>50.3</td>
<td>—</td>
<td>—</td>
<td>50.3</td>
</tr>
<tr>
<td>Other assets of a consolidated real estate VIE</td>
<td>33.0</td>
<td>—</td>
<td>—</td>
<td>33.0</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>39.5</td>
<td>—</td>
<td>—</td>
<td>39.5</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>249.3</td>
<td>—</td>
<td>—</td>
<td>249.3</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$6,672.6</td>
<td>$4,383.9</td>
<td>(200.1)</td>
<td>$10,856.4</td>
</tr>
<tr>
<td><strong>Liabilities and partners’ capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt obligations</td>
<td>$1,437.1</td>
<td>$ —</td>
<td>—</td>
<td>$1,437.1</td>
</tr>
<tr>
<td>Loans payable of Consolidated Funds</td>
<td>—</td>
<td>3,721.2</td>
<td>—</td>
<td>3,721.2</td>
</tr>
<tr>
<td>Loans payable of a consolidated real estate VIE at fair value (principal amount of $145.3)</td>
<td>72.6</td>
<td>—</td>
<td>—</td>
<td>72.6</td>
</tr>
<tr>
<td>Accounts payable, accrued expenses and other liabilities</td>
<td>305.2</td>
<td>—</td>
<td>—</td>
<td>305.2</td>
</tr>
<tr>
<td>Accrued compensation and benefits</td>
<td>2,017.8</td>
<td>—</td>
<td>—</td>
<td>2,017.8</td>
</tr>
<tr>
<td>Due to affiliates</td>
<td>234.6</td>
<td>0.2</td>
<td>—</td>
<td>234.8</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>83.4</td>
<td>—</td>
<td>—</td>
<td>83.4</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>78.0</td>
<td>—</td>
<td>—</td>
<td>78.0</td>
</tr>
<tr>
<td>Other liabilities of Consolidated Funds</td>
<td>—</td>
<td>481.0</td>
<td>(32.1)</td>
<td>448.9</td>
</tr>
<tr>
<td>Other liabilities of a consolidated real estate VIE</td>
<td>173.4</td>
<td>—</td>
<td>—</td>
<td>173.4</td>
</tr>
<tr>
<td>Accrued giveback obligations</td>
<td>162.2</td>
<td>—</td>
<td>—</td>
<td>162.2</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>4,564.3</td>
<td>4,202.4</td>
<td>(32.1)</td>
<td>8,734.6</td>
</tr>
<tr>
<td><strong>Redeemable non-controlling interests in consolidated entities</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total partners’ capital</strong></td>
<td>2,108.3</td>
<td>181.5</td>
<td>(168.0)</td>
<td>2,121.8</td>
</tr>
<tr>
<td><strong>Total liabilities and partners’ capital</strong></td>
<td>$6,672.6</td>
<td>$4,383.9</td>
<td>(200.1)</td>
<td>$10,856.4</td>
</tr>
</tbody>
</table>
The Carlyle Group L.P.

Non-GAAP Financial Information and Other Key Terms

Non-GAAP Financial Information

Carlyle discloses in this press release the following financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles in the United States of America:

- Economic Net Income or “ENI,” represents segment net income which includes certain tax expense associated with performance fees and excludes the impact of all other income taxes, changes in the tax receivable agreement liability, acquisition-related items including amortization and impairment of acquired intangibles and contingent consideration taking the form of earn-outs, charges associated with equity-based compensation issued in Carlyle’s initial public offering or in acquisitions or strategic investments, corporate actions and infrequently occurring or unusual events. Carlyle believes the inclusion or exclusion of these items provides investors with a meaningful indication of its core operating performance. For segment reporting purposes, revenues and expenses, and accordingly segment net income, are presented on a basis that deconsolidates certain Carlyle funds, related co-investment entities and collateralized loan obligations (“CLOs”) (referred to collectively as the “Consolidated Funds”) that Carlyle consolidates in its consolidated financial statements pursuant to U.S. GAAP. Total Segment ENI equals the aggregate of ENI for all segments. Carlyle believes that reporting ENI is helpful to understanding its business and that investors should review the same supplemental financial measure that management uses to analyze its segment performance.

- Fee-Related Earnings or “FRE,” is a component of ENI and is used to assess the ability of the business to cover base compensation and operating expenses from fee revenues other than performance fees. FRE differs from income (loss) before provision for income taxes computed in accordance with U.S. GAAP in that it adjusts for the items included in the calculation of ENI and also adjusts ENI to exclude net performance fees, investment income (loss), from investments in Carlyle funds, equity-based compensation and certain general, administrative and other expenses when the timing of any future payment is uncertain. FRE is reported as part of Carlyle’s segment results.

- Distributable Earnings or “DE,” is FRE plus realized net performance fees and realized investment income (loss), and is used to assess performance and amounts potentially available for distribution from Carlyle Holdings to its unitholders. DE is intended to show the amount of net realized earnings without the effects of Consolidated Funds. DE is evaluated regularly by management in making resource deployment and compensation decisions across our four reportable segments. Management also uses DE in our budgeting, forecasting, and the overall management of our segments. DE is reported as part of Carlyle's segment results.

- Adjusted EBITDA is a component of ENI and is used to measure Carlyle’s ability to cover recurring operating expenses from cash earnings. Adjusted EBITDA is computed as ENI excluding unrealized performance fees, unrealized performance fee compensation, unrealized investment income, depreciation and amortization expense, interest expense and equity-based compensation.

Income before provision for income taxes is the GAAP financial measure most comparable to ENI, Fee-Related Earnings, Distributable Earnings, and Adjusted EBITDA. Reconciliations of these non-GAAP financial measures to income before provision for income taxes are included within this press release. These non-GAAP financial measures should be considered in addition to and not as a substitute for, or superior to, financial measures presented in accordance with U.S. GAAP.
**Other Key Terms**

“Assets under management” or “AUM” refers to the assets we manage or advise. Our AUM equals the sum of the following:

(a) the fair value of the capital invested in carry funds, related co-investment vehicles and NGP management fee funds plus the capital that Carlyle is entitled to call from investors in those funds and vehicles (including Carlyle commitments to those funds and vehicles and those of senior Carlyle professionals and employees) pursuant to the terms of their capital commitments to those funds and vehicles;

(b) the amount of aggregate collateral balance and principal cash at par or aggregate principal amount of the notes of our CLOs and other structured products (inclusive of all positions);

(c) the net asset value (pre-redemptions and subscriptions) of our long/short credit, emerging markets, multi-product macroeconomic, fund of hedge funds vehicles, mutual fund and other hedge funds; and

(d) the gross assets (including assets acquired with leverage) of our business development companies.

AUM includes certain energy and renewable resources funds that Carlyle jointly advises with Riverstone Holdings L.L.C. (“Riverstone”) and certain NGP management fee funds and carry funds advised by NGP Energy Capital Management. Carlyle’s calculation of AUM (but not Fee-Earning AUM) includes uncalled commitments to, and the fair value of invested capital in, investment funds from Carlyle and its personnel, regardless of whether such commitments or invested capital are subject to management or performance fees.

“Available capital,” commonly known as “dry powder,” for Carlyle’s carry funds and NGP management fee funds, refers to the amount of capital commitments available to be called for investments. Amounts previously called may be added back to available capital following certain distributions.

“Carlyle funds,” “our funds” and “our investment funds” refer to the investment funds and vehicles advised by Carlyle.

“Carry funds” generally refers to closed-end investment vehicles, in which commitments are drawn down over a specified investment period, and in which the general partner receives a special residual allocation of income from limited partners, which we refer to as carried interest, in the event that specified investment returns are achieved by the fund. Disclosures referring to carry funds will also include the impact of certain commitments which do not earn carried interest, but are either part of, or associated with our carry funds. The rate of carried interest, as well as the share of carried interest allocated to Carlyle, may vary across the carry fund platform. Carry funds generally include the following investment vehicles across our four business segments:

- Corporate Private Equity (all): Buyout & growth funds advised by Carlyle
- Real Assets: Real estate, power, infrastructure and energy funds advised by Carlyle, as well as those energy funds advised by NGP Capital Management in which Carlyle is entitled to receive a share of carried interest
- Global Market Strategies: Distressed credit, corporate mezzanine and energy credit funds, as well as certain closed-end credit funds advised by Carlyle
- Investment Solutions: Funds and vehicles advised by AlpInvest Partners B.V. (“AlpInvest”) and Metropolitan Real Estate Equity Management, LLC (“Metropolitan), which include fund, secondary and co-investment strategies

Carry funds specifically exclude those funds advised by NGP Capital Management in which Carlyle is not entitled to receive a share of carried interest (or “NGP management fee funds”), collateralized loan obligation vehicles (CLOs), business development companies, and our hedge fund platform.

“Catch-up management fees” refer to those amounts of management fees charged to fund investors in subsequent closings of a fund which apply to the time period between the fee initiation date and the subsequent closing date.

“Expired available capital” occurs when a fund has passed the investment and follow-on periods and can no longer invest capital into new or existing deals. Any remaining available capital, typically a result of either recycled
distributions or specific reserves established for the follow-on period that are not drawn, can only be called for fees and expenses and is therefore removed from the total AUM calculation.

“Fee-earning assets under management” or “Fee-earning AUM” refers to the assets we manage or advise from which we derive recurring fund management fees. Our Fee-earning AUM is generally based on one of the following, once fees have been activated:

(a) the amount of limited partner capital commitments, generally for carry funds where the original investment period has not expired, for AlpInvest carry funds during the commitment fee period and for Metropolitan carry funds during the weighted-average investment period of the underlying funds (see “Fee-earning AUM based on capital commitments” in the table below for the amount of this component at each period);

(b) the remaining amount of limited partner invested capital at cost, generally for carry funds and certain co-investment vehicles where the original investment period has expired and Metropolitan carry funds after the expiration of the weighted-average investment period of the underlying funds (see “Fee-earning AUM based on invested capital” in the table below for the amount of this component at each period);

(c) the amount of aggregate fee-earning collateral balance at par of our collateralized loan obligations (“CLOs”), as defined in the fund indentures (typically exclusive of equities and defaulted positions) as of the quarterly cut-off date for each CLO (see “Fee-earning AUM based on collateral balances, at par” in the table below for the amount of this component at each period);

(d) the external investor portion of the net asset value of our hedge fund and fund of hedge funds vehicles (pre redemptions and subscriptions), as well as certain carry funds (see “Fee-earning AUM based on net asset value” in the table below for the amount of this component at each period);

(e) the gross assets (including assets acquired with leverage), excluding cash and cash equivalents of our business development companies and certain carry funds (see “Fee-earning AUM based on lower of cost or fair value and other” in the table below for the amount of this component at each period);

(f) the lower of cost or fair value of invested capital, generally for AlpInvest carry funds where the commitment fee period has expired and certain carry funds where the investment period has expired, (see “Fee-earning AUM based on lower of cost or fair value and other” in the table below for the amount of this component at each period).

Fee-Earning AUM includes certain energy and renewable resources carry funds that Carlyle jointly advises with Riverstone and certain NGP management fee funds and carry funds advised by NGP Energy Capital Management. Fee-Earning AUM includes only those assets which earn a material fee.

For most of our carry funds, total AUM includes the fair value of the capital invested, whereas Fee-earning AUM includes the amount of capital commitments or the remaining amount of invested capital, depending on whether the original investment period for the fund has expired. As such, Fee-earning AUM may be greater than total AUM when the aggregate fair value of the remaining investments is less than the cost of those investments.

“NGP management fee funds” refer to those funds advised by NGP Energy Capital Management (together with its affiliates and subsidiaries) from which we only receive management fees.

“Net accrued performance fees” refers to the accrued performance fees that are attributable to Carlyle’s unitholders. This balance is comprised of accrued performance fees less: accrued giveback obligations, accrued performance fee compensation, performance fee-related tax obligations, and accrued performance fees attributable to non-controlling interests. This balance also excludes net accrued performance fees that have been realized but will be collected in subsequent periods.

“Net performance fees” refers to the performance fees from Carlyle funds and vehicles net of the portion allocated to Carlyle investment professionals (including related tax expense) which is reflected as performance fee related compensation expense.
“Performance fees” consist principally of carried interest from carry funds and incentive fees or allocations from certain Global Market Strategies vehicles. Carlyle is generally entitled to a 20% allocation (or 10% to 20% on certain longer-dated carry funds as well as some external co-investment vehicles, or approximately 2% to 10% in the case of most of the Investment Solutions carry funds and vehicles) of the net realized income or gain as a carried interest after returning the invested capital, the allocation of preferred returns of generally 7% to 9% (or 4% to 7% for certain longer-dated carry funds) and the return of certain fund costs (subject to catch-up provisions as set forth in the fund limited partnership agreement). Carried interest revenue, which is a component of performance fees in Carlyle’s consolidated financial statements, is recognized by Carlyle upon appreciation of the valuation of the applicable funds’ investments above certain return hurdles as set forth in each respective partnership agreement and is based on the amount that would be due to Carlyle pursuant to the fund partnership agreement at each period end as if the funds were liquidated at such date.

“Realized net performance fees” refers to the realized performance fees from Carlyle funds and vehicles net of the portion allocated to Carlyle investment professionals which is reflected as realized performance fee related compensation expense, and any performance fee-related tax obligations.

“VIE” refers to a variable interest entity, as that term is defined in Accounting Standards Codification Topic 810, Consolidation.