

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 5, 2020

The Carlyle Group Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-35538
(Commission
File Number)

45-2832612
(IRS Employer
Identification No.)

1001 Pennsylvania Avenue, NW
Washington, DC
(Address of Principal Executive Offices)

(202) 729-5626
(Registrant's Telephone Number, Including Area Code)

20004-2505
(Zip Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	CG	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02**Results of Operations and Financial Condition.**

On February 5, 2020, The Carlyle Group Inc. issued a summary press release and a detailed earnings presentation announcing financial results for its fourth quarter ended December 31, 2019. The summary press release and the earnings presentation are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Report.

As provided in General Instruction B.2 of Form 8-K, the information in this Item 2.02 and Exhibits 99.1 and 99.2 incorporated in this Form 8-K shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall such information or Exhibits 99.1 and 99.2 be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01**Financial Statements and Exhibits.****(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Summary earnings press release of The Carlyle Group Inc., dated February 5, 2020.
99.2	Earnings presentation of The Carlyle Group Inc., dated February 5, 2020.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

The Carlyle Group, Inc.

Date: February 5, 2020

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Chief Financial Officer

THE CARLYLE GROUP

The Carlyle Group Announces Fourth Quarter and Full Year 2019 Financial Results

Washington, DC, February 5, 2020 – Global investment firm The Carlyle Group Inc. (NASDAQ: CG) today reported its unaudited results for the fourth quarter and full year ended December 31, 2019. The full detailed presentation of Carlyle's fourth quarter and full year 2019 results can be viewed on the investor relations section of our website at ir.carlyle.com.

Carlyle Co-CEOs Kewsong Lee and Glenn Youngkin said, "Carlyle had a great 2019, delivering strong results and reaching key milestones around our most important priorities. With our best in class corporate conversion complete, we are more shareholder friendly and excited to keep our operating momentum going. The combination of our people and strong global platform positions us well to execute on a clear set of priorities and drive positive impact for all stakeholders."

U.S. GAAP results for Q4 2019 and 2019 included income (loss) before provision for income taxes of \$(40) million and \$1,233 million, and net income (loss) attributable to The Carlyle Group Inc. common stockholders of \$(8) million and \$345 million, or net income (loss) per common share of \$(0.08) and \$2.82, on a diluted basis. Total balance sheet assets were \$14 billion as of December 31, 2019.

Dividends

The Board of Directors has declared a quarterly dividend of \$0.25 per common share to holders of record at the close of business on February 18, 2020, payable on February 25, 2020. For full year 2019, the Board of Directors declared \$1.18 in aggregate distributions to common stockholders.

Conference Call

Carlyle will host a conference call at 8:30 a.m. EST on Wednesday, February 5, 2020, to announce its fourth quarter and full year 2019 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 investment firm with deep industry expertise that deploys private capital across four business segments: Corporate Private Equity, Real Assets, Global Credit and Investment Solutions. With \$224 billion of assets under management as of December 31, 2019, Carlyle's purpose is to invest wisely and create value on behalf of its investors, portfolio companies and the communities in which we live and invest. The Carlyle Group employs more than 1,775 people in 32 offices across six continents. Further information is available at www.carlyle.com. Follow The Carlyle Group on Twitter @OneCarlyle.

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 dividend policy, our expected future dividend policy, the anticipated benefits from converting to a corporation 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, 2018 filed with the SEC on February 13, 2019, 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.

Carlyle's Conversion to a Corporation

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

Contacts:

Public Market Investor Relations

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THE CARLYLE GROUP
REPORTS FOURTH QUART
AND FULL YEAR
2019 FINANCIAL RESULTS

FEBRUARY 5, 2020

EXHIBIT 99.

THE CARLYLE GROUP

The Carlyle Group Reports Fourth Quarter and Full Year 2019 Financial Results

THE CARLYLE G

WASHINGTON, DC – FEBRUARY 5, 2020 – Global investment firm The Carlyle Group Inc. (NASDAQ: CG) today reported its unaudited results the fourth quarter and full year ended December 31, 2019.

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“Carlyle had a great 2019, delivering strong results and reaching key milestones around our most important priorities. With our best in class corporate conversion complete, we are more shareholder friendly and excited to keep our operating momentum going. The combination of our people and strong global platform positions us well to execute on a clear set of priorities and drive positive impact for all stakeholders.”

- Carlyle Co-CEO
Kewsong Lee and Glenn Young

The Carlyle Group Reports Fourth Quarter and Full Year 2019 Financial Results

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Fourth Quarter and Full Year 2019 Earnings

Carlyle Fourth Quarter & Full Year 2019 U.S. GAAP Results

- Net income (loss) attributable to The Carlyle Group L.P. common unitholders in Q4 2019 was \$(8.3) million, and \$345.3 million over the LTM

(Dollars in millions, except per unit amounts)

	4Q'18	4Q'19	FY'17	FY'18	FY'19
REVENUES					
Fund management fees	\$ 377.4	\$ 372.4	\$ 1,026.9	\$ 1,272.0	\$ 1,476.2
Incentive fees	9.7	9.1	35.3	30.2	35.9
Investment income, including performance allocations	(314.9)	3.3	2,290.6	809.2	1,568.4
Revenue from consolidated entities	53.1	49.7	286.7	214.5	199.2
All other revenues	26.4	25.8	36.7	101.3	97.3
Total Revenues	151.7	460.3	3,676.2	2,427.2	3,377.0
EXPENSES					
Cash-based compensation and benefits	196.8	201.5	652.7	746.7	833.4
Equity-based compensation	40.4	32.2	320.3	239.9	140.0
Performance allocations and incentive fee related compensation	(149.7)	45.1	988.3	376.3	436.7
General, administrative and other expenses	72.7	149.5	276.8	460.7	494.4
Expenses from consolidated entities	42.9	32.1	400.1	164.6	131.8
Interest and other non-operating expenses (income)	19.8	23.2	(5.9)	83.3	83.4
Total Expenses	222.9	483.6	2,632.3	2,071.5	2,119.7
Net investment gains (losses) of consolidated funds	(7.5)	(17.0)	88.4	4.5	(23.9)
Income (loss) before provision for income taxes	(78.7)	(40.3)	1,132.3	360.2	1,233.4
Provision (benefit) for income taxes	(5.5)	0.1	124.9	31.3	49.0
Net income (loss)	(73.2)	(40.4)	1,007.4	328.9	1,184.4
Net income (loss) attributable to non-controlling interests in consolidated entities	(8.3)	(9.2)	72.5	33.9	36.6
Net income (loss) attributable to Carlyle Holdings	(64.9)	(31.2)	934.9	295.0	1,147.8
Net income (loss) attributable to non-controlling interests in Carlyle Holdings	(54.8)	(22.9)	690.8	178.5	766.9
Net income (loss) attributable to The Carlyle Group L.P.	(10.1)	(8.3)	244.1	116.5	380.9
Net income attributable to Series A Preferred Shareholders	5.9	—	6.0	23.6	19.1
Series A Preferred Shares redemption premium	—	—	—	—	16.5
Net income (loss) attributable to The Carlyle Group L.P. Common Unitholders	\$ (16.0)	\$ (8.3)	\$ 238.1	\$ 92.9	\$ 345.3
Net income (loss) attributable to The Carlyle Group L.P. per common unit					
Basic	\$ (0.15)	\$ (0.07)	\$ 2.58	\$ 0.89	\$ 3.05
Diluted	\$ (0.15)	\$ (0.08)	\$ 2.38	\$ 0.82	\$ 2.82
Income (loss) before provision for taxes margin ¹	(51.9)%	(8.8)%	30.8 %	14.8 %	36.5 %

- The income (loss) before provision for income taxes² for Q4 2019 and FY 2019 includes \$(86) million and \$723 million, respectively, in investment income (loss) from our equity method investment in Fortitude Re. These amounts include \$(92) million and \$582 million, respectively, in gains (losses) from changes in fair value of embedded derivatives as a result of accounting principles related to derivatives and hedging (DIG B36³).

See Notes at end of document.

Carlyle Fourth Quarter and Full Year 2019 Highlights

Financial Measures & Distribution

- Distributable Earnings ("DE") of \$172 million for Q4 2019 on a pre-tax basis, or \$0.47 per common share on a post-tax basis. Full year 2019 DE of \$647 million, or \$1.70 per common share
- Fee Related Earnings ("FRE") of \$108 million for Q4 2019 and \$453 million for full year 2019
- Realized Net Performance Revenues of \$79 million for Q4 2019 and \$164 million for full year 2019
- Net Accrued Performance Revenues of \$1.7 billion, up 2% year-over-year
- Declared a quarterly dividend of \$0.25 per common share, payable to stockholders of record as of February 18, 2020

Assets Under Management

- Total Assets Under Management: \$224 billion, up 4% year-over-year
- Fee-earning Assets Under Management: \$161 billion, up 1% year-over-year
- Available Capital for investment: \$69 billion

Key Metrics

- Fundraising: \$3.3 billion in Q4 2019 and \$19.3 billion LTM
- Invested Capital (carry funds): \$7.1 billion in Q4 2019 and \$21.3 billion LTM
- Realized Proceeds (carry funds): \$5.1 billion in Q4 2019 and \$19.9 billion LTM
- Carry Fund Appreciation: 2% in Q4 2019 and 9% LTM

Corporate Actions

- Completed our conversion to a Corporation as of January 1, 2020. Carlyle's new corporate structure has a single share class with one share/one vote governance and a \$1.00 fixed annual dividend
-

Carlyle Fourth Quarter & Full Year 2019 Total Segment Operating Results

(Dollars in millions, except per share amounts)

	4Q'18	4Q'19	FY'18	FY'19
SEGMENT REVENUES				
Fund management fees	\$ 391.0	\$ 390.2	\$ 1,361.8	\$ 1,570.0
Portfolio advisory fees, net and other	6.0	6.1	31.1	27.0
Transaction fees, net	25.3	11.4	32.1	33.0
Total segment fee revenues	422.3	407.7	1,425.0	1,627.0
Realized performance revenues	111.7	164.9	682.4	374.0
Realized principal investment income (loss)	4.7	1.7	48.1	8.0
Interest income	6.7	6.4	30.4	2.0
Total Segment Revenues	\$ 545.4	\$ 580.7	\$ 2,185.9	\$ 2,110.0
SEGMENT EXPENSES				
Compensation and benefits				
Cash-based compensation and benefits	\$ 192.9	\$ 188.6	\$ 740.7	\$ 79.0
Realized performance revenues related compensation	68.6	86.3	362.7	210.0
Total compensation and benefits ²	261.5	274.9	1,103.4	1,000.0
General, administrative and other expenses	44.2	94.6	298.8	33.0
Depreciation and amortization expense	9.8	16.5	35.1	48.0
Interest expense	19.4	23.0	74.7	8.0
Total Segment Expenses	\$ 334.9	\$ 409.0	\$ 1,512.0	\$ 1,463.0
Total Segment Revenues	\$ 545.4	\$ 580.7	\$ 2,185.9	\$ 2,110.0
Total Segment Expenses	334.9	409.0	1,512.0	1,463.0
(=) Distributable Earnings	\$ 210.5	\$ 171.7	\$ 673.9	\$ 647.0
(-) Realized Net Performance Revenues	43.1	78.6	319.7	16.0
(-) Realized Principal Investment Income (Loss)	4.7	1.7	48.1	8.0
(+) Net Interest	12.7	16.6	44.3	5.0
(=) Fee Related Earnings	\$ 175.4	\$ 108.0	\$ 350.4	\$ 458.0
After-tax Distributable Earnings, per common share¹	\$ 0.57	\$ 0.47	\$ 1.78	\$ 1.00
Dividend per common share	\$ 0.43	\$ 0.25	\$ 1.34	\$ 1.00

(1) A reconciliation of Distributable Earnings to After-tax Distributable Earnings per common share is provided on page 29.

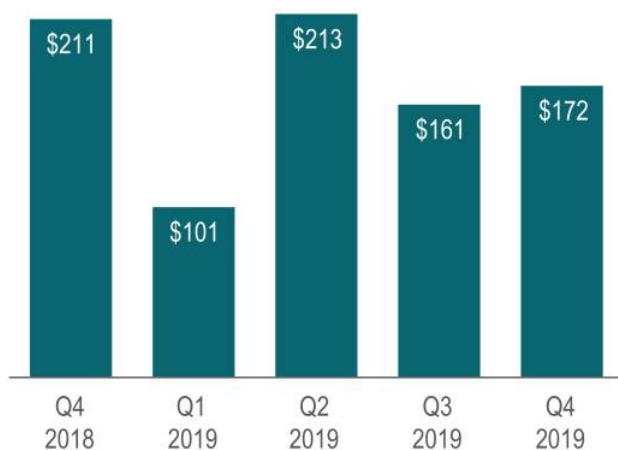
(2) Total Segment compensation and benefits exclude equity-based compensation, detailed below and as shown on page 30. These amounts include equity-based compensation reflected in (i) principal investment income and (ii) general, administrative and other expense in our U.S. GAAP statement of operations, and excludes amounts related to shares issued in conjunction with a previous acquisition. The FY'18 equity-based compensation amount below excludes approximately \$69.3 million related to shares issued in conjunction with the IPO.

Equity-based compensation	\$ 44.0	\$ 34.9	\$ 182.9	\$ 151.0
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Distributable Earnings

- Distributable Earnings were \$172 million in Q4 2019 and \$647 million for FY 2019
 - Fee Related Earnings accounted for 63% of Distributable Earnings in the quarter and 70% for FY 2019
- Net Realized Performance Revenues were \$79 million in Q4 2019 and \$164 million for FY 2019
 - For FY 2019, Real Assets contributed 55% of Net Realized Performance Revenue
- Realized Principal Investment Income was \$2 million in Q4 2019 and \$87 million for FY 2019, which includes a \$72 million gain from the final resolution of French tax litigation realized in Q2 2019

Quarterly Distributable Earnings (\$mm)



Annual Distributable Earnings (\$mm)



Fee Related Earnings

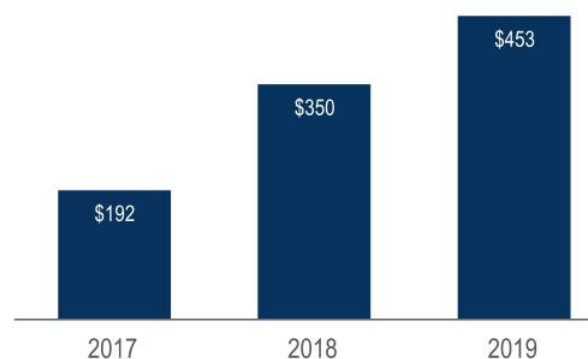
- Fee Related Earnings were \$108 million in Q4 2019, compared to \$175 million in Q4 2018 (which benefited from \$32 million of insurance recoveries, elevated transaction fees and catch-up management fees, as well as lower general, administrative and other expense). Excluding these adjustments, Q4 2018 FRE would have been approximately \$90 million. FY 2019 Fee Related Earnings of \$453 million increased 29% from \$350 million in FY 2018, inclusive of all items
- Management Fees of \$390 million in Q4 2019 were flat compared to Q4 2018, and included catch-up management fees of \$4 million in Q4 2019 compared to \$16 million in Q4 2018. For FY 2019, management fees of \$1.6 billion increased 15% from FY 2018. Transaction fees of \$11 million in Q4 2019 declined from \$25 million in Q4 2018
- Cash-based compensation & benefits were \$189 million in Q4 2019, down 2% from \$193 million in Q4 2018. For FY 2019, cash compensation & benefits were \$792 million, an increase of 7% from FY 2018
- FRE margin was 26% in Q4 2019 and 28% for FY 2019

Quarterly Fee Related Earnings (\$mm)



FRE Margin ¹	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
	42%	26%	31%	27%	26%

Annual Fee Related Earnings (\$mm)



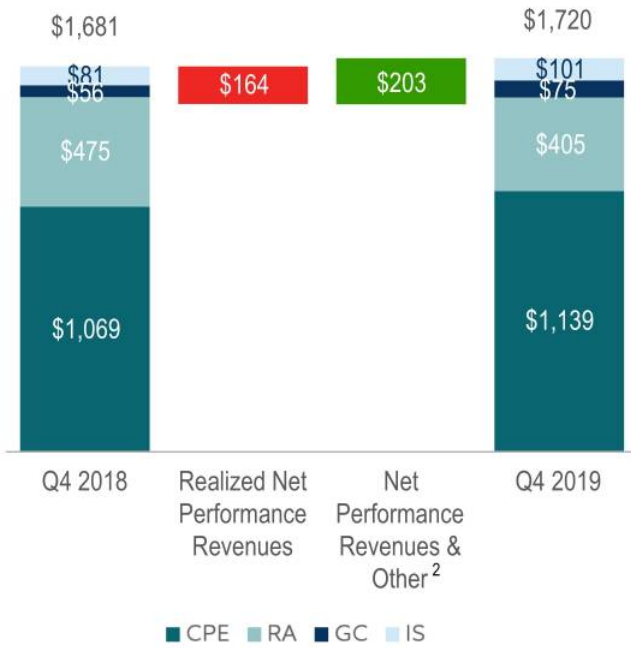
FRE Margin ¹	2017	2018	2019
	17%	25%	28%

See Notes at end of document.

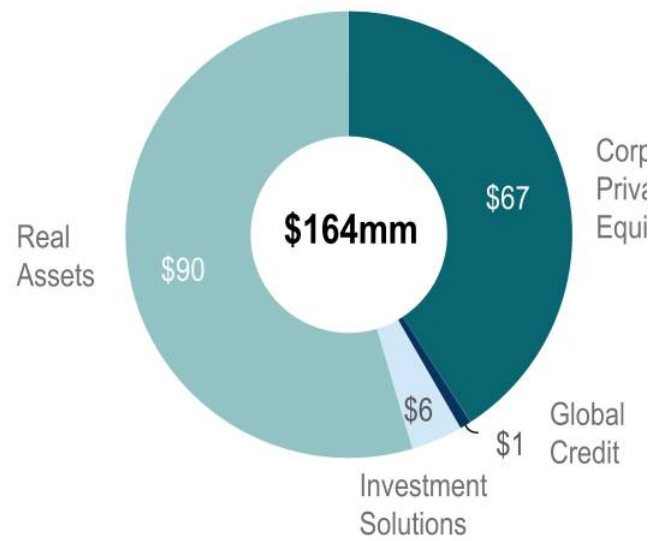
Performance Revenues

- Net Accrued Performance Revenues¹ were \$1.7 billion as of Q4 2019, up 2% from one year ago
- Realized Net Performance Revenues were \$79 million in Q4 2019 and \$164 million for FY 2019
 - Q4 2019 Net Realized Performance Revenues were primarily driven by exit activity in our U.S. Real Estate and Europe Technology funds

Net Accrued Performance Revenues (\$mm)



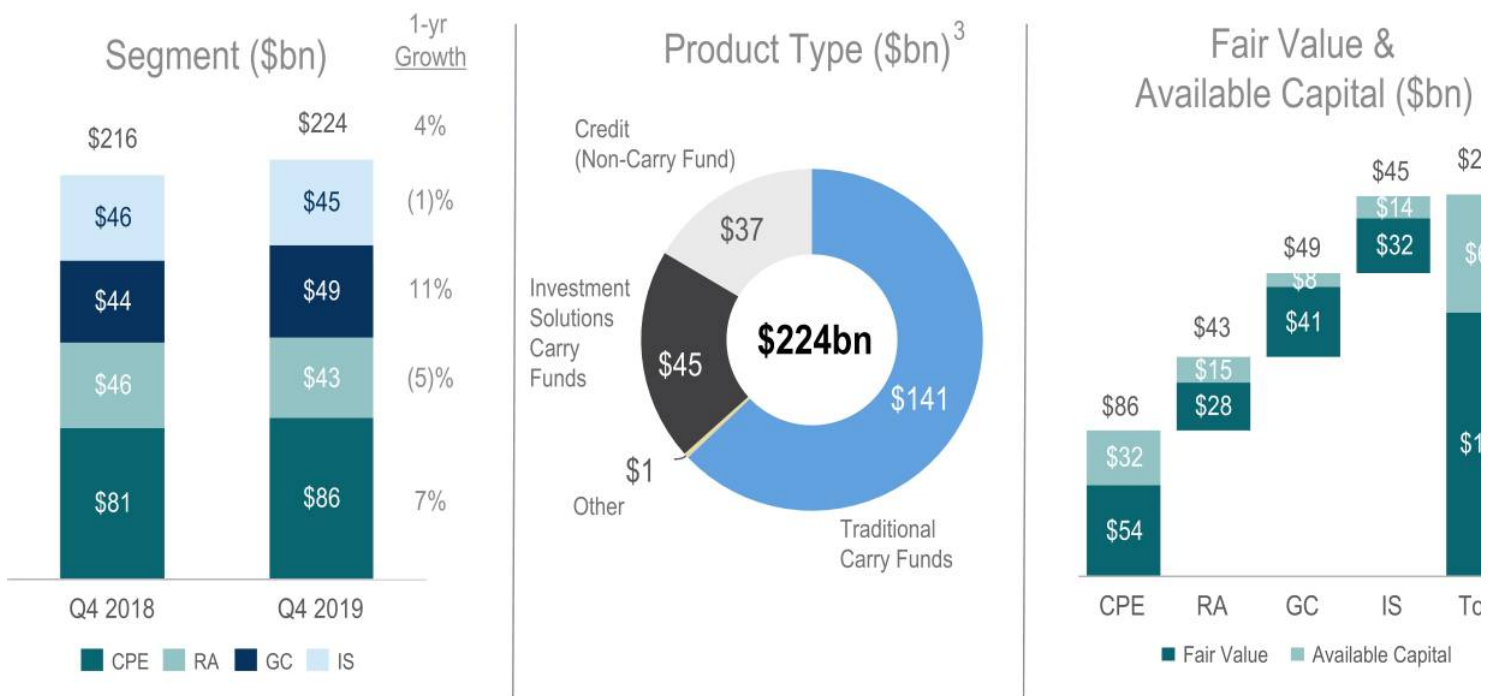
Realized Net Performance Revenues (\$mm) LTM by Segment



See Notes at end of document.

Total Assets Under Management

- Total Assets Under Management¹ of \$224 billion at December 31, 2019 increased 1% from the prior quarter and 4% from one year ago
- Available Capital² of \$69 billion decreased from \$75 billion one year ago as our latest generation funds continue to actively deploy capital in excess of new capital raised

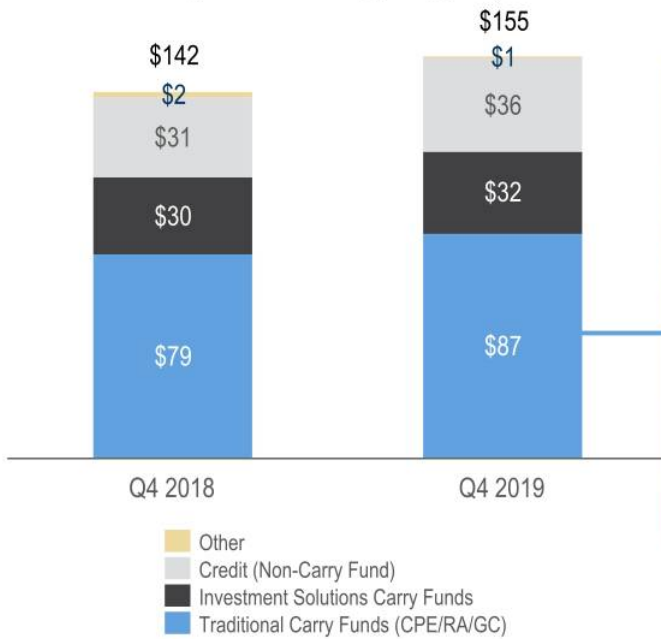


See Notes at end of document.

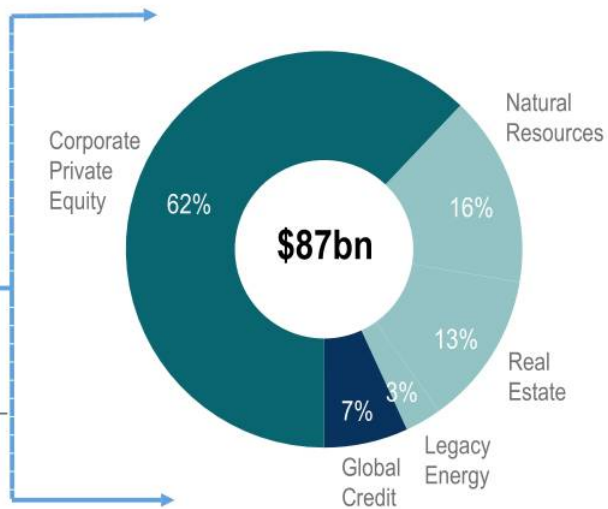
Fair Value of Investments

- Fair Value of Investments⁴ was \$155 billion at December 31, 2019, up 9% from one year ago
- Fair value in traditional carry funds of \$87 billion was up 10% from one year ago, with 54% currently accruing performance revenue

Fair Value of Investments
By Product Type (\$bn)³



Traditional Carry Funds



In-Carry Ra

54%

Publicly Tr

6%

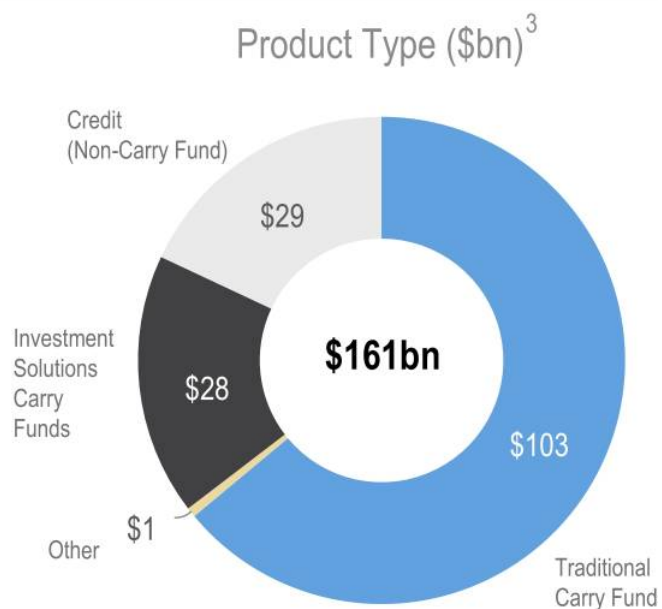
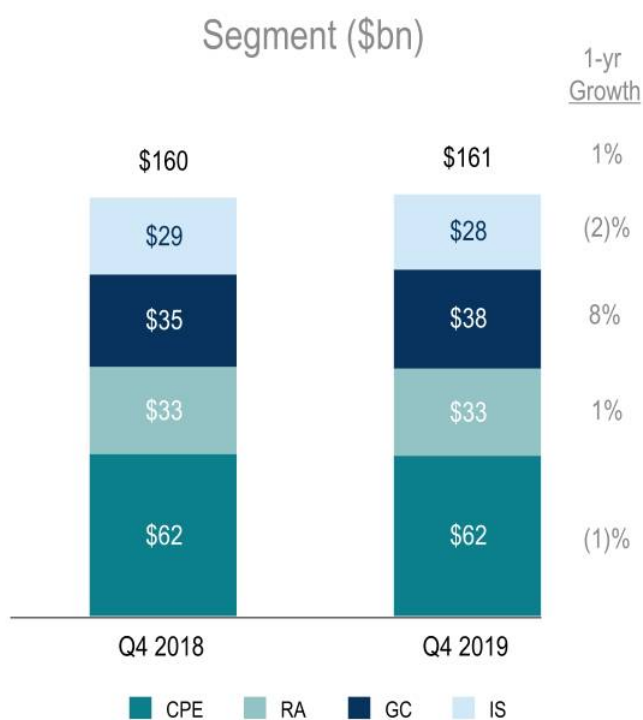
Aged 4+ Y

27%

See Notes at end of document. Totals may not sum due to rounding.

Fee-earning Assets Under Management

- Fee-earning Assets Under Management⁷ of \$161 billion increased 1% compared to one year ago, driven by an 8% increase in Global Credit
- Pending Fee-earning AUM⁸ was \$8.5 billion as of December 31, 2019



See Notes at end of document. Totals may not sum due to rounding.

Key Metrics Activity

- Fundraising was \$3.3 billion in Q4 2019, and \$19.3 billion for FY 2019
- Invested Capital in carry funds was \$7.1 billion in Q4 2019, and \$21.3 billion for FY 2019
- Realized Proceeds in carry funds was \$5.1 billion in Q4 2019, and \$19.9 billion for FY 2019

(\$bn)	Fundraising		Invested Capital <i>Carry Funds</i>		Realized Proceeds <i>Carry Funds</i>	
	4Q'19	FY'19	4Q'19	FY'19	4Q'19	FY'19
Total	\$3.3	\$19.3	\$7.1	\$21.3	\$5.1	\$19.9
Corporate Private Equity	\$1.4	\$7.4	\$2.0	\$8.2	\$1.3	\$5.0
Real Assets ¹	\$0.5	\$3.2	\$2.6	\$5.2	\$1.9	\$5.8
Real Estate	\$0.3	\$0.6	\$0.5	\$2.3	\$0.9	\$2.7
Natural Resources	\$0.2	\$2.6	\$2.1	\$2.9	\$0.8	\$2.1
Global Credit	\$0.4	\$5.7	\$0.7	\$2.6	\$0.2	\$1.8
Investment Solutions	\$1.0	\$3.0	\$1.8	\$5.3	\$1.7	\$7.3

See Notes at end of document. Totals may not sum due to rounding.



Segment Highlights

Corporate Private Equity

- **Fee Related Earnings** of \$72 million in Q4 2019 were down from \$89 million in Q4 2018 with the difference primarily driven by elevated transaction fees of \$23 million in the prior period. FY 2019 Fee Related Earnings of \$261 million were more than double the \$124 million in 2018, driven by 21% YoY management fee growth
- **Total AUM** of \$86 billion increased 7% from one year ago, driven by fundraising in our latest vintage Japan buyout, Global Partners and Europe Technology funds, as well as fund appreciation
- **Invested Capital** of \$2.0 billion in Q4 2019 and \$8.2 billion for FY 2019. Notable Q4 2019 investments included CEP SA (CP VII/CEP V), Hilb Group (CP VII) and HireVue (CP VII)
- **Realized Proceeds** of \$1.3 billion in Q4 2019 and \$5.0 billion for FY 2019. **Realized Net Performance Revenues** of \$30 million in Q4 2019 were largely driven by our third Europe Technology fund (CETP III)
- **Carry Fund Appreciation** was 3% in Q4 2019 and 8% for FY 2019



(Dollars in millions)

	4Q'18	4Q'19	FY'18	FY'19
Fund management fees	\$ 196.2	\$ 195.3	\$ 634.1	\$ 767.8
Portfolio advisory fees, net and other	3.8	4.4	21.1	15.8
Transaction fees, net	22.8	0.6	26.7	12.7
Fee Revenues	\$ 222.8	\$ 200.3	\$ 681.9	\$ 796.3
Cash-based compensation and benefits	91.6	81.3	373.2	371.7
General, administration and other indirect expenses	37.1	38.6	167.6	140.8
Depreciation and amortization expense	4.8	8.0	17.3	23.1
Operating Expenses	\$ 133.5	\$ 127.9	\$ 558.1	\$ 535.6
(=) Fee Related Earnings	\$ 89.3	\$ 72.4	\$ 123.8	\$ 260.7
(+) Realized Performance Revenues	32.3	53.8	415.9	121.7
(-) Realized Performance Revenues Related Compensation	14.5	24.0	195.3	54.7
Realized Net Performance Revenues	17.8	29.8	220.6	67.0
(+) Realized Principal Investment Income (Loss)	2.2	(3.8)	26.6	(3.3)
(-) Net Interest	6.5	7.9	20.6	27.6
(=) Distributable Earnings	\$ 102.8	\$ 90.5	\$ 350.4	\$ 296.8

Real Assets

- **Fee Related Earnings** of \$21 million in Q4 2019 were down from \$37 million in Q4 2018 primarily driven by elevated catch-up management fees of \$12 million in the prior period. FY 2019 Fee Related Earnings of \$127 million were up from \$121 million in 2018
- **Total AUM** of \$43 billion declined 5% from one year ago, driven by strong realization activity and depreciation in several energy related carry funds
- **Invested Capital** of \$2.6 billion in Q4 2019 and \$5.2 billion for FY 2019. Notable Q4 2019 investments include the international energy funds' investment in CEPISA (CIEP I/II)
- **Realized Proceeds** of \$1.9 billion in Q4 2019 and \$5.8 billion for FY 2019. **Realized Net Performance Revenues** of \$48 million in Q4 2019 were largely driven by our U.S. Realty funds
- **Carry Fund Appreciation** for the segment was flat in Q4 2019 and 3% for FY 2019. Our Real Estate funds appreciated 1% in Q4 2019 and 16% for FY 2019, while our Natural Resources funds depreciated (1)% in Q4 2019 and (5)% for FY 2019



(Dollars in millions)

	4Q'18	4Q'19	FY'18	FY'19
Fund management fees	\$ 88.5	\$ 77.5	\$ 317.9	\$ 338.8
Portfolio advisory fees, net and other	1.0	0.4	4.5	1.7
Transaction fees, net	1.6	6.3	4.4	8.7
Fee Revenues	\$ 91.1	\$ 84.2	\$ 326.8	\$ 349.2
Cash-based compensation and benefits	37.4	36.0	135.1	138.9
General, administration and other indirect expenses	14.6	23.9	64.1	74.4
Depreciation and amortization expense	1.9	3.1	6.8	9.0
Operating Expenses	\$ 53.9	\$ 63.0	\$ 206.0	\$ 222.3
(=) Fee Related Earnings	\$ 37.2	\$ 21.2	\$ 120.8	\$ 126.9
(+) Realized Performance Revenues	35.2	85.6	150.3	180.1
(-) Realized Performance Revenues Related Compensation	15.8	38.1	66.6	90.5
Realized Net Performance Revenues	19.4	47.5	83.7	89.6
(+) Realized Principal Investment Income (Loss)	1.6	1.0	13.5	76.6
(-) Net Interest	2.4	3.1	10.9	10.5
(=) Distributable Earnings	\$ 55.8	\$ 66.6	\$ 207.1	\$ 282.6

Global Credit

- **Fee Related Earnings** of \$14 million in Q4 2019 compared to \$42 million in Q4 2018 (which included the positive impact from \$32 million of net insurance recoveries). Fee Related Earnings of \$48 million for FY 2019 increased 20% compared to FY 2018 when adjusting for the impact of the net insurance recoveries
- **Total AUM** of \$49 billion increased 11% from one year ago, driven by growth in our Structured Credit, Credit Opportunities and Aviation strategies
- **Invested Capital** from traditional carry funds was \$0.7 billion in Q4 2019 and \$2.6 billion over the LTM. Other capital deployment included new CLO issuance in our Structured Credit business of \$2.7 billion, as well as Gross Originations in our Direct Lending business of \$3.0 billion, for FY 2019
- **Fundraising** totaled \$5.7 billion for FY 2019, which included finalizing our first Credit Opportunities fund at \$2.4 billion, as well as commencing fundraising for Carlyle Aviation's fifth comingled fund

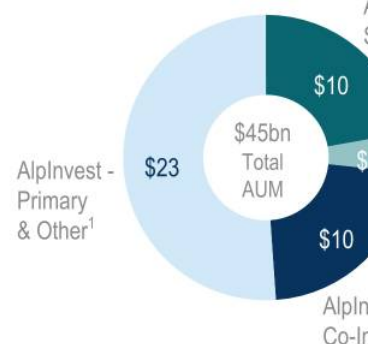


(Dollars in millions)

	4Q'18	4Q'19	FY'18	FY'19
Fund management fees	\$ 64.1	\$ 77.6	\$ 243.0	\$ 307.2
Portfolio advisory fees, net and other	1.2	1.3	5.1	4.7
Transaction fees, net	0.9	4.5	1.0	9.9
Fee Revenues	\$ 66.2	\$ 83.4	\$ 249.1	\$ 321.8
Cash-based compensation and benefits	39.3	45.2	140.4	185.2
General, administration and other indirect expenses	(16.8)	21.0	30.5	78.9
Depreciation and amortization expense	1.8	3.4	6.3	9.9
Operating Expenses	\$ 24.3	\$ 69.6	\$ 177.2	\$ 274.0
(=) Fee Related Earnings	\$ 41.9	\$ 13.8	\$ 71.9	\$ 47.8
(+) Realized Performance Revenues	3.9	0.8	9.8	1.8
(-) Realized Performance Revenues Related Compensation	1.8	0.4	4.5	0.4
Realized Net Performance Revenues	2.1	0.4	5.3	1.4
(+) Realized Principal Investment Income (Loss)	0.8	3.8	7.9	12.0
(-) Net Interest	2.1	3.7	7.6	12.8
(=) Distributable Earnings	\$ 42.7	\$ 14.3	\$ 77.5	\$ 48.4

Investment Solutions

- **Fee Related Earnings** of \$1 million in Q4 2019 were down from \$7 million in Q4 2018 primarily driven by lower management fees and higher compensation and G&A expenses. FY 2019 Fee Related Earnings of \$17 million were down from \$34 million in FY 2018
- **Total AUM** of \$45 billion declined 1% from one year ago, driven by a combination of realizations and lower fundraising activity
- **Invested Capital** of \$1.8 billion in Q4 2019 and \$5.3 billion for FY 2019
- **Realized Proceeds** of \$1.7 billion in Q4 2019 and \$7.3 billion for FY 2019. **Realized Net Performance Revenues** of \$6 million for FY 2019 remain low, as funds in which Carlyle has significant performance revenue ownership continue to mature
- **Net Accrued Performance Revenues** totaled \$101 million as of Q4 2019, an increase of 25% from one year ago, driven by Carry Fund Appreciation of 15% for FY 2019



(Dollars in millions)

	4Q'18	4Q'19	FY'18	FY'19
Fund management fees	\$ 42.2	\$ 39.8	\$ 166.8	\$ 157.1
Portfolio advisory fees, net and other	—	—	0.4	—
Transaction fees, net	—	—	—	—
Fee Revenues	\$ 42.2	\$ 39.8	\$ 167.2	\$ 157.1
Cash-based compensation and benefits	24.6	26.1	92.0	96.3
General, administration and other indirect expenses	9.3	11.1	36.6	37.2
Depreciation and amortization expense	1.3	2.0	4.7	6.2
Operating Expenses	\$ 35.2	\$ 39.2	\$ 133.3	\$ 139.7
(=) Fee Related Earnings	\$ 7.0	\$ 0.6	\$ 33.9	\$ 17.4
(+) Realized Performance Revenues	40.3	24.7	106.4	70.7
(-) Realized Performance Revenues Related Compensation	36.5	23.8	96.3	64.6
Realized Net Performance Revenues	3.8	0.9	10.1	6.1
(+) Realized Principal Investment Income (Loss)	0.1	0.7	0.1	1.7
(-) Net Interest	1.7	1.9	5.2	6.4
(=) Distributable Earnings	\$ 9.2	\$ 0.3	\$ 38.9	\$ 18.8

See Notes at end of document.



Supplemental Details



Carlyle Fourth Quarter and Full Year 2019 Total Segment Results

(Dollars in millions, except per share amounts)

	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'18	FY'19
SEGMENT REVENUES							
Fund management fees	\$ 391.0	\$ 381.6	\$ 414.5	\$ 384.6	\$ 390.2	\$ 1,361.8	\$ 1,570.0
Portfolio advisory fees, net and other	6.0	5.5	5.3	5.3	6.1	31.1	27.2
Transaction fees, net	25.3	4.5	9.6	5.8	11.4	32.1	33.0
Total segment fee revenues	422.3	391.6	429.4	395.7	407.7	1,425.0	1,629.9
Realized performance revenues	111.7	49.2	41.9	118.3	164.9	682.4	377.0
Realized principal investment income (loss)	4.7	4.1	73.9	7.3	1.7	48.1	87.0
Interest income	6.7	6.0	5.5	6.5	6.4	30.4	27.0
Total Segment Revenues	\$ 545.4	\$ 450.9	\$ 550.7	\$ 527.8	\$ 580.7	\$ 2,185.9	\$ 2,111.0
SEGMENT EXPENSES							
Compensation and benefits							
Cash-based compensation and benefits	\$ 192.9	\$ 202.3	\$ 207.1	\$ 194.1	\$ 188.6	\$ 740.7	\$ 790.0
Realized performance revenues related compensation	68.6	42.2	21.1	60.6	86.3	362.7	210.0
Total compensation and benefits ¹	261.5	244.5	228.2	254.7	274.9	1,103.4	1,000.0
General, administrative and other expenses	44.2	75.7	80.0	81.0	94.6	298.8	333.0
Depreciation and amortization expense	9.8	10.3	9.6	11.8	16.5	35.1	40.0
Interest expense	19.4	19.6	19.5	19.6	23.0	74.7	87.0
Total Segment Expenses	\$ 334.9	\$ 350.1	\$ 337.3	\$ 367.1	\$ 409.0	\$ 1,512.0	\$ 1,463.0
Total Segment Revenues	545.4	450.9	550.7	527.8	580.7	2,185.9	2,111.0
Total Segment Expenses	334.9	350.1	337.3	367.1	409.0	1,512.0	1,463.0
(=) Distributable Earnings	\$ 210.5	\$ 100.8	\$ 213.4	\$ 160.7	\$ 171.7	\$ 673.9	\$ 648.0
(-) Realized Net Performance Revenues	43.1	7.0	20.8	57.7	78.6	319.7	160.0
(-) Realized Principal Investment Income (Loss)	4.7	4.1	73.9	7.3	1.7	48.1	87.0
(+) Net Interest	12.7	13.6	14.0	13.1	16.6	44.3	57.0
(=) Fee Related Earnings	\$ 175.4	\$ 103.3	\$ 132.7	\$ 108.8	\$ 108.0	\$ 350.4	\$ 458.0
After-tax Distributable Earnings, per common share	\$ 0.57	\$ 0.25	\$ 0.57	\$ 0.41	\$ 0.47	\$ 1.78	\$ 1.10
Distribution per common share	\$ 0.43	\$ 0.19	\$ 0.43	\$ 0.31	\$ 0.25	\$ 1.34	\$ 1.10

Note: Historical quarterly results by segment available in Q4 2019 financial supplement on Carlyle's investor relations website

(1) Total Segment compensation and benefits exclude equity-based compensation, detailed below and as shown on page 30. These amounts include equity-based compensation reflected in (i) principal investment income and (ii) general, administration and other expense in our U.S. GAAP statement of operations, and excludes amounts related to shares issued in conjunction with a previous acquisition. The FY'18 equity-based compensation amount below excludes approximately \$69.3 million related to units issued in conjunction with the IPO.

Equity-based compensation	\$ 44.0	\$ 39.4	\$ 38.3	\$ 38.9	\$ 34.9	\$ 182.9	\$ 169.0
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Total Segment Balance Sheet Highlights

- Balance sheet assets attributable to Carlyle stockholders (including net cash and equivalents, net accrued performance revenue and investments) totaled \$2.4 billion at December 31, 2019, compared to \$2.3 billion one year prior

Key Balance Sheet Items ¹ (\$bn)	12/31/2019
Cash, Cash Equivalents and Corporate Treasury Investments	\$793.4
Net accrued performance revenues ² (net of related accrued compensation and accrued giveback)	\$1,720.1
Investments attributable to Carlyle shareholders ³	\$1,469.5
Debt obligations ⁴	\$1,616.5
Drawn revolving credit line (\$775.0 million available)	\$0

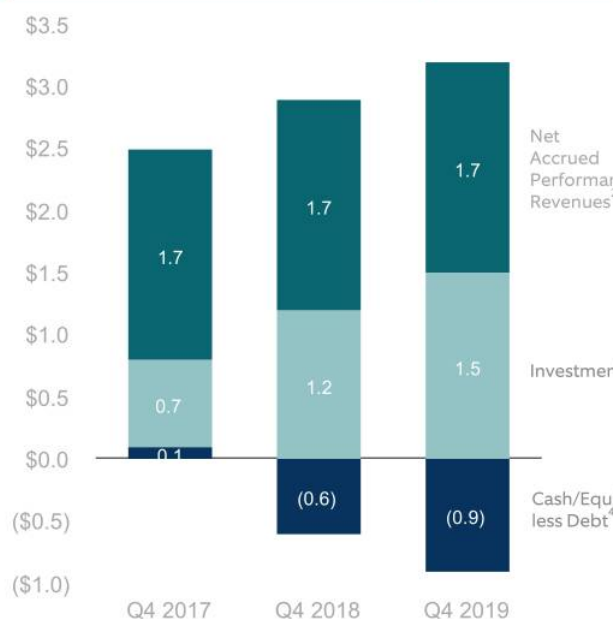
(1) Balance sheet amounts presented excludes the effect of U.S. GAAP consolidation eliminations on investments and accrued performance revenue, as well as cash and debt associated with Carlyle's consolidated funds.

(2) Net accrued performance revenues as of December 31, 2019 are net of \$22 million in accrued giveback obligations and \$2.0 billion in accrued performance allocations and incentive fee compensation related to non-controlling interests. See page 33 for a reconciliation to U.S. GAAP.

(3) Investments include the \$573 million investment in Fortitude Re, excluding the impact of unrealized gains on embedded derivatives included in Fortitude Re's U.S. GAAP financial statements. Investments exclude the equity investments by Carlyle in NGP Energy Capital Management and the portion of CLO and CCS investments attributable to Carlyle stockholders that were financed with debt. Refer to page 33 for a reconciliation to U.S. GAAP.

(4) Excludes approximately \$360 million of loans used to finance CLO and CCS investments and \$288 million of lease liabilities.

KEY BALANCE SHEET ITEMS (\$BN)



AUM and Fee-earning AUM Roll Forward

Total AUM Roll Forward (Unaudited)

(\$mm)	Three Months Ended December 31, 2019					Twelve Months Ended December 31, 2019				
	Corporate Private Equity	Real Assets	Global Credit	Investment Solutions ⁵	Total	Corporate Private Equity	Real Assets	Global Credit	Investment Solutions ⁵	Total
Balance, Beginning of Period	\$ 84,089	\$ 44,938	\$ 48,005	\$ 44,801	\$ 221,833	\$ 80,759	\$ 45,640	\$ 44,417	\$ 45,654	\$ 216,470
Inflows ¹	1,424	494	913	950	3,781	7,474	3,189	6,338	2,969	19,970
Outflows (including realizations) ²	(735)	(2,286)	(482)	(1,896)	(5,399)	(4,361)	(5,543)	(2,396)	(7,887)	(20,187)
Market Activity & Other ³	1,141	127	749	305	2,322	2,869	79	1,190	5,008	9,146
Foreign Exchange ⁴	510	82	227	1,086	1,905	(312)	(10)	(137)	(498)	(957)
Balance, End of Period	\$ 86,429	\$ 43,355	\$ 49,412	\$ 45,246	\$ 224,442	\$ 86,429	\$ 43,355	\$ 49,412	\$ 45,246	\$ 224,442

Fee-earning AUM Roll Forward (Unaudited)

(\$mm)	Three Months Ended December 31, 2019					Twelve Months Ended December 31, 2019				
	Corporate Private Equity	Real Assets ¹⁰	Global Credit	Investment Solutions	Total	Corporate Private Equity	Real Assets ¹⁰	Global Credit	Investment Solutions	Total
Balance, Beginning of Period	\$ 61,235	\$ 32,714	\$ 37,148	\$ 27,745	\$ 158,842	\$ 62,358	\$ 32,977	\$ 35,152	\$ 29,065	\$ 160,552
Inflows ⁶	1,354	1,180	653	1,040	4,227	3,470	4,845	4,437	3,708	16,460
Outflows (including realizations) ⁷	(1,221)	(850)	(273)	(1,009)	(3,353)	(3,835)	(4,756)	(2,663)	(4,039)	(15,293)
Market Activity & Other ⁸	(86)	60	122	57	153	(111)	102	1,067	57	1,115
Foreign Exchange ⁹	378	47	212	551	1,188	(222)	(17)	(131)	(407)	(777)
Balance, End of Period	\$ 61,660	\$ 33,151	\$ 37,862	\$ 28,384	\$ 161,057	\$ 61,660	\$ 33,151	\$ 37,862	\$ 28,384	\$ 161,057

Totals may not sum due to rounding. See Notes at end of document.

Corporate Private Equity Fund Performance

(Reported in Local Currency, mm)

	Fund Vintage(1)	Original Investment Period End	Committed Capital	TOTAL INVESTMENTS As of December 31, 2019								REALIZED/PARTIALLY REALIZED INVE As of December 31, 2019			
				Cumulative Invested Capital(2)	Realized Value(3)	Remaining Fair Value(4)	MOIC (5)	Gross IRR (8)(16)	Net IRR (9)(16)	In Accrued Carry/(Clawback)(10)	LTM Realized Carry(11)	Cumulative Invested Capital(2)	Total Fair Value(12)	MOIC (5)	
CORPORATE PRIVATE EQUITY															
Fully Invested/Committed Funds(7)															
CP IV	2005	Dec-10	\$ 7,850.0	\$ 7,612.6	\$ 17,777.3	\$ 247.2	2.4x	16%	13%	X	X	\$ 7,612.6	\$ 18,024.5	2.4x	
CP V	2007	May-13	\$ 13,719.7	\$ 13,190.9	\$ 25,750.0	\$ 2,241.1	2.1x	18%	14%	X	X	\$ 10,777.9	\$ 26,500.6	2.5x	
CP VI	2014	May-18	\$ 13,000.0	\$ 12,874.2	\$ 5,925.3	\$ 13,311.0	1.5x	14%	10%	X		\$ 3,080.0	\$ 5,026.5	1.6x	
CEP II	2003	Sep-08	€ 1,805.4	€ 2,048.4	€ 4,113.3	€ 15.2	2.0x	36%	20%	X	X	€ 1,888.9	€ 4,120.6	2.2x	
CEP III	2007	Dec-12	€ 5,294.9	€ 5,155.5	€ 10,982.2	€ 531.3	2.2x	19%	14%	X	X	€ 4,533.6	€ 11,250.3	2.5x	
CEP IV	2014	Aug-19	€ 3,669.5	€ 3,710.4	€ 1,220.3	€ 3,697.1	1.3x	13%	8%	X		€ 645.9	€ 828.4	1.3x	
CAP III	2008	May-14	\$ 2,551.6	\$ 2,543.2	\$ 4,416.5	\$ 268.3	1.8x	17%	11%	X	X	\$ 2,149.0	\$ 4,416.7	2.1x	
CAP IV	2014	Nov-18	\$ 3,880.4	\$ 3,966.8	\$ 1,729.8	\$ 3,838.5	1.4x	13%	8%	X		\$ 831.8	\$ 1,629.2	2.0x	
CJP II	2006	Jul-12	¥ 165,600.0	¥ 141,866.7	¥ 205,301.1	¥ 1,800.0	1.5x	7%	3%			¥ 134,666.7	¥ 203,831.2	1.5x	
CGFSP I	2008	Sep-14	\$ 1,100.2	\$ 1,080.7	\$ 2,434.2	\$ 51.1	2.3x	20%	14%	X	X	\$ 1,080.7	\$ 2,485.3	2.3x	
CGFSP II	2013	Dec-17	\$ 1,000.0	\$ 942.7	\$ 897.5	\$ 747.4	1.7x	22%	15%	X	X	\$ 406.5	\$ 801.0	2.0x	
CEOF I	2011	May-17	\$ 1,119.1	\$ 1,173.1	\$ 1,265.9	\$ 527.8	1.5x	13%	9%	X		\$ 419.9	\$ 1,043.2	2.5x	
CETP III	2014	May-20	€ 656.6	€ 568.3	€ 664.8	€ 553.2	2.1x	40%	25%	X	X	€ 160.5	€ 664.8	4.1x	
CAGP IV	2008	Jun-14	\$ 1,041.4	\$ 954.1	\$ 1,076.5	\$ 210.5	1.3x	8%	3%			\$ 589.8	\$ 1,010.4	1.7x	
All Other Active Funds, Coinvestments and SMAs(13)	Various			\$ 11,185.9	\$ 11,779.8	\$ 5,600.6	1.6x	12%	9%			\$ 6,190.1	\$ 11,686.7	1.9x	
Fully Realized Funds, Coinvestments and SMAs(14)	Various			\$ 15,366.1	\$ 41,031.4	\$ 8.5	2.7x	33%	29%			\$ 15,366.1	\$ 41,039.9	2.7x	
Total Fully Invested/Committed Funds				\$ 85,089.9	\$ 135,041.5	\$ 32,454.7	2.0x	26%	18%			\$ 57,861.8	\$ 134,477.1	2.3x	
Funds in the Investment Period(7)															
CP VII	2018	May-24	\$ 18,510.0	\$ 7,881.2	\$ 39.2	\$ 8,185.4	1.0x	NM	NM						
CEP V	2018	Oct-24	€ 6,416.4	€ 1,399.2	€ 8.0	€ 1,448.9	1.0x	NM	NM						
CAP V	2018	Jun-24	\$ 6,554.2	\$ 1,144.8	\$ 275.0	\$ 1,234.2	1.3x	NM	NM						
CJP III	2015	Dec-20	\$ 3,588.0	\$ 2,799.8	\$ 186.7	\$ 3,025.7	1.1x	5%	4%		X				
CGFSP III	2018	Dec-23	\$ 1,004.6	\$ 375.0	\$ 2.4	\$ 478.7	1.3x	NM	NM						
CEOF II	2015	Mar-21	\$ 2,400.0	\$ 2,046.2	\$ 160.7	\$ 2,070.7	1.1x	5%	Neg						
CETP IV	2019	Jul-25	€ 1,350.0	€ 84.0	€ —	€ 84.0	1.0x	NM	NM						
All Other Funds, Coinvestments and SMAs(15)	Various			\$ 3,669.6	\$ 531.1	\$ 3,908.2	1.2x	NM	NM						
Total Funds in the Investment Period				\$ 20,421.9	\$ 1,810.9	\$ 21,677.5	1.2x	12%	5%			\$ 519.4	\$ 1,401.2	2.7x	
TOTAL CORPORATE PRIVATE EQUITY(17)				\$ 105,511.8	\$ 136,852.4	\$ 54,132.2	1.8x	26%	18%			\$ 58,381.2	\$ 135,878.3	2.3x	

See Notes at end of document.

Real Assets Fund Performance

(Reported in Local Currency, mm)

	Fund Vintage(1)	Original Investment Period End	Committed Capital	TOTAL INVESTMENTS As of December 31, 2019								REALIZED/PARTIALLY REALIZED INVE As of December 31, 2019			
				Cumulative Invested Capital(2)	Realized Value(3)	Remaining Fair Value(4)	MOIC (5)	Gross IRR (8)(16)	Net IRR (9)(16)	In Accrued Carry/(Clawback)(10)	LTM Realized Carry(11)	Cumulative Invested Capital(2)	Total Fair Value(12)	MOI (5)	
REAL ASSETS															
Fully Invested/Committed Funds(7)															
CRP III	2000	May-05	\$ 564.1	\$ 522.5	\$ 1,585.3	\$ 283.8	3.6x	44%	30%	X	X	\$ 522.5	\$ 1,869.1	3.6x	
CRP IV	2004	Dec-09	\$ 950.0	\$ 1,260.5	\$ 1,708.0	\$ 287.2	1.6x	7%	4%			\$ 1,203.5	\$ 1,972.4	1.6x	
CRP V	2006	Nov-11	\$ 3,000.0	\$ 3,370.8	\$ 5,055.6	\$ 829.2	1.7x	12%	9%	X	X	\$ 3,248.7	\$ 5,766.7	1.8x	
CRP VI	2010	Mar-16	\$ 2,340.0	\$ 2,155.2	\$ 3,587.9	\$ 359.0	1.8x	27%	19%	X	X	\$ 1,705.4	\$ 3,452.7	2.0x	
CRP VII	2014	Mar-19	\$ 4,161.6	\$ 3,704.7	\$ 3,402.6	\$ 2,453.6	1.6x	21%	13%	X	X	\$ 1,835.9	\$ 3,311.3	1.8x	
CEREP III	2007	May-11	€ 2,229.5	€ 2,052.6	€ 2,362.2	€ 116.5	1.2x	4%	1%			€ 1,911.5	€ 2,384.5	1.2x	
CIEP I	2013	Sep-19	\$ 2,500.0	\$ 2,288.5	\$ 860.6	\$ 2,624.5	1.5x	24%	13%	X		\$ 665.4	\$ 1,480.1	2.2x	
NGP X	2012	May-17	\$ 3,586.0	\$ 3,302.7	\$ 2,953.7	\$ 788.2	1.1x	4%	1%			\$ 2,018.0	\$ 2,904.6	1.4x	
NGP XI	2014	Oct-19	\$ 5,325.0	\$ 4,695.3	\$ 1,570.4	\$ 4,345.4	1.3x	10%	7%			\$ 1,353.8	\$ 1,538.8	1.1x	
Energy III	2005	Oct-11	\$ 3,800.0	\$ 3,569.7	\$ 5,248.6	\$ 231.8	1.5x	9%	6%			\$ 3,152.1	\$ 5,044.9	1.6x	
Energy IV	2007	Dec-13	\$ 5,979.1	\$ 6,373.2	\$ 6,778.2	\$ 1,009.8	1.2x	6%	2%		(X)	\$ 5,606.4	\$ 7,014.0	1.3x	
Renew II	2008	May-14	\$ 3,417.5	\$ 2,833.5	\$ 2,930.9	\$ 1,174.0	1.4x	7%	4%	(X)		\$ 2,376.5	\$ 3,008.2	1.3x	
All Other Active Funds, Coinvestments and SMAs(18)	Various			\$ 5,385.5	\$ 6,556.2	\$ 2,618.0	1.7x	9%	8%			\$ 3,567.4	\$ 6,715.2	1.8x	
Fully Realized Funds, Coinvestments and SMA's(19)	Various			\$ 7,816.9	\$ 10,641.1	\$ 13.1	1.4x	18%	9%			\$ 7,816.9	\$ 10,654.2	1.4x	
Total Fully Invested/Committed Funds				\$ 49,583.6	\$ 55,531.3	\$ 17,148.5	1.5x	12%	7%			\$ 37,218.8	\$ 57,409.6	1.5x	
Funds in the Investment Period(7)															
CRP VIII	2017	May-22	\$ 5,505.1	\$ 2,022.3	\$ 90.8	\$ 2,186.9	1.1x	NM	NM						
NGP XII	2017	Jul-22	\$ 4,277.6	\$ 1,777.7	\$ 0.1	\$ 1,894.7	1.1x	NM	NM						
CIEP II	2019	Apr-25	\$ 1,754.5	\$ 399.8	\$ —	\$ 407.3	1.0x	NM	NM						
CPP II	2014	Apr-21	\$ 1,526.7	\$ 1,098.2	\$ 292.1	\$ 1,121.9	1.3x	13%	7%						
CPI	2016	May-41	\$ 2,540.3	\$ 2,326.0	\$ 408.2	\$ 2,339.8	1.2x	14%	11%	X	X				
CGIOF	2018	Sep-23	\$ 2,201.4	\$ 153.4	\$ 28.8	\$ 143.8	1.1x	NM	NM						
All Other Funds, Coinvestments and SMAs(20)	Various			\$ 1,792.8	\$ 62.2	\$ 1,916.7	1.1x	NM	NM						
Total Funds in the Investment Period				\$ 9,570.3	\$ 882.2	\$ 10,011.1	1.1x	12%	5%			\$ 142.4	\$ 252.4	1.8x	
TOTAL REAL ASSETS(17)				\$ 59,153.9	\$ 56,413.4	\$ 27,159.5	1.4x	12%	7%			\$ 37,353.3	\$ 57,666.7	1.5x	

See Notes at end of document.

Global Credit Fund Performance (Carry Funds Only)

(\$mm)

	Fund Vintage(1)	Original Investment Period End	Committed Capital	TOTAL INVESTMENTS As of December 31, 2019						
				Cumulative Invested Capital(24)	Realized Value(3)	Remaining Fair Value(4)	MOIC (5)	Gross IRR (8)(16)	Net IRR (9)(16)	In Accrued Carry/(Clawback)(10)
GLOBAL CREDIT (CARRY FUNDS ONLY)										
Fully Invested/Committed Funds(7)										
CSP II	2007	Jun-11	\$ 1,352.3	\$ 1,352.3	\$ 2,430.8	\$ 79.4	1.9x	17%	12%	X
CSP III	2011	Aug-15	\$ 702.8	\$ 702.8	\$ 845.6	\$ 274.9	1.6x	25%	15%	X
CEMOF I	2011	Dec-15	\$ 1,382.5	\$ 1,603.4	\$ 860.0	\$ 282.9	0.7x	Neg	Neg	
CEMOF II	2015	Feb-20	\$ 2,819.2	\$ 1,636.2	\$ 537.0	\$ 1,209.1	1.1x	5%	Neg	
All Other Active Funds, Coinvestments and SMAs(21)	Various			\$ 1,993.2	\$ 1,925.0	\$ 637.5	1.3x	10%	5%	
Fully Realized Funds, Coinvestments and SMA's(22)	Various			\$ 1,312.1	\$ 1,804.7	\$ —	1.4x	12%	7%	
Total Fully Invested/Committed Funds				\$ 8,599.8	\$ 8,403.2	\$ 2,484.0	1.3x	10%	4%	
Funds in the Investment Period(7)										
CSP IV	2016	Dec-20	\$ 2,500.0	\$ 1,335.9	\$ 506.0	\$ 1,038.6	1.2x	NM	NM	
CCOF	2017	Jun-22	\$ 2,373.4	\$ 1,336.8	\$ 166.5	\$ 1,295.4	1.1x	NM	NM	X
All Other Funds, Coinvestments and SMAs(23)	Various			\$ 1,423.6	\$ 448.2	\$ 1,182.2	1.1x	NM	NM	
Total Funds in the Investment Period				\$ 4,096.3	\$ 1,120.7	\$ 3,516.2	1.1x	NM	NM	
TOTAL GLOBAL CREDIT				\$ 12,696.1	\$ 9,523.9	\$ 6,000.2	1.2x	11%	5%	

See Notes at end of document.

Investment Solutions Fund Performance

(Reported in Local Currency, mm)

INVESTMENT SOLUTIONS(26)	Vintage Year	Fund Size	TOTAL INVESTMENTS As of December 31, 2019						
			Cumulative Invested Capital (2)(27)	Realized Value (27)	Remaining Fair Value	Total Fair Value(28)	MOIC(5)	Gross IRR(16)(29)	Net IRR
Alpinvest									
Fully Committed Funds(25)									
Main Fund I - Fund Investments	2000	€ 5,174.6	€ 4,347.8	€ 7,073.5	€ 84.3	€ 7,157.8	1.6x	12%	11
Main Fund II - Fund Investments	2003	€ 4,545.0	€ 4,935.6	€ 7,542.6	€ 369.6	€ 7,912.2	1.6x	10%	9
Main Fund III - Fund Investments	2005	€ 11,500.0	€ 13,198.4	€ 18,951.1	€ 2,948.3	€ 21,899.4	1.7x	10%	10
Main Fund IV - Fund Investments	2009	€ 4,877.3	€ 5,461.8	€ 6,386.8	€ 3,594.0	€ 9,980.8	1.8x	17%	16
Main Fund V - Fund Investments	2012	€ 5,080.0	€ 5,189.4	€ 2,822.9	€ 5,238.8	€ 8,061.7	1.6x	16%	15
Main Fund VI - Fund Investments	2015	€ 1,106.4	€ 871.0	€ 231.9	€ 918.7	€ 1,150.6	1.3x	17%	16
Main Fund II - Secondary Investments	2003	€ 998.4	€ 1,029.9	€ 1,865.9	€ 16.4	€ 1,882.3	1.8x	27%	26
Main Fund III - Secondary Investments	2006	€ 2,250.0	€ 2,415.0	€ 3,634.2	€ 71.1	€ 3,705.3	1.5x	11%	10
Main Fund IV - Secondary Investments	2010	€ 1,859.1	€ 1,979.5	€ 3,152.4	€ 221.8	€ 3,374.2	1.7x	19%	18
Main Fund V - Secondary Investments	2011	€ 4,272.8	€ 4,177.7	€ 4,919.5	€ 1,894.7	€ 6,814.2	1.6x	20%	18
Main Fund III - Co-Investments	2006	€ 2,760.0	€ 2,858.3	€ 3,634.6	€ 564.1	€ 4,198.7	1.5x	6%	5
Main Fund IV - Co-Investments	2010	€ 1,475.0	€ 1,379.6	€ 3,171.1	€ 508.1	€ 3,679.1	2.7x	23%	22
Main Fund V - Co-Investments	2012	€ 1,122.2	€ 1,051.1	€ 1,736.0	€ 1,080.5	€ 2,816.5	2.7x	30%	28
Main Fund VI - Co-Investments	2014	€ 1,114.6	€ 955.8	€ 1,045.9	€ 1,122.1	€ 2,168.1	2.3x	29%	27
Main Fund II - Mezzanine Investments	2004	€ 700.0	€ 774.1	€ 1,060.6	€ 12.1	€ 1,072.7	1.4x	8%	7
Main Fund III - Mezzanine Investments	2006	€ 2,000.0	€ 2,025.9	€ 2,545.0	€ 192.8	€ 2,737.7	1.4x	10%	9
All Other Active Funds(30)	Various	€	€ 2,420.1	€ 1,391.6	€ 1,524.1	€ 2,915.7	1.2x	5%	4
Fully Realized Funds	Various	€	€ 2,169.9	€ 4,899.7	€ 1.2	€ 4,900.9	2.3x	35%	32
Total Fully Committed Funds		€	€ 57,241.2	€ 76,065.4	€ 20,362.7	€ 96,428.1	1.7x	13%	12
Funds in the Commitment Period(25)									
Main Fund VI - Secondary Investments	2017	€ 5,209.4	€ 3,469.9	€ 505.8	€ 3,624.4	€ 4,130.2	1.2x	17%	13
Main Fund VII - Co-Investments	2017	€ 2,529.0	€ 1,495.4	€ 54.2	€ 1,607.5	€ 1,661.6	1.1x	9%	6
All Other Funds(30)	Various	€	€ 1,566.2	€ 203.5	€ 1,492.2	€ 1,695.6	1.1x	9%	7
Total Funds in the Commitment Period		€	€ 6,531.5	€ 763.4	€ 6,724.0	€ 7,487.4	1.1x	13%	10
TOTAL ALPINVEST		€	€ 63,772.6	€ 76,828.8	€ 27,086.8	€ 103,915.6	1.6x	13%	12
TOTAL ALPINVEST (USD)(31)		\$	\$ 71,606.3	\$ 86,266.4	\$ 30,414.1	\$ 116,680.4	1.6x		
Metropolitan Real Estate									
Active Fully Committed Funds(25)	Various	\$ 2,720.0	\$ 2,538.7	\$ 2,701.5	\$ 665.6	\$ 3,367.1	1.3x	7%	5
Fully Realized Funds	Various	\$ 611.2	\$ 588.7	\$ 710.4	\$ 0.5	\$ 710.9	1.2x	4%	2
Total Fully Committed Funds		\$ 3,331.2	\$ 3,127.5	\$ 3,411.9	\$ 666.1	\$ 4,078.1	1.3x	6%	4
MRE Secondaries Fund II	2017	\$ 1,162.5	\$ 298.9	\$ 60.1	\$ 270.5	\$ 330.6	1.1x	NM	N
All Other Funds in the Commitment Period	Various	\$ 500.5	\$ 110.4	\$ 7.7	\$ 102.1	\$ 109.7	1.0x	NM	N
Total Funds in the Commitment Period		\$ 1,663.0	\$ 409.4	\$ 67.7	\$ 372.6	\$ 440.3	1.1x	9%	N
TOTAL METROPOLITAN REAL ESTATE		\$ 4,994.2	\$ 3,536.8	\$ 3,479.7	\$ 1,038.7	\$ 4,518.4	1.3x	6%	4

See Notes at end of document.



Reconciliation & Disclosures



Reconciliation for Distributable Earnings Per Share (Unaudited)

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

	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'19	QoQ	YoY
FEE RELATED EARNINGS	\$ 175.4	\$ 103.3	\$ 132.7	\$ 108.8	\$ 108.0	\$ 452.8	(1)%	(38)%
DISTRIBUTABLE EARNINGS	\$ 210.5	\$ 100.8	\$ 213.4	\$ 160.7	\$ 171.7	\$ 646.6	7%	(18)%
DISTRIBUTABLE EARNINGS, TAX AND PER SHARE INFORMATION								
Distributable Earnings	\$ 210.5	\$ 100.8	\$ 213.4	\$ 160.7	\$ 171.7	\$ 646.6		
Less: Estimated foreign, state and local taxes ¹	5.7	7.1	7.6	7.3	4.0	26.0		
Less: Preferred share distributions	5.9	5.9	5.9	7.3	—	19.1		
DISTRIBUTABLE EARNINGS after taxes and preferred share distributions	\$ 198.9	\$ 87.8	\$ 199.9	\$ 146.1	\$ 167.7	\$ 601.5		
ALLOCATING DISTRIBUTABLE EARNINGS FOR ONLY COMMON STOCKHOLDERS OF THE CARLYLE GROUP INC.								
Distributable Earnings to The Carlyle Group Inc.	\$ 64.4	\$ 28.4	\$ 67.0	\$ 49.6	\$ 57.6	\$ 202.6		
Less: Estimated current corporate income taxes ²	1.2	1.2	1.2	1.2	1.2	4.8		
Distributable Earnings attributable to common stockholders	\$ 63.2	\$ 27.2	\$ 65.8	\$ 48.4	\$ 56.4	\$ 197.8		
DISTRIBUTABLE EARNINGS, NET per common share outstanding	\$ 0.57	\$ 0.25	\$ 0.57	\$ 0.41	\$ 0.47	\$ 1.70		
Dividend per common share	\$ 0.43	\$ 0.19	\$ 0.43	\$ 0.31	\$ 0.25	\$ 1.18		
OUTSTANDING SHARES (in millions)								
The Carlyle Group Inc. common shares outstanding	107.7	110.1	110.7	117.3	117.8	117.8		
Carlyle Holdings partnership units converted to common shares of The Carlyle Group Inc. on January 1, 2020	231.0	230.8	230.5	229.4	229.3	229.3		
TOTAL OUTSTANDING SHARES	338.7	340.9	341.2	346.7	347.2	347.2		
Shares eligible for dividend (in millions)**	110.5	110.5	116.1	117.8	349.4	349.4		

** Shares eligible for dividend include 229.3 million Carlyle Holdings partnership units, which were exchanged for common shares on January 1, 2020, as well as 2.3 million common shares that will be issued in February 2020 in connection with the vesting of restricted stock units. For purposes of this calculation, these common shares have been added to the common shares outstanding as of December 31, 2019 because they will participate in the dividend paid on common shares in February 2020.

Totals may not sum due to rounding. See Notes at end of document.

Reconciliation of GAAP to Total Segment Information

(Dollars in millions)

	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'17	FY'18	
INCOME BEFORE PROVISION FOR INCOME TAXES	\$ (78.7)	\$ 470.3	\$ 542.0	\$ 261.4	\$ (40.3)	\$ 1,132.3	\$ 360.2	\$
Adjustments:								
Net unrealized performance revenues	252.5	(155.8)	(82.4)	126.2	69.7	(625.2)	50.2	
Unrealized principal investment income ¹	(23.4)	(238.6)	(234.9)	(198.7)	81.3	(73.0)	(48.8)	
Adjusted unrealized principal investment income from Fortitude Re	(11.7)	(27.0)	(40.1)	(68.1)	(5.7)	—	(11.7)	
Equity-based compensation ²	44.0	39.4	38.3	38.9	34.9	365.1	252.2	
Acquisition related charges, including amortization of intangibles and impairment	6.1	12.0	15.4	11.2	13.4	35.7	22.3	
Other non-operating expense (income)	0.2	0.3	0.4	0.3	0.3	(71.4)	1.1	
Tax (expense) benefit associated with performance revenues	9.5	(6.1)	3.6	(10.8)	(1.0)	(9.2)	(1.5)	
Net (income) loss attributable to non-controlling interests in consolidated entities	8.3	4.5	(39.8)	(10.5)	9.2	(72.5)	(33.9)	
Lease assignment and termination costs	—	—	—	—	—	—	66.9	
Reserve for litigation and contingencies	—	—	—	—	—	(25.0)	—	
Debt extinguishment costs	—	0.1	—	—	—	—	7.8	
Corporate conversion costs, severance and other adjustments	3.7	1.7	10.9	10.8	9.9	13.2	9.1	
DISTRIBUTABLE EARNINGS	\$ 210.5	\$ 100.8	\$ 213.4	\$ 160.7	\$ 171.7	\$ 670.0	\$ 673.9	\$
Realized net performance revenues	43.1	7.0	20.8	57.7	78.6	552.6	319.7	
Realized principal investment income (loss)	4.7	4.1	73.9	7.3	1.7	(25.8)	48.1	
Net interest	12.7	13.6	14.0	13.1	16.6	48.8	44.3	
FEE RELATED EARNINGS	\$ 175.4	\$ 103.3	\$ 132.7	\$ 108.8	\$ 108.0	\$ 192.0	\$ 350.4	\$

(1) The three month periods ended December 31, 2018, March 31, 2019, June 30, 2019, September 30, 2019 and December 31, 2019 include \$46 million, \$229 million, \$231 million, \$214 million and \$(92) million, respectively, in gains (losses) from changes in the fair value of embedded derivatives at Fortitude Re as a result of accounting principles related to derivatives and hedging.

(2) Equity-based compensation includes amounts reflected in principal investment income and general, administrative and other expense in our U.S. GAAP statement of operations, as well as amounts related to shares issued in conjunction with a previous acquisition and amounts related. FY'17 and FY'18 include amounts related to the IPO.

Reconciliation of GAAP to Total Segment Information, continued

(Dollars in millions)	Total Reportable Segments	Consolidated Funds	Reconciling Items	Carlyle Consolidated ¹	Total Reportable Segments	Consolidated Funds	Reconciling Items	Carlyle Consolidated
	Three Months Ended December 31, 2018				Year Ended December 31, 2017			
Revenues	\$ 545.4	\$ 53.1	\$ (446.8)	\$ 151.7 ²	\$ 2,216.2	\$ 177.7	\$ 1,282.3	\$ 3,676.2
Expenses	\$ 334.9	\$ 56.0	\$ (168.0)	\$ 222.9 ²	\$ 1,546.2	\$ 240.4	\$ 845.7	\$ 2,632.3
Other income	\$ —	\$ (7.5)	\$ —	\$ (7.5) ³	\$ —	\$ 123.5	\$ (35.1)	\$ 88.4
Distributable Earnings	\$ 210.5	\$ (10.4)	\$ (278.8)	\$ (78.7) ⁴	\$ 670.0	\$ 60.8	\$ 401.5	\$ 1,132.3
	Three Months Ended March 31, 2019				Year Ended December 31, 2018			
Revenues	\$ 450.9	\$ 52.4	\$ 583.7	\$ 1,087.0 ²	\$ 2,185.9	\$ 214.5	\$ 26.8	\$ 2,427.2
Expenses	\$ 350.1	\$ 43.7	\$ 208.7	\$ 602.5 ²	\$ 1,512.0	\$ 213.3	\$ 346.2	\$ 2,071.5
Other income	\$ —	\$ (14.2)	\$ —	\$ (14.2) ³	\$ —	\$ 4.5	\$ —	\$ 4.5
Distributable Earnings	\$ 100.8	\$ (5.5)	\$ 375.0	\$ 470.3 ⁴	\$ 673.9	\$ 5.7	\$ (319.4)	\$ 400.2
	Three Months Ended June 30, 2019				Year Ended December 31, 2019			
Revenues	\$ 550.7	\$ 45.8	\$ 464.6	\$ 1,061.1 ²	\$ 2,110.1	\$ 199.2	\$ 1,067.7	\$ 3,377.0
Expenses	\$ 337.3	\$ 36.8	\$ 154.2	\$ 528.3 ²	\$ 1,463.5	\$ 165.6	\$ 490.6	\$ 2,119.7
Other income	\$ —	\$ 9.2	\$ —	\$ 9.2 ³	\$ —	\$ (23.9)	\$ —	\$ (23.9)
Distributable Earnings	\$ 213.4	\$ 18.2	\$ 310.4	\$ 542.0 ⁴	\$ 646.6	\$ 9.7	\$ 577.1	\$ 1,223.4
	Three Months Ended September 30, 2019							
Revenues	\$ 527.8	\$ 51.3	\$ 189.5	\$ 768.6 ²				
Expenses	\$ 367.1	\$ 44.1	\$ 94.1	\$ 505.3 ²				
Other income	\$ —	\$ (1.9)	\$ —	\$ (1.9) ³				
Distributable Earnings	\$ 160.7	\$ 5.3	\$ 95.4	\$ 261.4 ⁴				
	Three Months Ended December 31, 2019							
Revenues	\$ 580.7	\$ 49.7	\$ (170.1)	\$ 460.3 ²				
Expenses	\$ 409.0	\$ 41.0	\$ 33.6	\$ 483.6 ²				
Other income	\$ —	\$ (17.0)	\$ —	\$ (17.0) ³				
Distributable Earnings	\$ 171.7	\$ (8.3)	\$ (203.7)	\$ (40.3) ⁴				

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

(2) See detailed breakdown of revenue and expense adjustments on page 32.

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

(4) See the reconciliation for Distributable Earnings and Fee Related Earnings on page 30.

Reconciliation of GAAP to Total Segment Information, continued

(Dollars in millions)

	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'17	FY'18	
REVENUE RECONCILING ITEMS								
Unrealized performance revenues	\$ (483.9)	\$ 301.8	\$ 167.3	\$ (87.4)	\$ (113.9)	\$ 1,089.5	\$ (42.7)	\$
Unrealized principal investment income	23.4	238.6	234.9	198.7	(81.3)	73.0	48.8	
Adjusted unrealized principal investment income from Fortitude Re	11.7	27.0	40.1	68.1	5.7	—	11.7	
Adjustments related to expenses associated with NGP Management and its affiliates	(4.6)	(4.0)	(4.1)	(4.1)	(4.0)	(53.7)	(18.9)	
Tax expense (benefit) associated with performance revenues	0.1	—	—	0.2	0.1	0.9	(4.9)	
Non-Carlyle economic interests in acquired businesses and other adjustments to present certain costs on a net basis	9.2	20.4	42.7	29.3	25.1	229.1	92.5	
Elimination of revenues of Consolidated Funds	(2.7)	(0.1)	(16.3)	(15.3)	(1.8)	(56.5)	(59.7)	
Total Revenue Reconciling Items	\$ (446.8)	\$ 583.7	\$ 464.6	\$ 189.5	\$ (170.1)	\$ 1,282.3	\$ 26.8	\$
EXPENSE RECONCILING ITEMS								
Unrealized performance revenues related compensation	\$ (231.4)	\$ 146.0	\$ 84.9	\$ 38.8	\$ (44.2)	\$ 464.4	\$ 7.4	\$
Equity-based compensation	44.0	39.4	38.3	38.9	34.9	365.1	252.2	
Acquisition-related charges, including amortization of intangibles and impairment	6.1	12.0	15.4	11.2	13.4	35.7	22.3	
Other non-operating expense (income)	0.2	0.3	0.4	0.3	0.3	(71.4)	1.1	
Tax (expense) benefit associated with performance revenues related compensation	9.6	(6.1)	3.6	(10.8)	(1.0)	(8.4)	(6.2)	
Non-Carlyle economic interests in acquired businesses and other adjustments to present certain costs on a net basis	12.9	20.9	10.0	14.9	29.2	114.9	34.3	
Reserve for litigation and contingencies	—	—	—	—	—	(25.0)	—	
Lease assignment and termination costs	—	—	—	—	—	—	66.9	
Debt extinguishment costs	—	0.1	—	—	—	—	7.8	
Corporate conversions costs, severance and other adjustments	3.7	1.7	10.9	10.8	9.9	13.2	9.1	
Elimination of expenses of Consolidated Funds	(13.1)	(5.6)	(9.3)	(10.0)	(8.9)	(42.8)	(48.7)	
Total Expense Reconciling Items	\$ (168.0)	\$ 208.7	\$ 154.2	\$ 94.1	\$ 33.6	\$ 845.7	\$ 346.2	\$

Reconciliation for Total Segment Information, continued

RECONCILIATION OF TOTAL INVESTMENTS ATTRIBUTABLE TO CARLYLE HOLDINGS

(Dollars in millions)	12/31/19
INVESTMENTS, EXCLUDING PERFORMANCE ALLOCATIONS	\$ 2,948.8
Less: Amounts attributable to non-controlling interests in Consolidated Funds	(303.1)
Plus: Investments in Consolidated Funds, eliminated in consolidation	178.3
Less: Strategic equity method investments in NGP Management ¹	(383.6)
Less: Investment in NGP general partners - accrued performance allocations ¹	—
Less: Mark-to-Market gains associated with strategic equity method investments in Fortitude Re ²	(628.2)
TOTAL INVESTMENTS ATTRIBUTABLE TO CARLYLE HOLDINGS	1,812.2
Less: CLO loans and other borrowings attributable to Carlyle Holdings ³	(342.7)
TOTAL INVESTMENTS ATTRIBUTABLE TO CARLYLE HOLDINGS, NET OF CLO LOANS AND OTHER BORROWINGS	\$ 1,469.5

RECONCILIATION OF ACCRUED PERFORMANCE ALLOCATIONS

(Dollars in millions)	12/31/19
ACCRUED PERFORMANCE ALLOCATIONS, NET OF ACCRUED GIVEBACK OBLIGATIONS	\$
Plus: Accrued performance allocations from NGP Carry Funds ⁴	
Less: Accrued performance allocation-related expense	(
Plus: Receivable for giveback obligation from current and former employees	
Less: Deferred taxes on accrued performance allocations	
Less: Net accrued performance allocations attributable to non-controlling interests in consolidated entities	
NET ACCRUED PERFORMANCE REVENUES BEFORE TIMING DIFFERENCES	
Less: Timing differences between the period when accrued performance allocations are realized and the period they are collected/distributed	
NET ACCRUED PERFORMANCE REVENUES ATTRIBUTABLE TO CARLYLE HOLDINGS	\$

- (1) The Company has equity interests in NGP Management Company, L.L.C. ("NGP Management"), the general partners of certain carry funds advised by NGP, and principal investments in certain NGP funds. These equity interests are accounted for as investments under the equity method of accounting. Total investments attributable to Carlyle Holdings excludes the strategic equity method investment in NGP Management and investments in the general partners of certain NGP carry funds.
- (2) The adjusted strategic equity method investment in Fortitude Re of \$572.7 million includes \$152.6 million of adjusted net income for the period from closing through December 31, 2019, and excludes \$628.2 million of unrealized mark-to-market gains associated with our pro rata share of the changes in fair value of embedded derivatives related to certain reinsurance contracts included in Fortitude Re's U.S. GAAP financial statements.
- (3) Of the \$360.7 million in CLO loans and other borrowings as of December 31, 2019, \$342.7 million are collateralized by investments attributable to Carlyle Holdings. Includes \$35.8 million of borrowings under a revolving credit facility to fund certain Carlyle Capital Solutions investments.
- (4) Accrued performance allocations are presented as an investment in the U.S. GAAP balance sheet.

GAAP Statement of Operations (Unaudited)

(Dollars in millions, except per unit amounts)

	4Q'18	4Q'19	FY'17	FY'18	FY'19
REVENUES					
Fund management fees	\$ 377.4	\$ 372.4	\$ 1,026.9	\$ 1,272.0	\$ 1,476.2
Incentive fees	9.7	9.1	35.3	30.2	35.9
Investment income					
Performance allocations	(324.5)	90.0	2,058.6	622.9	799.1
Principal investment income	9.6	(86.7)	232.0	186.3	769.3
Total investment income	(314.9)	3.3	2,290.6	809.2	1,568.4
Interest and other income	26.4	25.8	36.7	101.3	97.3
Interest and other income of Consolidated Funds	53.1	49.7	177.7	214.5	199.2
Revenue of a real estate VIE	—	—	109.0	—	—
Total Revenues	151.7	460.3	3,676.2	2,427.2	3,377.0
EXPENSES					
Compensation and benefits					
Cash-based compensation and benefits	196.8	201.5	652.7	746.7	833.4
Equity-based compensation	40.4	32.2	320.3	239.9	140.0
Performance allocations and incentive fee related compensation	(149.7)	45.1	988.3	376.3	436.7
Total compensation and benefits	87.5	278.8	1,961.3	1,362.9	1,410.1
General, administrative and other expenses	72.7	149.5	276.8	460.7	494.4
Interest	19.6	22.9	65.5	82.2	82.1
Interest and other expenses of Consolidated Funds	42.9	32.1	197.6	164.6	131.8
Interest and other expenses of a real estate VIE and loss on deconsolidation	—	—	202.5	—	—
Other non-operating expenses (income)	0.2	0.3	(71.4)	1.1	1.3
Total Expenses	222.9	483.6	2,632.3	2,071.5	2,119.7
Net investment gains (losses) of consolidated funds	(7.5)	(17.0)	88.4	4.5	(23.9)
Income (loss) before provision for income taxes	(78.7)	(40.3)	1,132.3	360.2	1,233.4
Provision (benefit) for income taxes	(5.5)	0.1	124.9	31.3	49.0
Net income (loss)	(73.2)	(40.4)	1,007.4	328.9	1,184.4
Net income (loss) attributable to non-controlling interests in consolidated entities	(8.3)	(9.2)	72.5	33.9	36.6
Net income (loss) attributable to Carlyle Holdings	(64.9)	(31.2)	934.9	295.0	1,147.8
Net income (loss) attributable to non-controlling interests in Carlyle Holdings	(54.8)	(22.9)	690.8	178.5	766.9
Net income (loss) attributable to The Carlyle Group L.P.	(10.1)	(8.3)	244.1	116.5	380.9
Net income attributable to Series A Preferred Shareholders	5.9	—	6.0	23.6	19.1
Series A Preferred Shares redemption premium	—	—	—	—	16.5
Net income (loss) attributable to The Carlyle Group L.P. Common Unitholders	\$ (16.0)	\$ (8.3)	\$ 238.1	\$ 92.9	\$ 345.3
Net income (loss) attributable to The Carlyle Group L.P. per common unit					
Basic	\$ (0.15)	\$ (0.07)	\$ 2.58	\$ 0.89	\$ 3.05
Diluted	\$ (0.15)	\$ (0.08)	\$ 2.38	\$ 0.82	\$ 2.82
Weighted-average common units					
Basic	107,940,384	117,636,977	92,136,959	104,198,089	113,082,733
Diluted	107,940,384	346,989,567	100,082,548	113,389,443	122,632,889

GAAP Balance Sheet (Unaudited)

	As of December 31, 2019			
	Consolidated Operating Entities	Consolidated Funds	Eliminations	Consolidated
(Dollars in millions)				
ASSETS				
Cash and cash equivalents	\$ 793.4	\$ —	\$ —	\$ 793.4
Cash and cash equivalents of Consolidated Funds	—	122.4	—	122.4
Restricted cash	34.6	—	—	34.6
Investments, including performance allocations of \$3,855.6 million	6,982.7	—	(178.3)	6,804.4
Investments of Consolidated Funds	—	5,007.3	—	5,007.3
Due from affiliates and other receivables, net	279.0	—	(5.1)	273.9
Due from affiliates and other receivables of Consolidated Funds, net	—	74.4	—	74.4
Fixed assets, net	108.2	—	—	108.2
Lease right-of-use assets, net	203.8	—	—	203.8
Deposits and other	53.8	0.2	—	54.0
Intangible assets, net	62.3	—	—	62.3
Deferred tax assets	270.1	—	—	270.1
Total assets	\$ 8,787.9	\$ 5,204.3	\$ (183.4)	\$ 13,808.8
LIABILITIES & PARTNERS' CAPITAL				
Debt obligations	\$ 1,976.3	\$ —	\$ —	\$ 1,976.3
Loans payable of Consolidated Funds	—	4,706.7	—	4,706.7
Accounts payable, accrued expenses and other liabilities	354.9	—	—	354.9
Accrued compensation and benefits	2,496.5	—	—	2,496.5
Due to affiliates	542.1	—	—	542.1
Deferred revenue	71.0	—	—	71.0
Deferred tax liabilities	65.2	—	—	65.2
Other liabilities of Consolidated Funds	—	316.1	—	316.1
Lease liabilities	288.2	—	—	288.2
Accrued giveback obligations	22.2	—	—	22.2
Total liabilities	5,816.4	5,022.8	—	10,839.2
Total partners' capital	2,971.5	181.5	(183.4)	2,969.6
Total liabilities and partners' capital	\$ 8,787.9	\$ 5,204.3	\$ (183.4)	\$ 13,808.8

Notes

Non-GAAP Financial Measures

This press release contains 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. 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. The reasons management believes that these non-GAAP financial measures provide useful information are set forth in our most recent Annual Report on Form 10-K filed with the SEC.

Notes on Carlyle Consolidated GAAP Results (Page 5)

- (1) Income (loss) before provision for taxes margin is equal to Income (loss) before provision for taxes, divided by Total revenues.
- (2) Income (loss) before provision for income taxes is the GAAP measure that is most directly comparable to Distributable Earnings, which management uses to measure the performance of the business. A full reconciliation is included starting on page 29. See "Non-GAAP Financial Information and Other Key Terms" for additional information.
- (3) Modified coinsurance is subject to the general accounting principles for derivatives and hedging, specifically the guidance originally issued as Derivatives Implementation Group Issue No. B36: Embedded Derivatives: Modified Coinsurance Agreements and Debt Instruments That Incorporate Credit Risk Exposures That Are Unrelated or Only Partially Related to the Creditworthiness of the Obligor under Those Instruments ("DIG B36").

Note on Fee Related Earnings (Page 9)

- (1) FRE Margin is calculated as Fee Related Earnings, divided by Total Segment Fee Revenues.

Notes on Performance Revenues (Page 10)

- (1) We generally earn performance revenues (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.
- (2) Includes the change in performance revenue accrual driven by positive or negative movements in portfolio valuation, incremental preferred return and fees, foreign exchange fluctuations and acquisition/divestiture activity.

Notes on Assets Under Management (Pages 11-13)

- (1) Total Assets Under Management refers to the assets we manage or advise, and reflects the sum of the unrealized Fair Value of Investments and Available Capital.
 - (2) Available Capital refers to the amount of capital commitments available to be called for investments, which may be reduced for equity invested that is funded via fund credit facility and expected to be called from investors at a later date, plus any additional assets/liabilities at the fund level other than active investments. Amounts previously called may be added back to available capital following certain distributions.
 - (3) Credit (Non-Carry Funds) includes our CLOs, business development companies and related managed accounts, the Carlyle Tactical Private Credit Fund, as well as securitization vehicles and various managed accounts in our Carlyle Aviation business. "Other" includes the NGP Predecessor funds and certain managed account vehicles.
 - (4) Fair Value of Investments generally reflects the unrealized carrying value of investments for all carry funds, related co-investment vehicles and separately managed accounts, aggregate collateral balance of our CLOs and other securitization vehicles, and the gross asset value of our business development companies.
 - (5) The In-Carry Ratio represents the percentage of Fair Value in our Traditional Carry Funds (Corporate Private Equity, Real Assets and Global Credit), which is accruing performance revenue as of the quarter-end reporting date. This metric does not address the realization of performance revenue.
 - (6) Reflects the percentage of Fair Value in our traditional carry funds attributable to investments originated in Q4 2015 or prior. Investments that include follow-on tranches are recognized based on the date of the initial investment activity.
 - (7) Fee-earning Assets Under Management refers to the assets we manage or advise from which we derive recurring fund management fees, and is calculated as the basis on which management fees would be called, if called on the effective reporting date.
 - (8) Pending Fee-earning Assets Under Management refers to commitments that have been raised, and will become Fee-earning Assets Under Management upon the activation of recurring fund management fees on the commitments, or as the capital is invested, depending on the fee structure of the fund or vehicle.
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Notes, continued

Note on Q4 2019 Key Metric Activity (Page 14)

(1) Total for Real Assets includes Legacy Energy funds. The impact of these funds is no longer significant to our results of operations.

Note on Investment Solutions (Page 19)

(1) Includes Mezzanine funds.

Notes on Total AUM Roll Forward (Page 23)

(1) Inflows generally reflects the impact of gross fundraising during the period. For funds or vehicles denominated in foreign currencies, this reflects translation at the average quarterly rate, while the separately reported Fundraising metric is translated at the spot rate for each individual closing. New CLO warehouse assets are recognized as an inflow of AUM, while corresponding fundraising will not be recognized until CLO issuance.

(2) Outflows includes distributions net of recallable or recyclable amounts in our carry funds, related co-investment vehicles, separately managed accounts and the NGP Predecessor Funds, gross redemptions in our open-ended funds, runoff of CLO collateral balances and the expiration of available capital.

(3) Market Activity & Other generally represents realized and unrealized gains (losses) on portfolio investments in our carry funds and related co-investment vehicles, the NGP Predecessor Funds and separately managed accounts, as well as the net impact of fees, expenses and non-investment income, change in gross asset value for our business development companies and other changes in AUM.

(4) Foreign Exchange 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.

(5) 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 September 30, 2019) as provided by their general partners, plus the net cash flows since the latest valuation, up to December 31, 2019.

Notes on Fee-earning AUM Roll Forward (Page 23)

(6) Inflows represents limited partner capital raised by our carry funds or separately managed accounts for which management fees based on commitments were activated during the period, the fee-earning commitments invested in vehicles for which management fees are based on invested capital, the fee-earning collateral balance of new CLO issuance as well as gross subscriptions in vehicles for which management fees are based on net asset value. Inflows exclude fundraising amounts during the period for which fees have not yet been activated, which are referenced as Pending Fee-earning AUM.

(7) Outflows represents the impact of realizations from vehicles with management fees based on remaining invested capital at cost or fair value, changes in basis for funds when investment period, weighted-average investment period or commitment fee period has expired during the period, reductions for funds that are no longer calling for management fees, gross redemptions in open-ended funds, and runoff of CLO collateral balances. Realizations for funds earning management fees based on commitments during the period do not affect Fee-earning AUM.

(8) Market Activity & Other represents 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 as well as activity of funds with fees based on gross asset value.

(9) Foreign Exchange 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.

(10) 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 committee of Energy III, but the investment period for this fund has expired and the remaining investments in such funds are being disposed of in the ordinary course of business.

Notes, continued

Notes on Fund Performance Tables (Pages 24-27)

- (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 Credit 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 since inception of the fund.
 - (4) Represents remaining fair value, before management fees, expenses and carried interest, and may include remaining escrow values for realized investments.
 - (5) Multiple of invested capital ("MOIC") represents total fair value, before management fees, expenses and carried interest, divided by cumulative invested capital.
 - (6) 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.
 - (7) 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 its first capital call, the predecessor fund is categorized as fully invested.
 - (8) 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.
 - (9) 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. Fund level IRRs are based on aggregate Limited Partner cash flows, and this blended return may differ from that of individual Limited Partners. As a result, certain funds may generate accrued performance revenues with a blended Net IRR that is below the preferred return hurdle for that fund.
 - (10) 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.
 - (11) Fund has generated realized net performance fees/(realized giveback) in the last twelve months.
 - (12) Represents all realized proceeds combined with remaining fair value, before management fees, expenses and carried interest.
 - (13) Aggregate includes the following funds, as well as related co-investments, separately managed accounts (SMA's), and certain other stand-alone investments arranged by us: CUSGF III, CVP II, MENA, CCI, CSSAF I, CSABF, and CPF.
 - (14) Aggregate includes the following funds, as well as related co-investments, separately managed accounts (SMA's), and certain other stand-alone investments arranged by us: CP II, CP III, CEP I, CAP I, CAP II, CBPF I, CJP I, CMG, CVP I, CEVP I, CETP I, CETP II, CAVP I, CAVP II, CAGP III and Mexico.
 - (15) Aggregate includes the following funds, as well as related co-investments, separately managed accounts (SMA's), and certain other stand-alone investments arranged by us: CAGP V and CBPF II.
 - (16) For funds marked "NM," IRR may be positive or negative, but is considered not 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.
 - (17) For purposes of aggregation, funds that report in foreign currency have been converted to U.S. dollars at the reporting period spot rate.
 - (18) Aggregate includes the following funds, as well as related co-investments, separately managed accounts (SMA's), and certain other stand-alone investments arranged by us: NGP GAP and CPOCP.
 - (19) Aggregate includes the following funds: CRP I, CRP II, CRCP I, CAREP I, CAREP II, CEREP I, CEREP II, Energy I, Energy II, Renew I, and CIP.
 - (20) Aggregate includes CCR, CRSEF, and CER. Return is not considered meaningful, as the investment period commenced in October 2016 for CCR, December 2019 for CRSEF, December 2017 for CER.
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Notes, continued

Notes on Fund Performance Tables (Pages 24-27), continued

(21) Aggregate includes the following funds, as well as related co-investments, separately managed accounts (SMA's), and certain other stand-alone investments arranged by us SASOF II, SASOF III, and CASCOF.

(22) Aggregate includes the following funds, as well as related co-investments, separately managed accounts (SMA's), and certain other stand-alone investments arranged by us I, CMP I, and CMP II.

(23) Aggregate includes the following funds, as well as related co-investments, separately managed accounts (SMA's), and certain other stand-alone investments arranged by us SASOF IV and CSC.

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

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

(26) Includes private equity and mezzanine primary fund investments, secondary fund investments and co-investments originated by the AlInvest team, as well as real estate primary fund investments, secondary fund investments and co-investments originated by the Metropolitan Real Estate team. Excluded from the performance information shown are: a) investments that were not originated by AlInvest, b) Direct Investments, which was spun off from AlInvest in 2005, and (c) LP co-investment vehicles by AlInvest. As of December 31, 2019, these excluded investments represent \$0.4 billion of AUM at AlInvest.

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

(28) Represents all realized proceeds combined with remaining fair value, before management fees, expenses and carried interest. To exclude the impact of FX, all AlInvest foreign currency cash flows have been converted to Euro at the reporting period spot rate.

(29) Gross Internal Rate of Return ("Gross IRR") represents the annualized IRR for the period indicated on Limited Partner invested capital based on investment contributions, distributions and unrealized value of the underlying investments, before management fees, expenses and carried interest at the AlInvest/Metropolitan Real Estate level.

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

(31) Represents the U.S. dollar equivalent balance translated at the spot rate as of period end.

Notes on Reconciliation for Distributable Earnings per Share (Page 29)

(1) Represents the implied provision for current 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) Represents current corporate income taxes payable on Distributable Earnings allocated to Carlyle Holdings I GP Inc. and estimated current Tax Receivable Agreement payments owed.
