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**THE CARLYLE GROUP**

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GLOBAL ALTERNATIVE ASSET MANAGEMENT

# The Carlyle Group Unitholder Presentation

May 2017

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The fund return information reflected in this presentation is not indicative of the performance of The Carlyle Group L.P. and is also not necessarily indicative of the future performance of any particular fund. There can be no assurance that any of Carlyle's funds or its other existing and future funds will achieve similar returns. See "Risk Factors — Risks Related to Our Business Operations — The historical returns attributable to our funds, including those presented in this report, should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in our common units" in the Annual Report. As used throughout this document, and unless otherwise indicated, "Gross IRR" represents the annualized internal rate of return for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value before management fees, expenses and carried interest, which will reduce returns and, in the aggregate are substantial. "Net IRR" represents the annualized internal rate of return for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value after management fees, expenses and carried interest (but not taxes borne by investors). "Gross MOIC" represents total fair value, before management fees, expenses and carried interest, divided by cumulative invested capital. An investment is considered realized when the investment fund has completely exited, and ceases to own an interest in, the investment. An investment is considered partially realized when the total proceeds received in respect of such investment, including dividends, interest or other distributions and/or return of capital represents at least 85% of invested capital and such investment is not yet fully realized. In considering investment performance information contained in this presentation, prospective investors should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that Carlyle or any Fund will achieve comparable results. Actual realized value of currently unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based. Accordingly, the actual realized values of unrealized investments may differ materially from the values indicated herein. Unless otherwise specified, LTM, or last twelve months refers to the period of Q2 2016 through Q1 2017, and the prior rolling 12-month period refers to the period Q2 2015 to Q1 2016.

Detailed information about Carlyle's management fees and performance fees is available in Carlyle's public filings. Please note that certain metrics and projections contained in this Presentation include the Legacy Energy Funds, funds advised by NGP Energy Capital Management and Carlyle's hedge funds. Please note that the Legacy Energy Funds (as defined in Carlyle's public filings), are managed with Riverstone Holdings LLC and its affiliates. Affiliates of both Carlyle and Riverstone act as investment advisers to each of the Legacy Energy Funds. Currently, Carlyle is only entitled to carried interest and management fees in certain funds advised by NGP Energy Capital Management. The NGP Energy Capital Management funds which solely earn management fees are referred to herein as "NGP management fee funds." This presentation includes comparisons to certain private equity returns to MSCI World Index and other indexes and such comparisons are provided for informational purposes only. The private equity returns do not represent the performance of any Fund or family of Funds. Recipients should not infer that any Fund is top quartile. There are significant differences between the types of securities and assets typically acquired by U.S. and global buyout funds, the investments covered by the indexes.

For purposes of the non-financial operating and statistical data included in this presentation, including the aggregation of our non-U.S. dollar denominated investment funds, foreign currencies have been converted to U.S. dollars at the spot rate as of the last trading day of the reporting period when presenting period end balances, and the average rate for the period has been utilized when presenting activity during such period. With respect to capital commitments raised in foreign currencies, the conversion to U.S. dollars is based on the exchange rate as of the date of closing of such capital commitment. This presentation includes certain Non-GAAP financial measures, including Distributable Earnings ("DE") and EBITDA. These Non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measure prepared in accordance with GAAP. Please see Carlyle's public filings for the definition of "carry funds," "Fee-earning assets under management" or "Fee-earning AUM," (FEAUM), and "Assets under management" or "AUM." As of 12/31/2016, investment funds and vehicles advised by AlplInvest Partners B.V. and Metropolitan Real Estate Equity Management, LLC, which comprise our Investment Solutions segment, are included in our "carry funds" definition. Accordingly, they are included in our Invested Capital, Realized Proceeds and Fund Appreciation metrics.

For purposes of the non-financial operating and statistical data included in this presentation, including the aggregation of our non-U.S. dollar denominated, investment funds, foreign currencies have been converted to U.S. dollars at the spot rate as of the last trading day of the reporting period and the average spot rate for the period has been utilized when presenting multiple periods. With respect to capital commitments raised in foreign currencies, the conversion to U.S. dollars is based on the exchange rate as of the date of closing of such capital commitment. This presentation includes certain Non-GAAP financial measures, including Economic Net Income (ENI) and Distributable Earnings (DE). These Non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP.

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1. Carlyle Overview and Recent Performance
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# Carlyle is a Leading Global Alternative Asset Manager

## THE CARLYLE GROUP

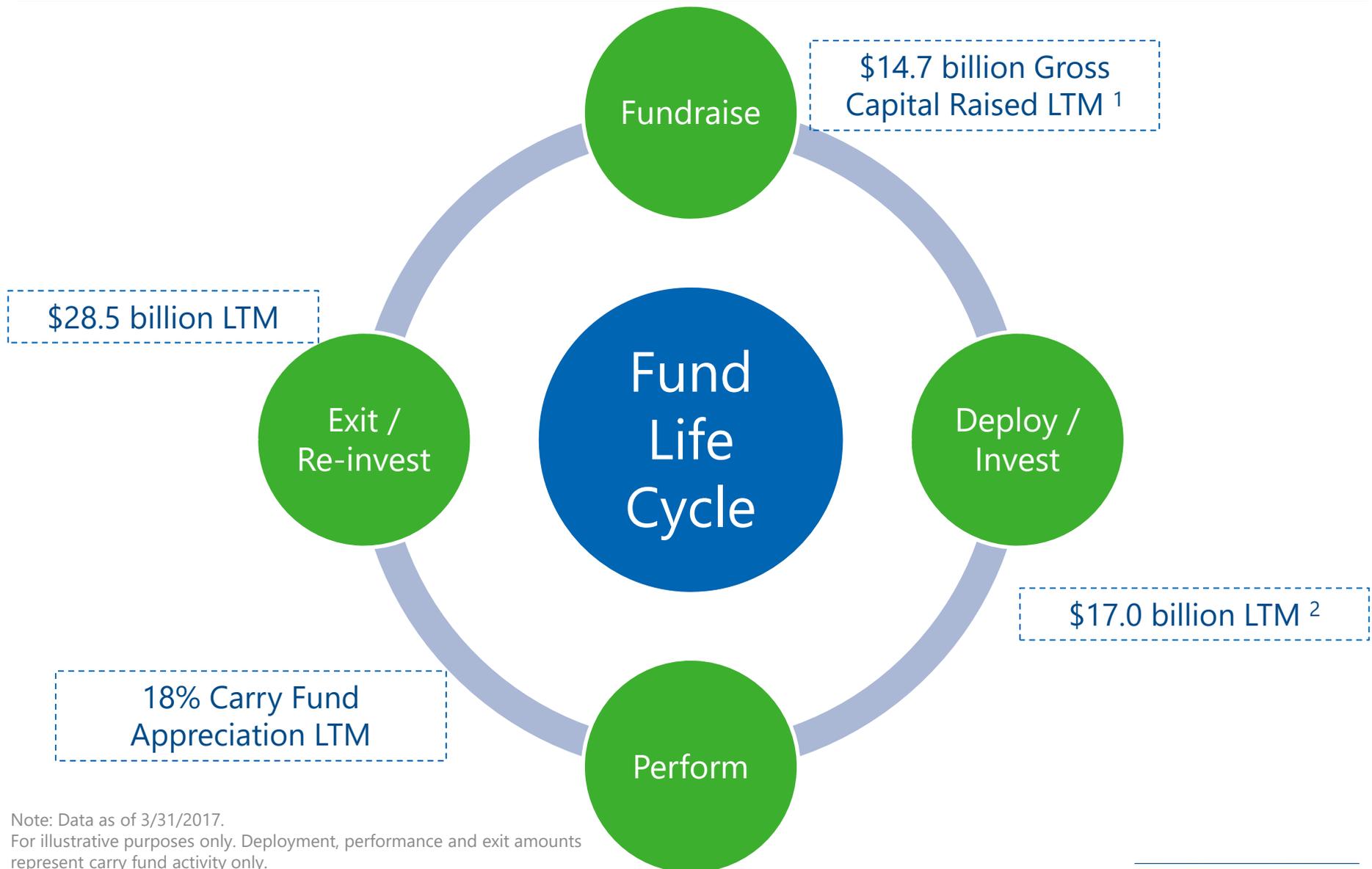
**\$115 billion Fee-Earning AUM • \$579 million DE (LTM)<sup>1</sup>**

Corporate Private Equity	Real Assets	Global Market Strategies	Investment Solutions
\$37 bn Fee-Earning AUM	\$27 bn Fee-Earning AUM	\$24 bn Fee-Earning AUM	\$26 bn Fee-Earning AUM
\$670 mm DE (LTM)	\$33 mm DE (LTM)	\$(150) mm DE (LTM) <sup>1</sup>	\$25 mm DE (LTM)
<p>Industry leading buyout and growth investing platforms</p> <p>Diverse geographic and sector-based family of funds</p>	<p>Leading U.S. Real Estate investor</p> <p>Broad Energy &amp; Natural Resources platform</p> <p>Attractive growth opportunities</p>	<p>Building a global diversified credit and lending business</p> <p>Scaling carry funds and developing new investment products</p>	<p>Secondaries, Coinvestment, and Fund of Funds products in Private Equity/Real Estate</p> <p>Opportunity to grow performance fees</p>

Note: Data as of 3/31/2017.

1) Q4 2016 and LTM were negatively impacted by \$175 million in non-standard charges in our Global Market Strategies business relating to losses in certain commodities vehicles. Excluding these charges, LTM Distributable Earnings for The Carlyle Group would have been \$754 million.

## The Core Drivers of Our Firm Continue to Operate at High Levels



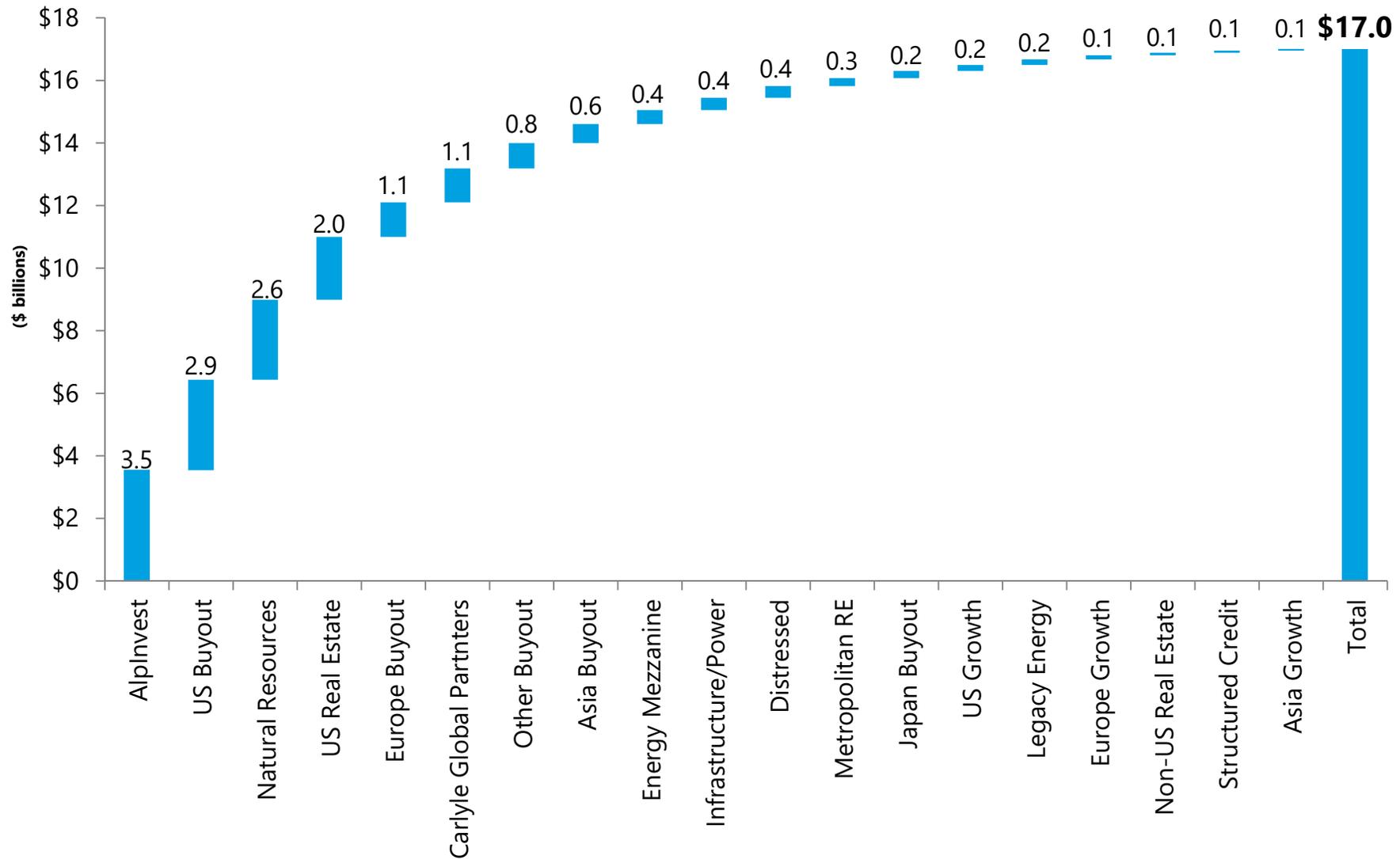
Note: Data as of 3/31/2017.

For illustrative purposes only. Deployment, performance and exit amounts represent carry fund activity only.

1) Raised \$11.1 billion on a net basis after redemptions in our hedge fund businesses.

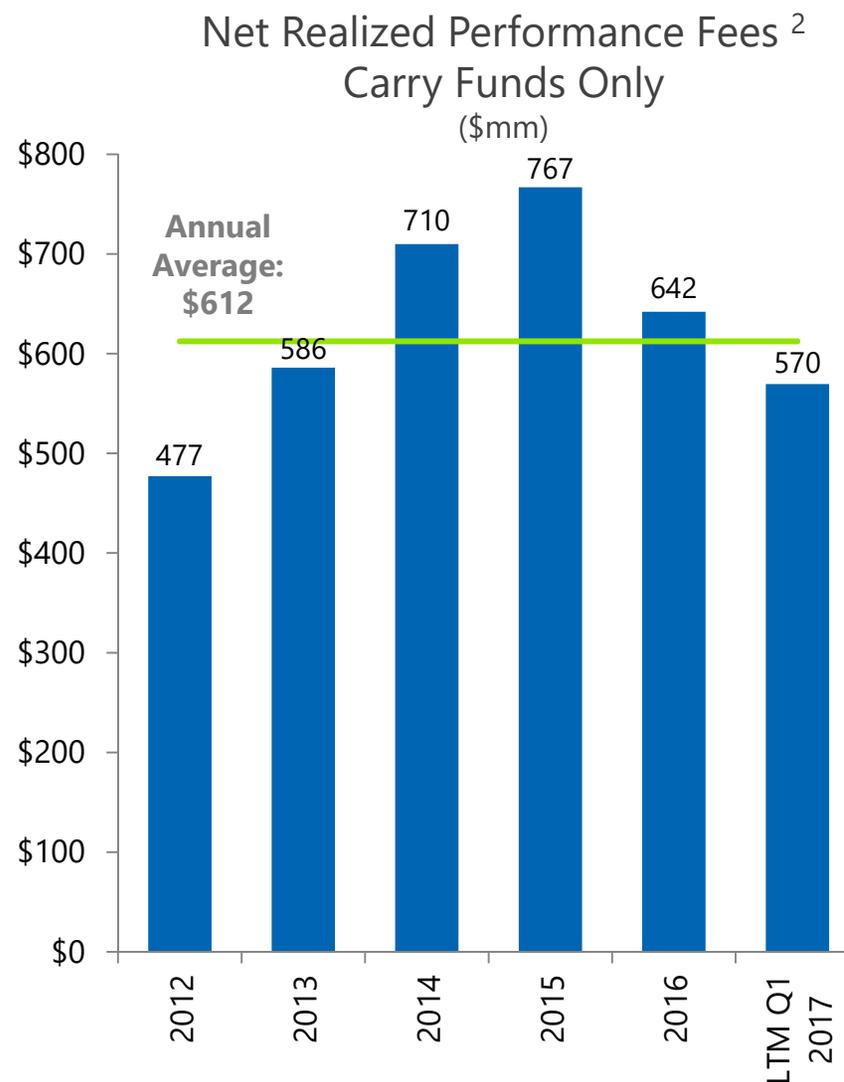
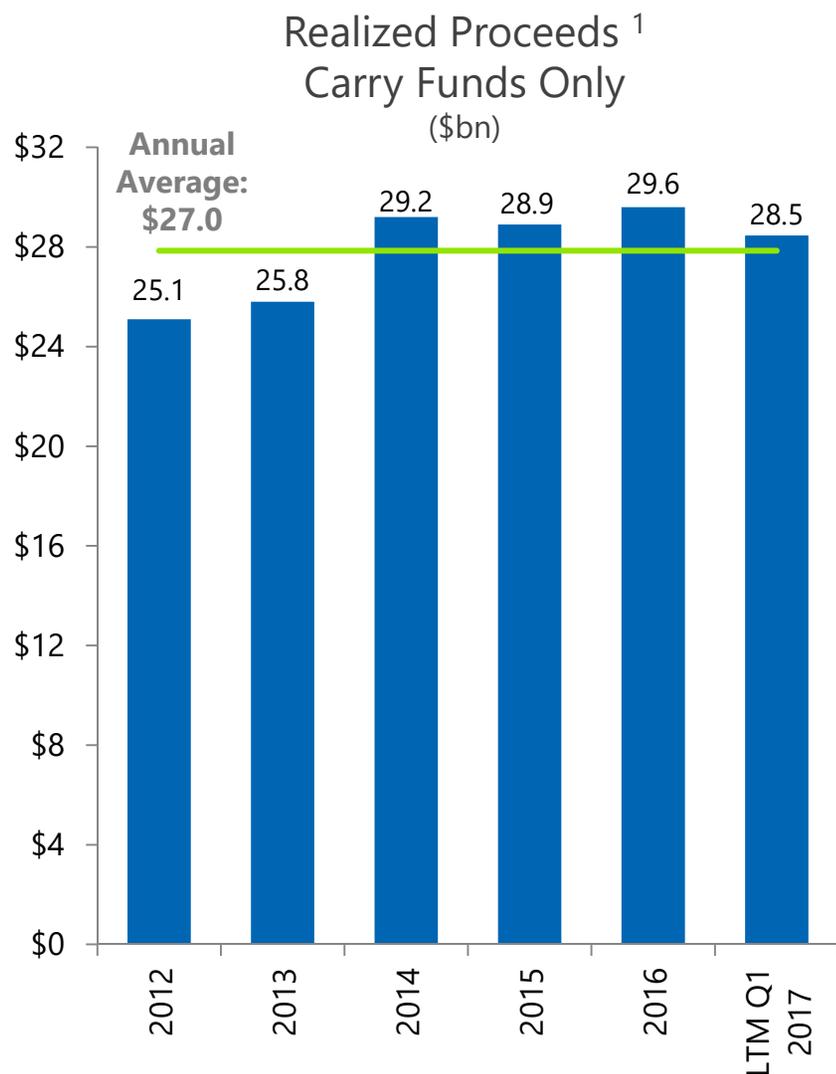
2) LTM Invested Capital reflects a true-up of approximately \$0.5 billion for capital invested in prior periods

# Carlyle Invested \$17 Billion Over the Past Year Across a Wide Diversity of Geographies and Strategies



Note: Data as of 3/31/2017. Carlyle carry fund investment only. Period of investment is Q2 2016 to Q1 2017. LTM Invested Capital reflects a true-up of approximately \$0.5 billion for capital invested in prior periods.

## Carry Fund Realized Proceeds Reached a Record Near \$30 billion in 2016, while Net Realized Performance Fees Averaged \$612 million since 2012



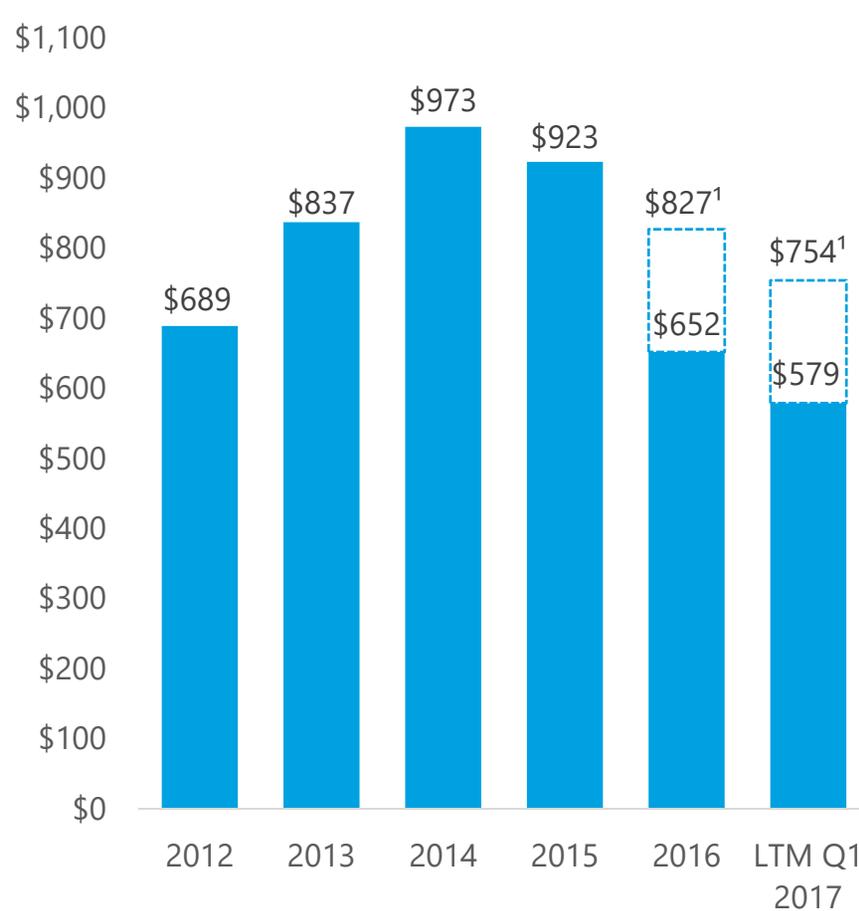
Note: Data as of 3/31/2017. There is no guarantee these trends will continue.

1) Realized Proceeds for carry funds only.

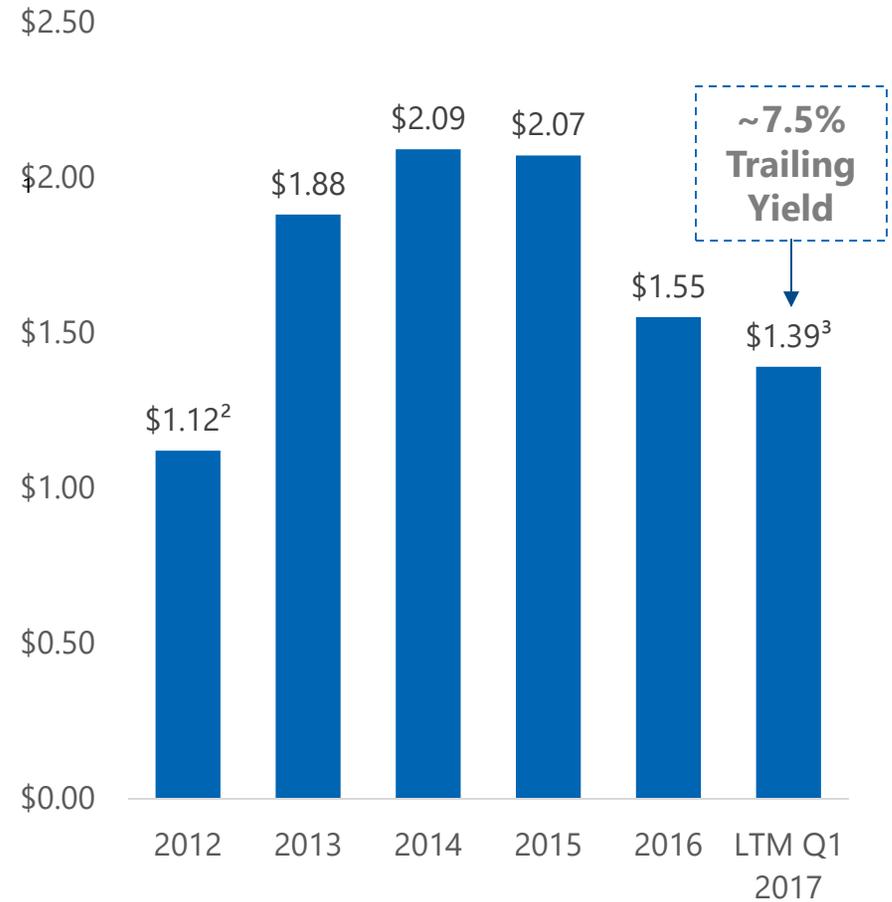
2) Net Realized Performance Fees are for carry funds only, and do not include realized performance fees from CLOs, hedge funds and BDC. 2016 excludes the impact of \$36 million in giveback relating to Legacy Energy funds realized in Q4 2016.

# Distributable Earnings Continues to Generate an Attractive Distribution Yield

## Distributable Earnings (\$mm)



## Distributions / Common Unit



Note: Data as of 3/31/2017. There is no guarantee these trends will continue.

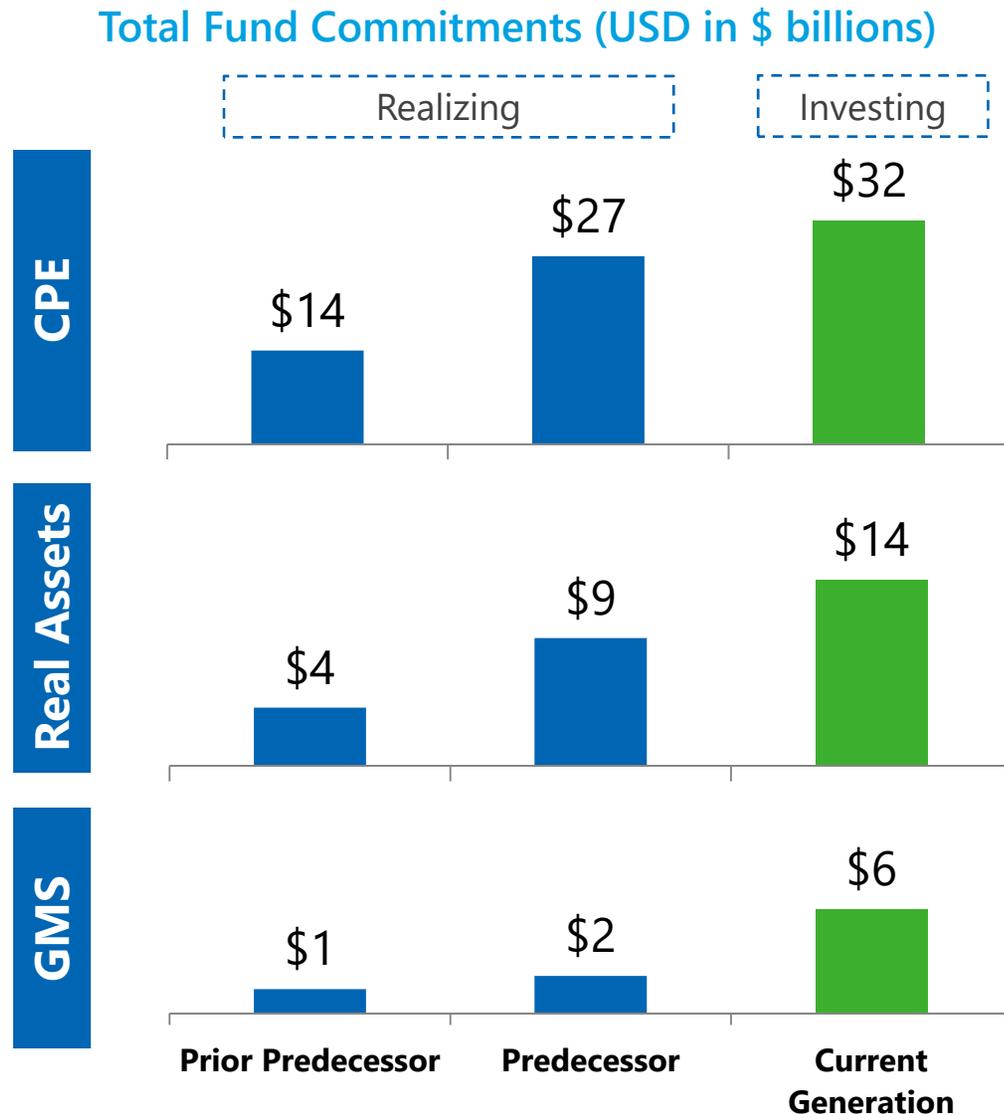
- 1) Distributable Earnings in 2016 and LTM were \$652 million and \$579 million, respectively, and would have been \$827 million and \$754 million, respectively, excluding the impact of Q4 GMS charges.
- 2) The 2012 distribution per common unit represents the time Carlyle was public following its IPO in May 2012.
- 3) Trailing yield calculated as the LTM distributions per common unit divided by recent CG unit price.

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## Our Carry Fund Platform Has Scaled and Enhanced Earnings Capacity



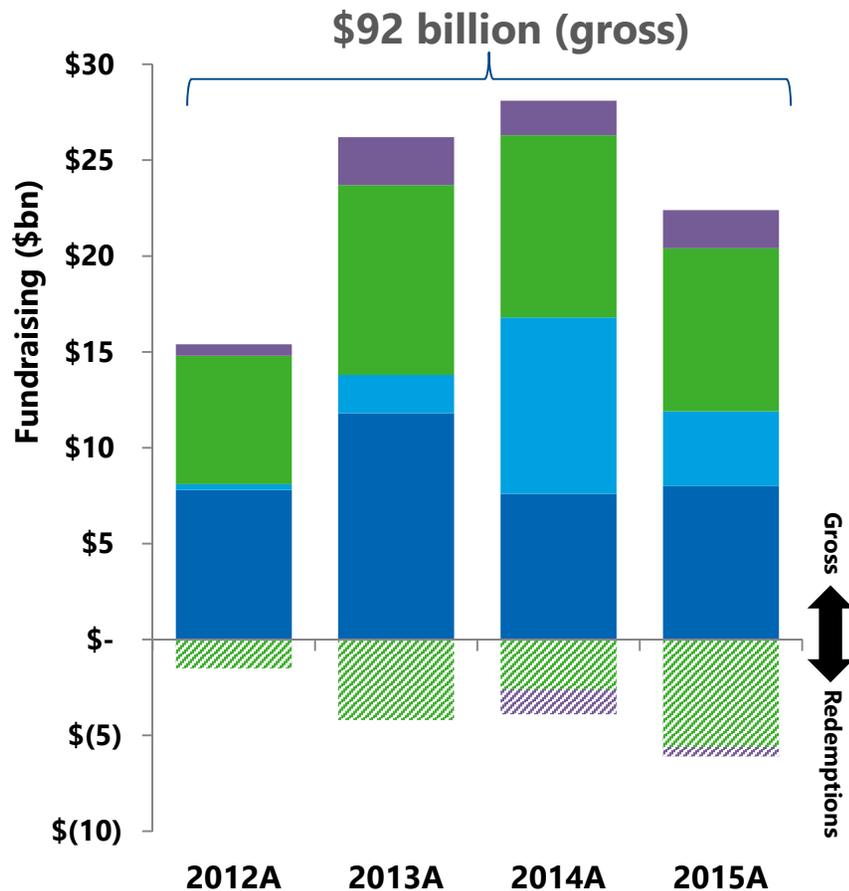
Exceptional investment performance has driven demand for larger funds and new products over multiple generations

Our Investment Solutions platform further enhances earnings capacity and diversity of offerings

Note: Data as of 3/31/2017. Non-USD funds translated at the 3/31/2017 spot rate. There is no guarantee these trends will continue. See pages 24, 30 and 35 for more information.

# We Have Substantial But Realistic Goals For the Coming Cycle

■ Corporate Private Equity ■ Real Assets ■ Global Market Strategies ■ Investment Solutions



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



Raised \$17 billion in new capital from 2016 to Q1 2017 despite not having our largest funds in the market

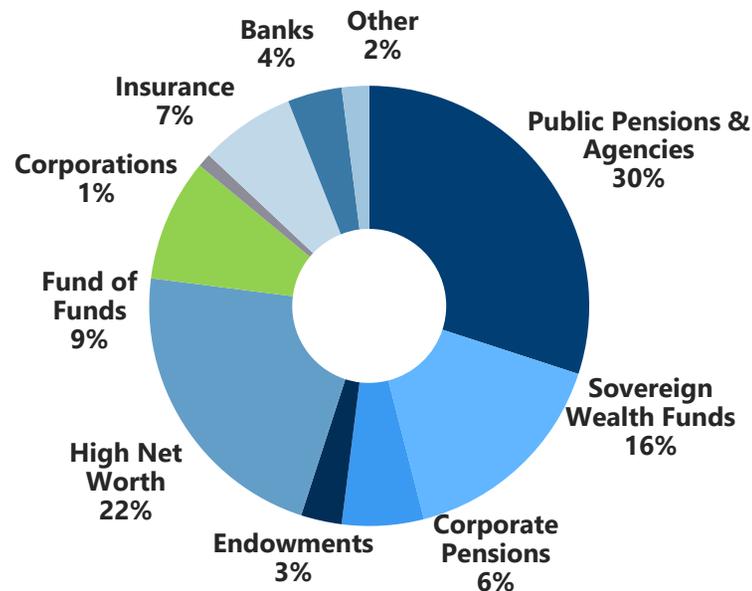
Note: Fundraising includes gross inflows for open-end products above the line, with redemptions below the line. Historical fundraising figures exclude acquisitions. Reflects Management's views as of 5/2/17. Please see "Important Information" slides for information about the use of and reliance on projections.

# Breadth of Fundraising Resources and Capabilities Drive New Investor Relationships

- More than 1,725 fund investors from 82 countries
- More than 300 new fund investors over past 3 years have committed \$5.9 billion
- 62% of fund investor capital is invested across six or more carry funds, up from 50% in 2006

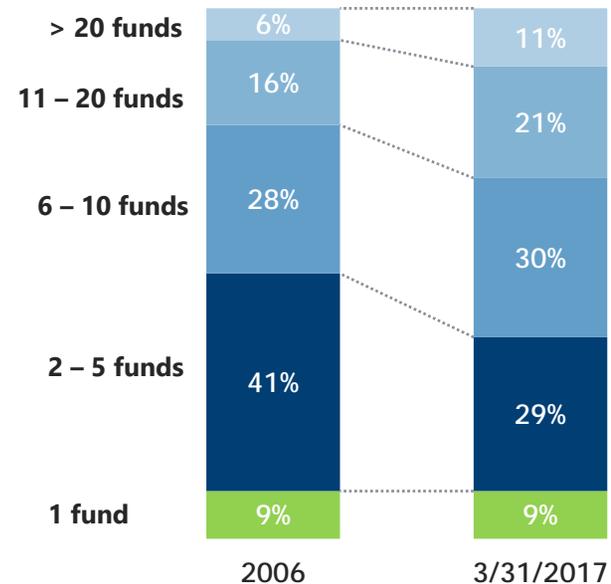


## Diverse Source of Capital Commitments



## Cross Selling Across Funds<sup>1</sup>

% of \$ Commitments Across Multiple Funds



Note: Data as of 3/31/2017.

Number of fund investors for prior years is shown as of September 30<sup>th</sup> of each year.

1) Percentage of capital committed by investors to active carry funds, segmented by the number of active carry funds in which the investors were committed as of 12/31/2006 and 3/31/2017.

## We Have \$1.4 Billion In Net Accrued Performance Fees Today After Six Years of Strong Exit Activity

Carlyle remains well positioned to deliver strong near and mid term realized performance fees

Net accrued performance fees grew to \$1.4 billion in Q1 2017

(\$mm)	Net Accrued Performance Fees (NAPF, beginning of year)	Net Realized Performance Fees	% of Beginning NAPF Realized
2011	1,050	678	65%
2012	1,036	501	48%
2013	1,200	675	56%
2014	1,823	733	40%
2015	1,752	789	45%
2016	1,315	625	48%
2017	1,071		

Note: Data as of 12/31/2016. There is no guarantee these trends will continue.

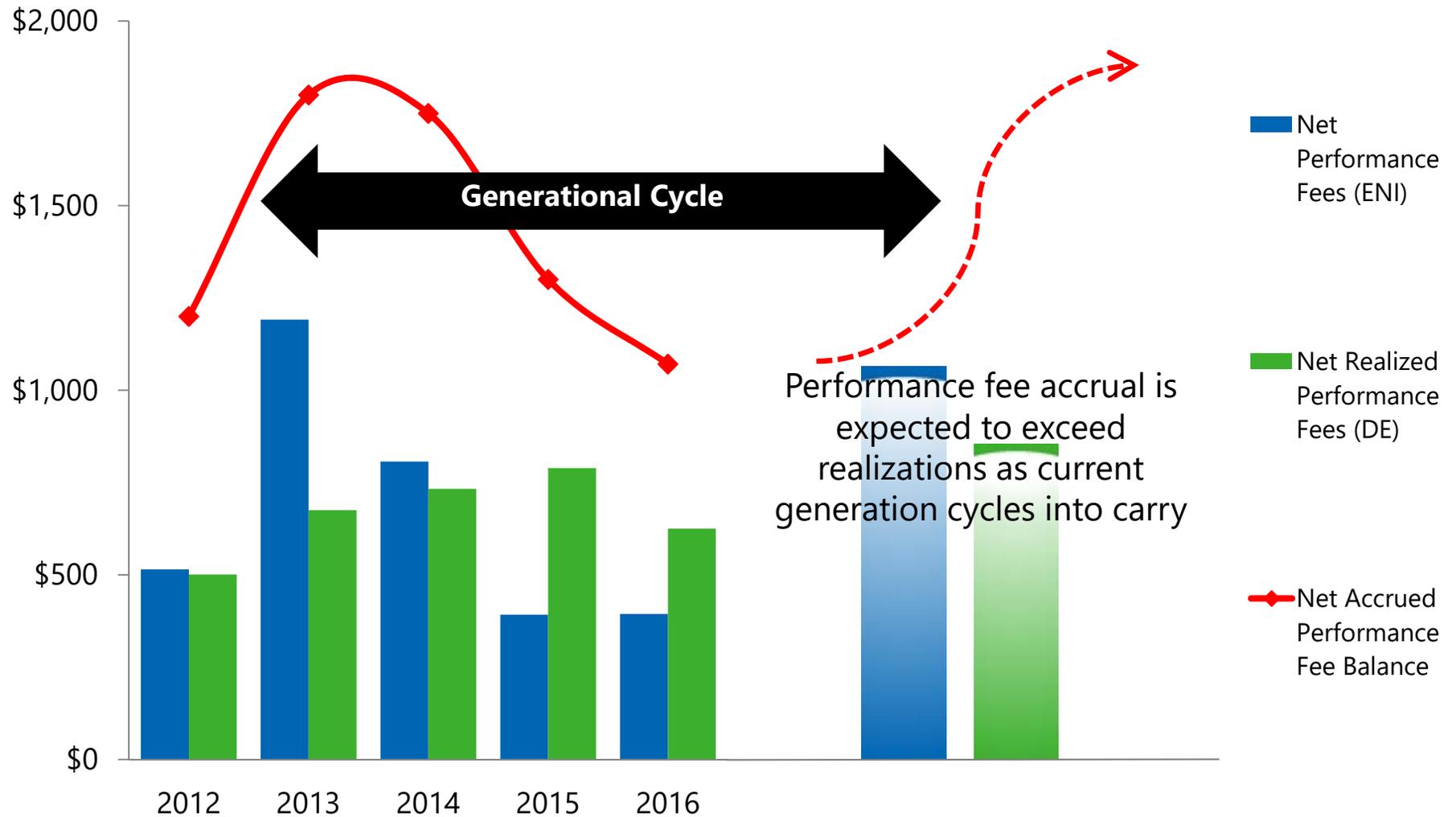
## Several Of Our Most Recent Vintage Funds Are Performing Well

Fund	Vintage Year	Size (bn)	Total MOIC	In Accrued Carry?	% Invested / Committed <sup>1</sup>
Carlyle Partners VI	2013	\$13.0	1.26X	✓	72%
Natural Gas Partners XI	2014	\$5.3	1.33X	✓	91%
Carlyle Realty Partners VII	2014	\$4.2	1.27X	✓	72%
Carlyle Asia Partners IV	2013	\$3.9	1.46X	✓	71%
Carlyle Europe Partners IV	2014	€3.7	1.05X		62%
Carlyle Int'l Energy Partners	2013	\$2.5	1.43X		29%
Carlyle Japan Partners III	2013	¥120	1.50X	✓	50%

Note: Data of 3/31/2017

1) Invested or committed includes actual equity invested as of 3/31/2017, as well as capital committed for transactions to be deployed in future periods.

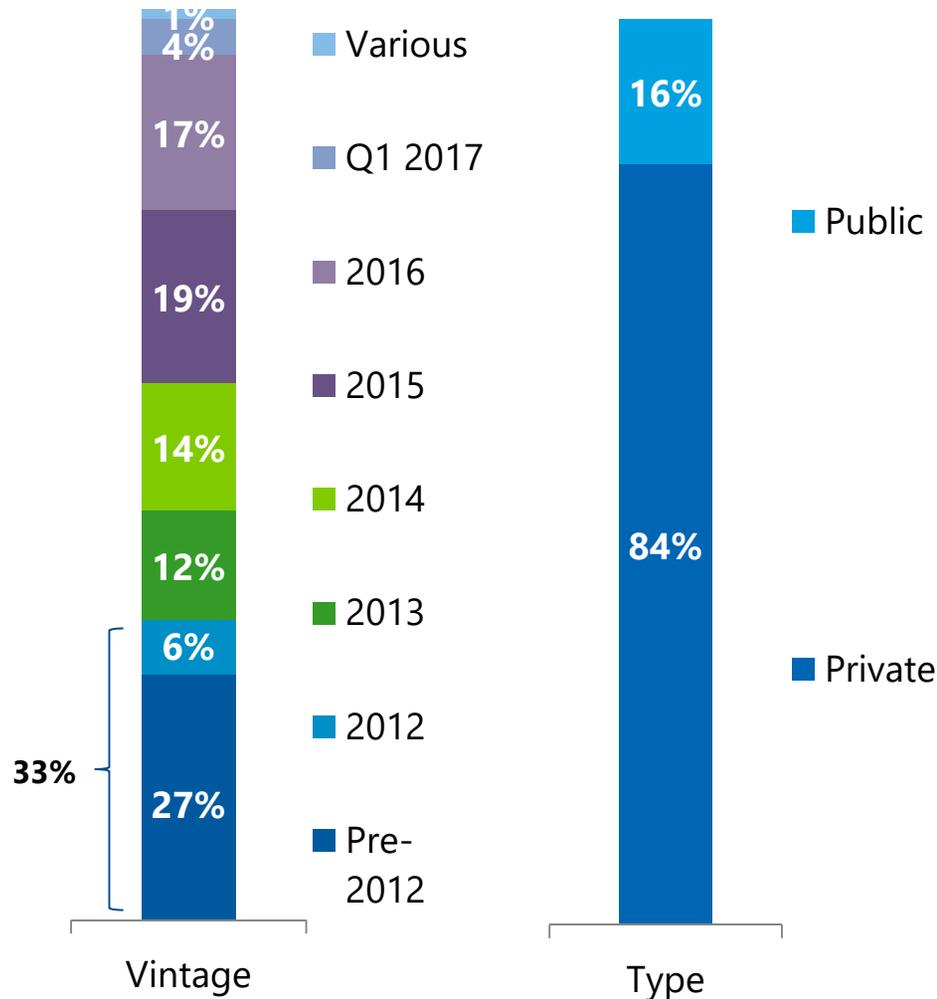
# Delivering Strong Fund Performance Will Help Replenish Our Accrued Carry Balance As Our Funds Move Into Carry



Note: Data as of 12/31/2016. Hypothetical example presented for illustrative purposes only.

## Investments Remain Diversified Across Age and Public/Private

**Remaining Fair Value of CPE/GMS/RA Carry Fund Portfolio<sup>1</sup> - \$61 billion**



“Aging” of investments remains diversified across years with 33% of RMFV invested in 2012 or earlier

Note: Data as of 3/31/2017.

1) Fair value of remaining carry fund capital in the ground; Totals may not sum due to rounding.

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## Well Positioned to Continue to Deliver Solid Economic Results

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**\$579 million** in Distributable Earnings over the last twelve months resulting in **\$1.39** in unitholder distributions

**Embarking on a \$100 billion fundraising period**

**\$50 billion in carry fund dry powder** to deploy globally on an opportunistic basis

**\$1.4 billion in Net Accrued Performance Fees** across all segments and funds

Leading carry fund **Investment Performance**: Corporate Private Equity 18%, Real Assets 23% and Investment Solutions 15% appreciation over the past twelve months

Focused efforts to **build a premier global credit business**

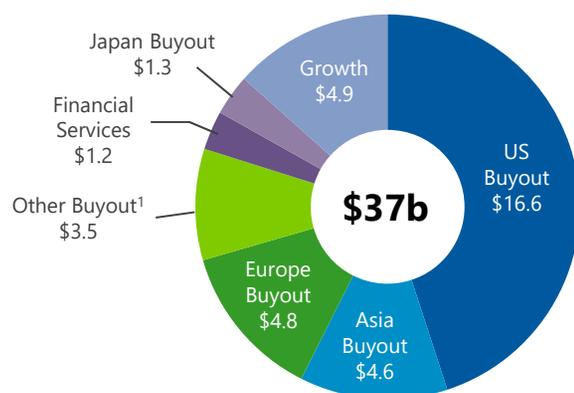
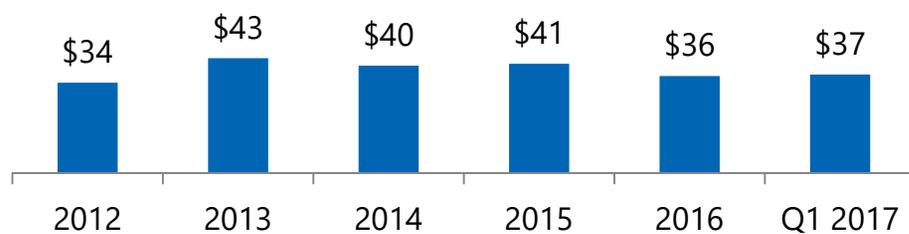
# Appendix

# Corporate Private Equity

(CPE)

# Scaled CPE Platform With Superior Long Term Performance, Positioned to Deliver Strong Cash Flow In the Future

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



## Financial Metrics (\$mm)

	2014	2015	2016	LTM Q1 2017
Fee Related Earnings	\$129	\$106	\$91	\$68
Net Realized Perf. Fees	644	669	588	546
Distributable Earnings	790	798	739	670

## Key Points

- ❑ **Superior, diversified track record**
  - 2.5X MOIC on realized and partially realized investments
  - 13 significant fund families
  - Experience across multiple deployment and exit cycles
  
- ❑ **Positioned to deliver future performance fees**
  - \$37 bn remaining fair value (as of 1Q17)
  - 38% of RMFV invested prior to 2014
  
- ❑ **Successor funds and new funds building a superior CPE platform**
  - Current generation of fund commitments 18% larger than predecessor
  - \$16.1 bn of dry powder (as of 1Q17)

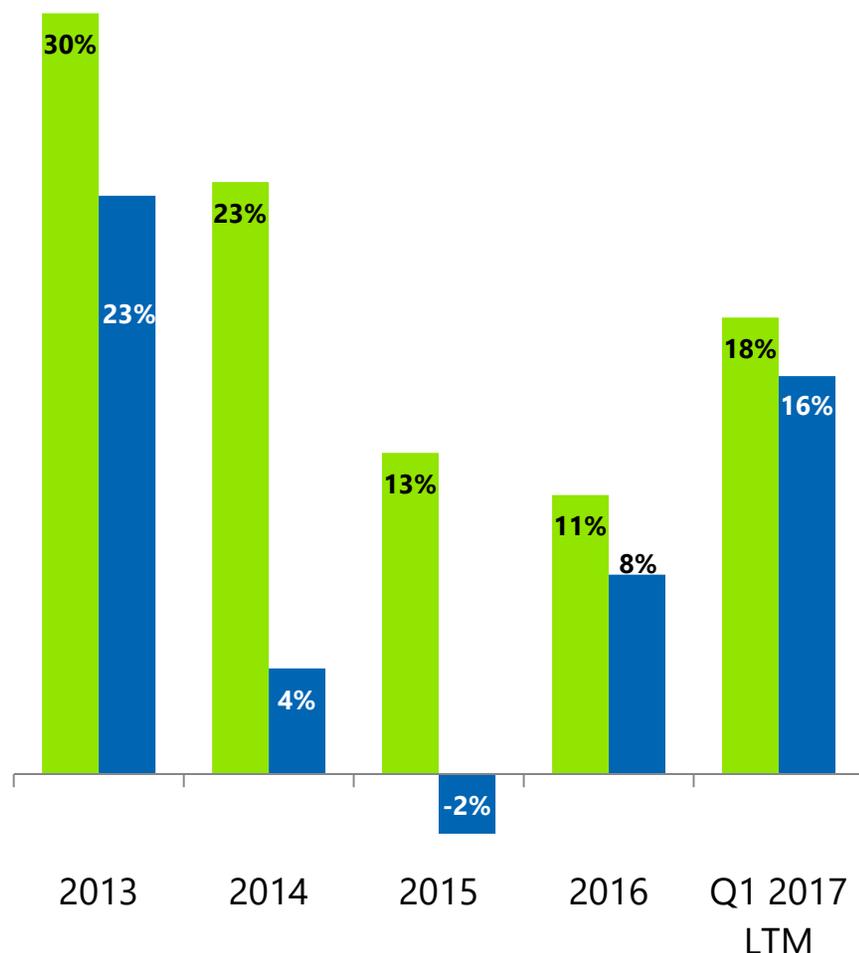
Note: Data as of 3/31/2017.

1) Comprised of Carlyle Global Partners (\$1.5b), MENA Buyout (\$0.2b), Peru Buyout (\$0.2b), South America Buyout (\$0.9b) and Sub-Saharan Africa Buyout (\$0.6b)

# CPE Carry Fund Returns Remain Exceptional, Outpacing Global Equity Indices

## Annual Carry Fund Performance

■ Carlyle CPE Carry Funds    ■ MSCI ACWI



- Carlyle carry funds have consistently outperformed global equity indices
- 2.5X multiple of invested capital (MOIC) and a 28% gross IRR on realized/partially realized CPE investments since inception
- Recent funds remain high performers

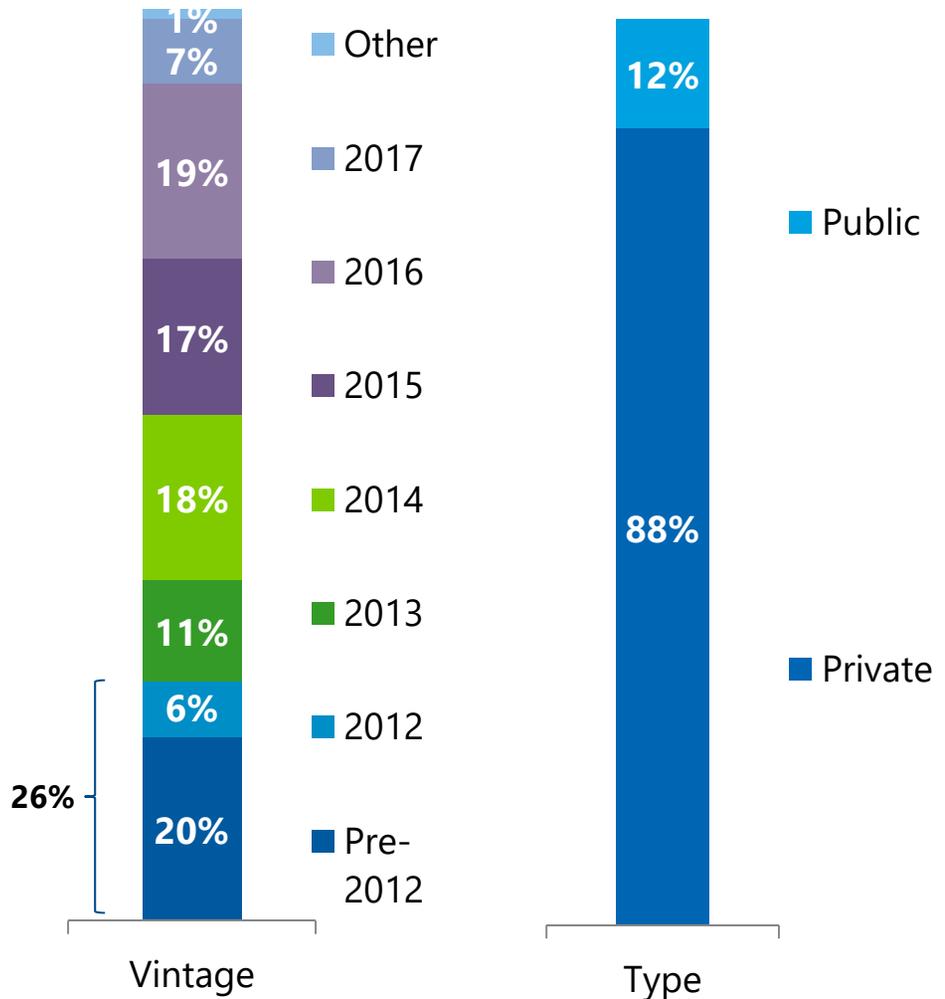
Fund	Inception Year	R/PR <sup>1</sup> MOIC	R/PR <sup>1</sup> Gross IRR
CP V	2007	2.7X	27%
CEP III	2006	2.5X	21%
CAP III	2008	2.0X	20%
CGFSP I	2008	2.1X	19%
CEOF I	2011	2.7X	47%

Note: Data as of 3/31/2017. See "important Information" for information about the comparison to indexes. MSCI ACWI index is presented in local currency. See The Carlyle Group L.P.'s filings with the U.S. Securities and Exchange Commission for more information on the performance of the firm's significant funds.

1) Realized/partially realized investments.

## CPE Investments Remain Well Diversified Across Age and Public/Private

**Remaining Fair Value of CPE Carry Fund Portfolio<sup>1</sup> - \$37 billion**



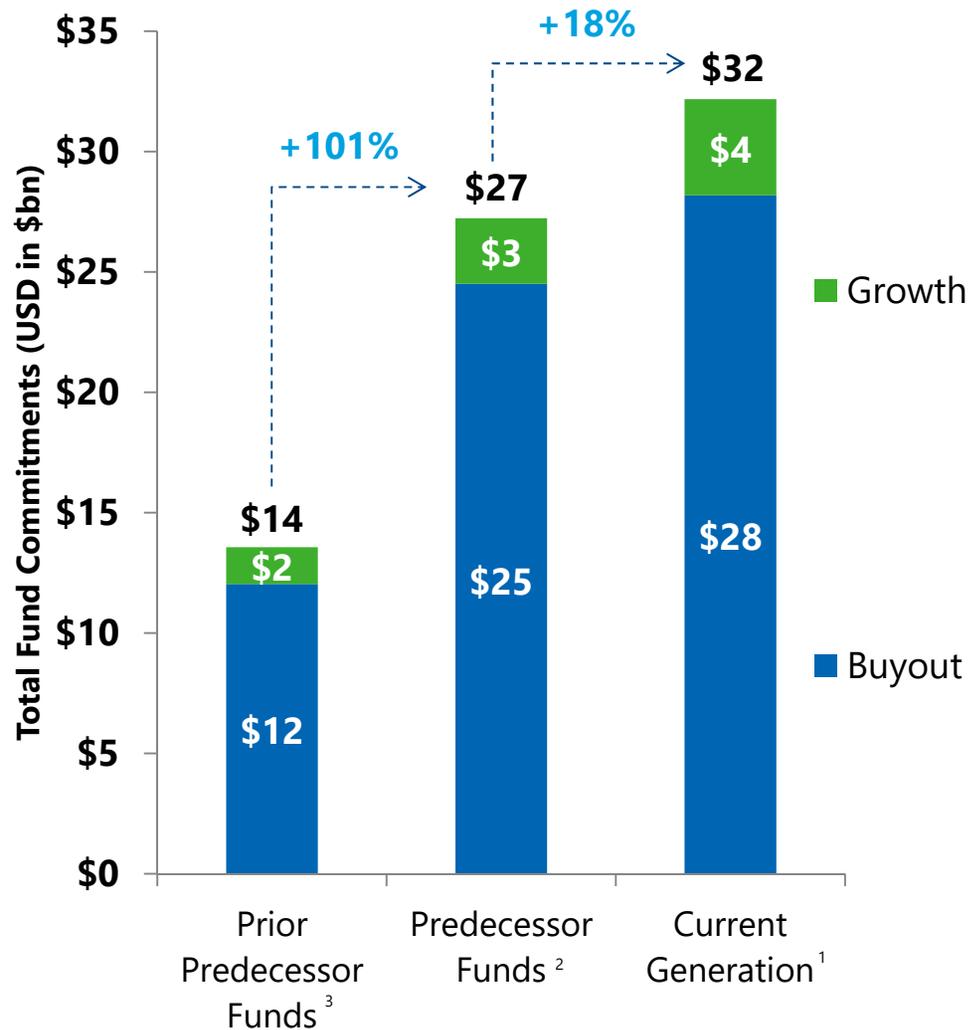
“Aging” of CPE investments remains diversified across years with 26% of RMFV invested in 2012 or earlier

Diverse set of public and private remaining investments supports continuous exit pipeline

Note: Data as of 3/31/2017.

1) Fair value of remaining carry fund capital in the ground; Totals may not sum due to rounding.

## Larger Funds & New Products Drive Increased Scale Across CPE



New and successive buyout and growth funds help build superior global CPE scale and reach

Current generation and new funds are 18% larger than prior set of funds

Note: Data as of 3/31/2017. Non-USD funds translated at the 12/31/2016 spot rate. There is no guarantee these trends will continue.

- 1) Current Generation includes CP VI, CEP IV, CAP IV, CEOF II, CGFSP II, CJP III, CETP III, CSABF I, CSSAF I, CPF I, CGP, CCI, and depicts approximate target for next generation Asia growth fund. Excludes MENA and Mexico Buyout.
- 2) Predecessor funds include CP V, CEP III, CAP III, CEOF I, CGFSP I, CJP II, CETP II, CAGP IV
- 3) Prior predecessor funds include CP IV, CEP II, CAP II, CJP I, CUSGF III, CETP I, CAGP III

## Carlyle's Private Equity Funds Have Performed Well Even When Investing Through Elevated Valuation Periods

Fund	Investing Period	Total Investments		Realized/Partially Realized	
		MOIC	Gross IRR	MOIC	Gross IRR
Carlyle Partners IV	2004 – 2007	2.4X	16%	2.4X	16%
Carlyle Partners V	2007 – 2012	2.0X	18%	2.7X	27%
Carlyle Europe Partners II	2003 – 2006	2.0X	36%	2.2X	43%
Carlyle Europe Partners III	2007 – 2013	2.2X	19%	2.5X	21%
Carlyle Asia Partners II	2006 – 2008	1.8X	11%	1.9X	12%
Carlyle Asia Partners III	2008 – 2012	1.8X	18%	2.0X	20%

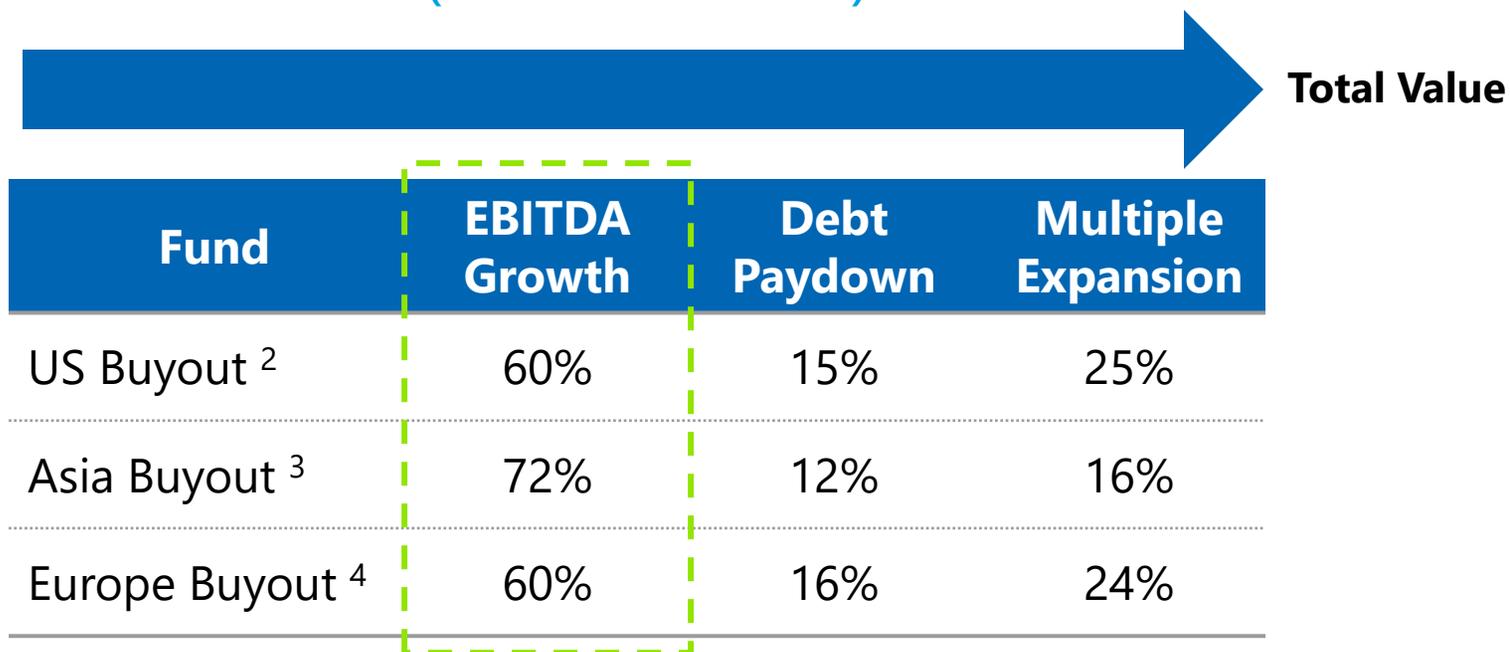
Note: Data as of 3/31/2017.

Investment period begins at fund inception date. Total Investments represents both realized as well as unrealized fund investments, while Realized/Partially Realized only represents fully realized investments or investments when total proceeds received represent at least 85% of invested capital and such investment is not fully realized. MOIC is multiple of invested capital. See "Important Information" for more information on the calculation of gross IRRs, gross MOIC, and realized and partially realized investments. Past performance is not indicative of future results and there is no guarantee these trends will continue. See The Carlyle Group L.P.'s filings with the U.S. Securities and Exchange Commission for more information on the performance of the firm's significant funds.

# CPE Portfolio Company Earnings Growth Drives Value Creation

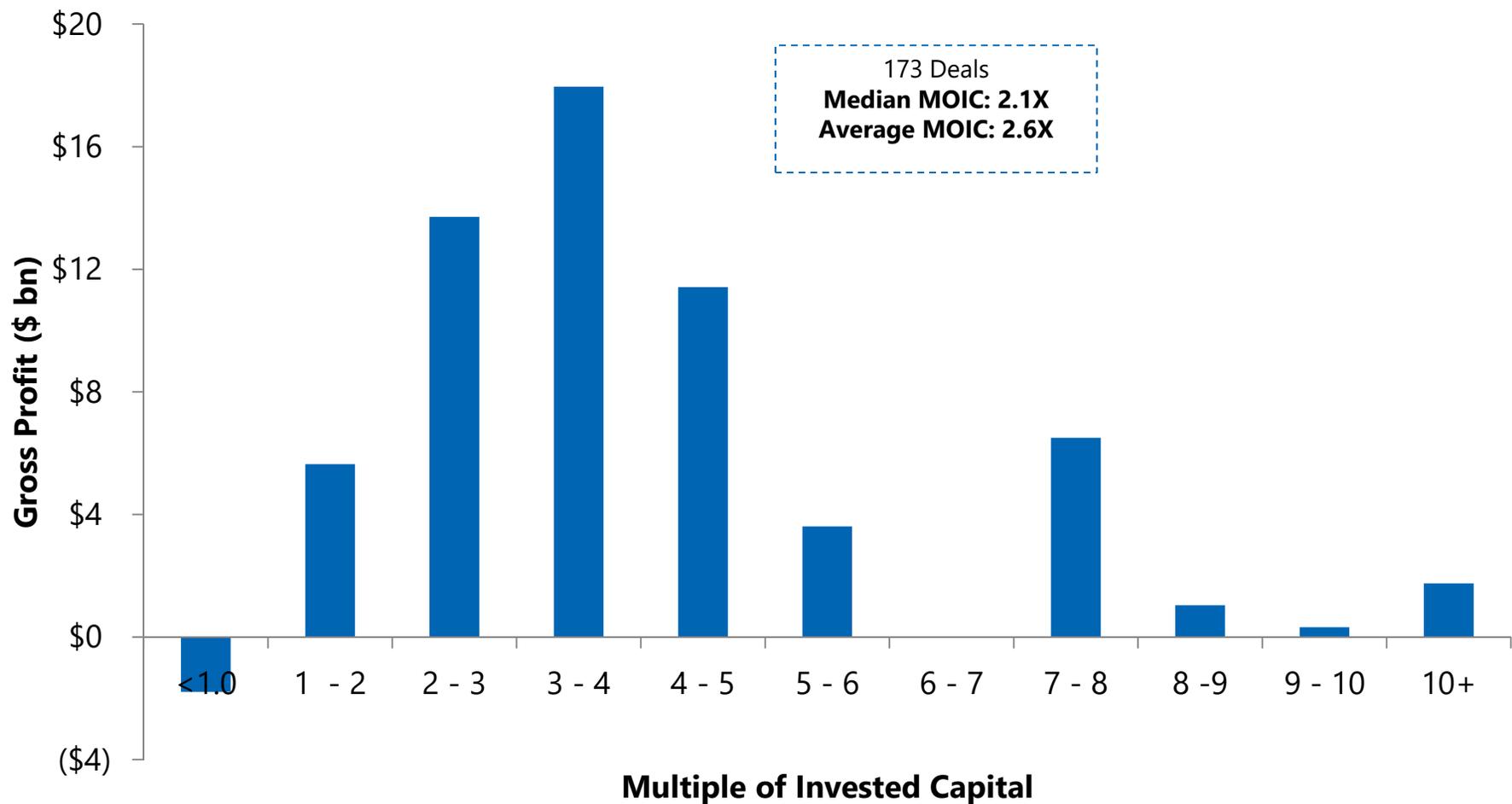
## Drivers of Value Creation <sup>1</sup> (% of Value Created)

**Equity  
Invested**



- 1) Includes both realized & unrealized deals for US Buyout, & includes only realized & partially realized deals for Europe Buyout. Asia buyout only reflects realized & partially realized investments, but includes the unrealized portion of partially realized investments. On the unrealized portion of partially realized investments, actual realized values may differ from the estimated values on which this slide is based. Past performance is not indicative of future results & there is no guarantee these trends will continue. See "Important Information" at the beginning of this presentation.
- 2) As of 12/31/2016 or most recent data available. Illustrates the source of value creation on all deals currently valued at greater than 1.0x in CP IV & CP V. Excludes coinvestment in deals acquired by CP IV & CP V.
- 3) As of 12/31/2016 or most recent data available. Excludes co-investment.
- 4) As of 12/31/2016 or most recent data available. Includes all fully realized & partially realized CEP transactions since inception with the exception of Bredbandsbolaget AB (venture led deal which is not representative of CEP strategy). The losses from realized transactions that have returned < 0.5x cost have been allocated to EBITDA growth, deleveraging, & multiple expansion on a pro-rata basis. Excludes co-investment.

## CPE's Proven, Disciplined Investment Process Drives Consistent Returns



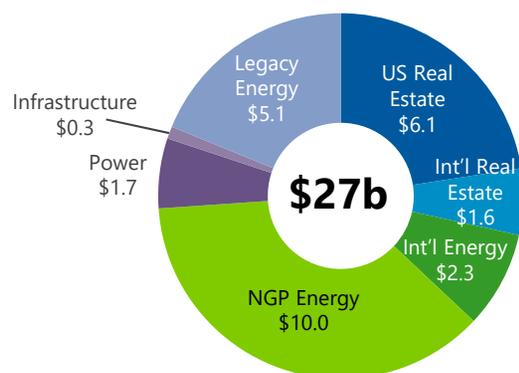
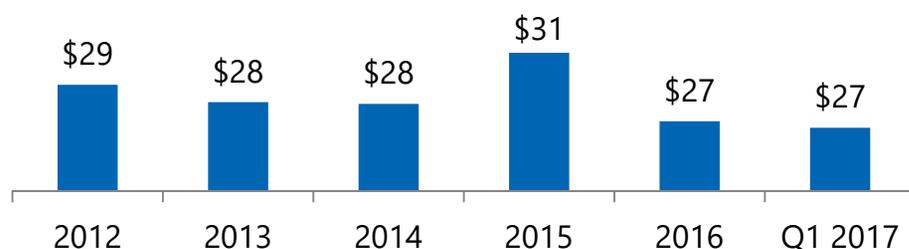
Note: Data as of 3/31/2017. Represents realized and partially realized deals in Carlyle Partners, Carlyle Europe Partners and Carlyle Asia Partners since inception. Includes fund and external coinvestment. Past performance is not indicative of future results and there is no guarantee these trends will continue.

# Real Assets

(RA)

# Real Assets To Benefit From Growing Real Estate Platform and Opportunities in Natural Resources

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



## Financial Metrics (\$mm)

	2014	2015	2016	LTM Q1 2017
Fee Related Earnings	\$22	\$72	\$54	\$43
Net Realized Perf. Fees	58	95	16	21
Distributable Earnings	48	153 <sup>1</sup>	49	33

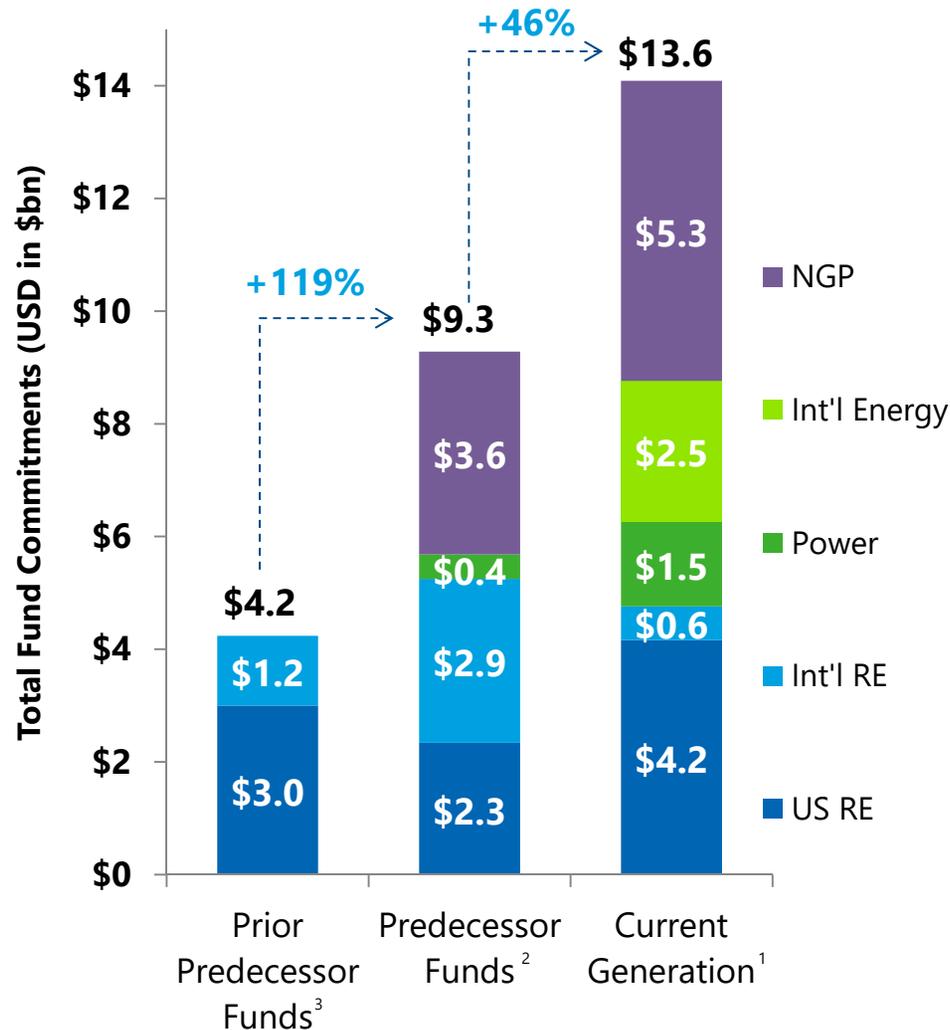
Note: Data as of 3/31/2017.

- 1) Excluding the impact of the French tax judgment of \$80m; Distributable Earnings were \$73m in 2015 including the impact.
- 2) Does not include dry powder of \$3.5+ billion from the Energy Mezzanine business in our Global Market Strategies segment.

## Key Points

- US Real Estate business thriving and growing**
  - Strong performance and substantial scaling in opportunistic funds
  - Core Plus market an attractive opportunity to leverage USRE expertise
  
- Dry powder opportunity in Natural Resources**
  - \$6 bn in dry powder across NGP, International Energy and Power <sup>2</sup>
  - Well-positioned to capitalize on current environment
  
- New Fund Opportunities On The Horizon**
  - New global infrastructure fund
  - Other new products in development

## Natural Resources & Real Estate Funds Scaling to Address a Broader Global Opportunity Set



Scaling in US Real Estate and build-out of global natural resources platform has grown the go-forward revenue base substantially

Current generation and new funds are 46% larger than prior set of funds

Note: Data as of 3/31/2017, except where otherwise noted. Non-USD funds translated at the 3/31/2017 spot rate. Does not include commitments for any fund that has not had a first close. There is no guarantee these trends will continue.

1) Current Generation includes CRP VII, CCR, CIEP I, NGP XI, and CPP II

2) Predecessor funds include CRP VI, CEREP III, CAREP II, CPOCP and NGP X; Legacy Energy and Infrastructure (CIP I) are excluded

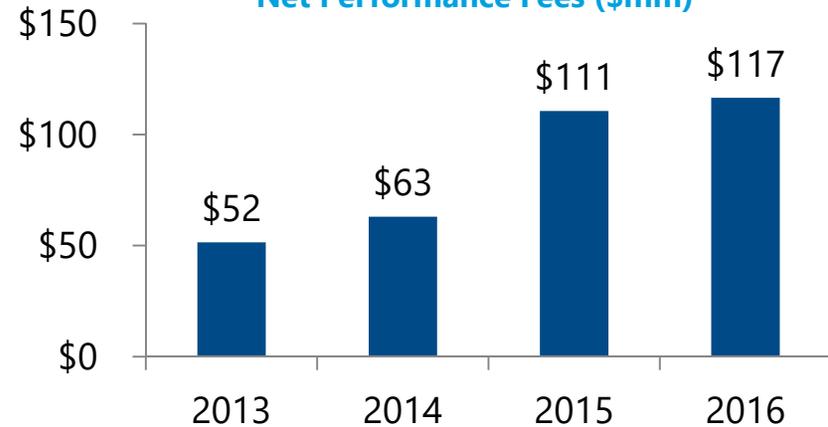
3) Prior predecessor funds include CRP V, CEREP II and CAREP I; Legacy Energy is excluded

## US Real Estate Business is Thriving and Growing

Continued strong fund performance is accelerating the accrual of performance fees

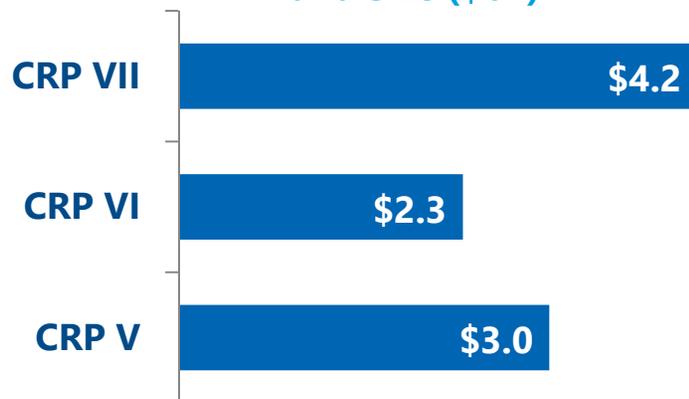
Latest vintage U.S. real estate fund is roughly 80% larger than predecessor fund

US Real Estate  
Net Performance Fees (\$mm)



### Appreciation

Fund Size (\$bn)



Vintage	2014	2015	2016	Net IRR	MOIC
2014	NM	NM	31%	NM	1.3x
2011	35%	30%	12%	21%	1.8x
2006	15%	31%	17%	9%	1.6x

Note: Data as of 3/31/2017. There is no guarantee these trends will continue.

## Carlyle Has Nearly \$10 Billion to Deploy into the Energy Sector

	<b>Fund Family</b>	<b>Investment Focus</b>	<b>AUM<sup>1</sup> (\$bn)</b>	<b>Dry Powder<sup>1</sup> (\$bn)</b>	<b>Performance Fee Ownership</b>
<b>Real Assets</b>	Natural Gas Partners <sup>2</sup>	North American E&P / Midstream	\$10.2	\$3.1	NGP X: 40% NGP XI/Future: 47.5%
	International Energy	International Oil & Gas	\$3.1	\$2.2	55%
	Power	North American Power	\$2.2	\$1.0	55%
<b>GMS</b>	Energy Mezzanine	Oil & Gas Structured Production Finance	\$4.7	\$3.5	55%
<b>Subtotal</b>			<b>\$20.2</b>	<b>\$9.8</b>	
	Legacy Energy (Riverstone)		\$6.4	\$0.5	~20% (blended, varies by fund)

1) Reflects AUM and Dry Powder as of 3/31/2017.

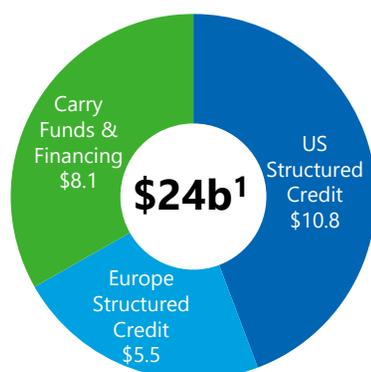
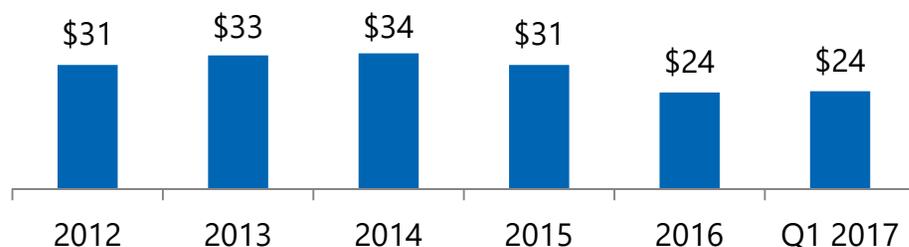
2) AUM reflects all NGP funds. Dry Powder reflects only funds in which Carlyle owns a stake in performance fee revenue.

# Global Market Strategies

(GMS)

# GMS: Focused on Building a Larger Global Diversified Credit Platform

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



## Financial Metrics (\$mm)

	2014	2015	2016	LTM Q1 2017
Fee Related Earnings	\$64	\$12	\$(182)	\$(178)
Net Realized Perf. Fees	19	21	19	21
Distributable Earnings	91	39	(157)	(150)

## Key Points

- ❑ **Focused on enhancing a diversified and global credit and lending platform**
  - New credit leadership
  - Launched new mid-market credit fund with others in the pipeline
- ❑ **Scaling current Credit and Lending Platform**
  - \$19 bn US/Europe CLO business with strong margins
  - \$2 bn BDC platform with incremental lending opportunities
- ❑ **Scaling carry fund platform**
  - Both new vintage Energy Mezzanine fund and Distressed funds at least twice the size of predecessor funds
- ❑ **Potential upside to Performance fees relative to prior years**
  - Future carry fund net realized performance fees could be multiples of prior years

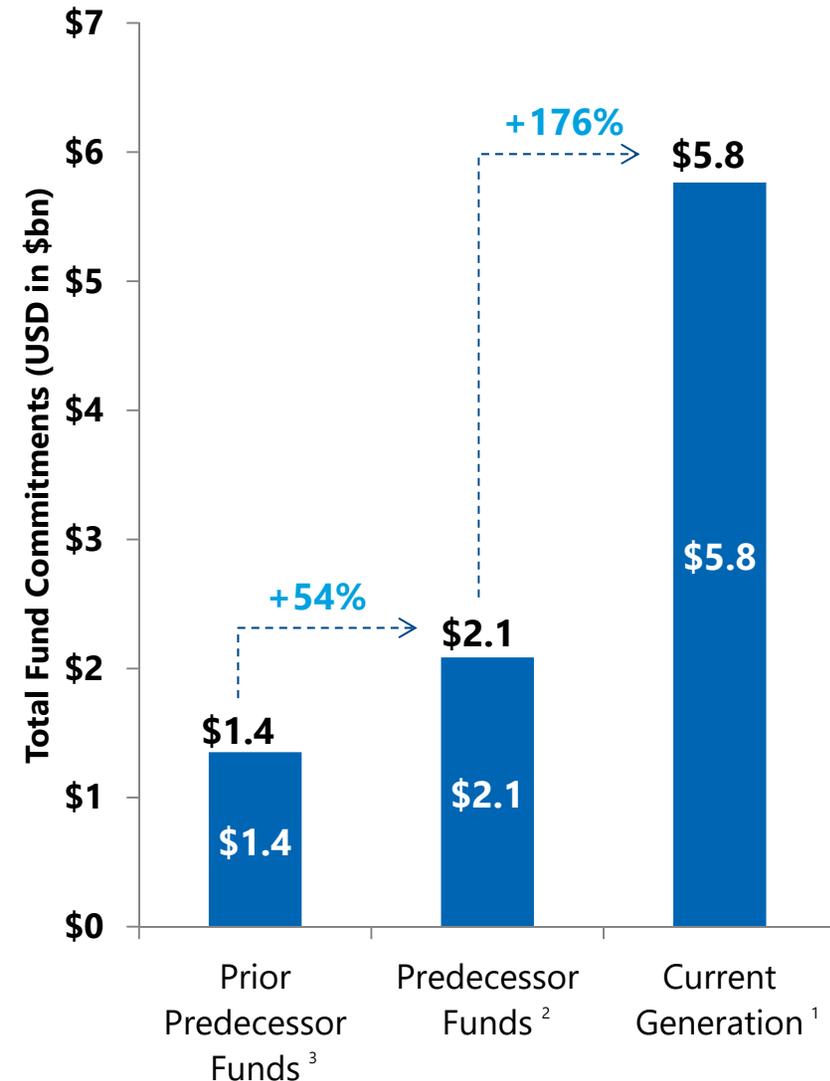
Note: Data as of 3/31/2017.

1. 2016 and LTM include \$175 million in cash charges associated with our commodities business.

## GMS Carry Fund Platform Has Scaled More than 2.5x Prior Generation

The GMS carry fund platform is broadening its reach and enlarging its global deployment capability

We see opportunities to raise pools of capital in new strategies



Note: Data as of 3/31/2017 unless otherwise noted.

There is no guarantee these trends will continue.

1) Current Generation includes CEMOF II, CASCOF and CSP IV. Excludes Corporate Mezzanine.

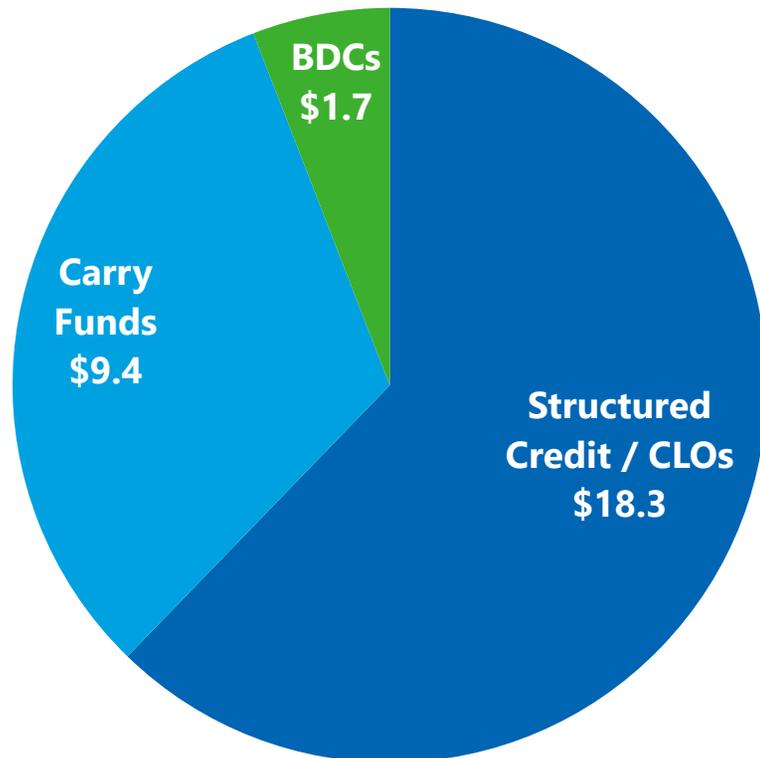
2) Predecessor funds include CEMOF I and CSP III.

3) Prior predecessor funds include CSP II.

# Global Market Strategies: Focused on Deepening and Broadening Our Current Global Credit Capabilities

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Focused on expanding our \$29 billion credit business  
(\$bn, as of Q1 2017)



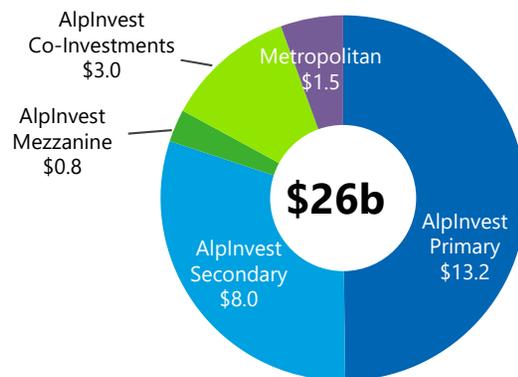
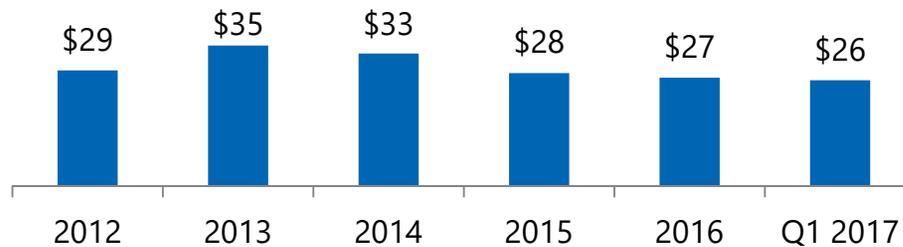
Broadening and deepening global credit capabilities

Strengthening current strategies and developing new capabilities and fund opportunities

# Investment Solutions

# Investment Solutions Overview

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



## Financial Metrics (\$mm)

	2014	2015	2016	LTM Q1 2017
Fee Related Earnings	\$32	\$9	\$18	\$23
Net Realized Perf. Fees	12	4	2	2
Distributable Earnings	44	13	20	25

Note: Data as of 3/31/2017.

1) Includes impact from foreign exchange gain/loss in underlying fund investments

## Key Points

- ❑ **AlpInvest has great investment performance with performance fee upside**
  - 12% net IRR & 1.5x MOIC with LTM appreciation of 15%<sup>1</sup>
  - Performance fees could improve on post acquisition funds over time
  
- ❑ **Next Generation & New Product Opportunity**
  - Finalizing fundraising for AlpInvest secondaries program
  - Multiple products targeted for fundraising in 2017-18
  
- ❑ **Effective management fee rate should rise over time**
  - New commitments should have higher fee yield
  - Expect former owner commitments to drive continued FEaum runoff

## Investment Solutions: Three Distinct Strategies Across Two Platforms



**Private Equity Solutions**

Founded: 1999  
Acquired: July 2011



**Real Estate Solutions**

Founded: 2002  
Acquired: Nov. 2013

**Fund Portfolios**

**Secondaries**

**Coinvestment**

**AUM: \$25.3 bn**

**AUM: \$11.0 bn**

**AUM: \$6.2 bn**

**In final stages of raising \$6 billion+ for AlpInvest Secondaries program and in the early stages of new Co-investment fund and direct partnership investment fund**

## AlInvest Strong Performance Should Drive Future Performance Fee Growth

	Commitment Size (€bn)	Vintage Year	% Invested	Gross / Net IRR
AlInvest Secondaries Fund IV	€1.9	2010	108%	19% / 18%
AlInvest Secondaries Fund V	€4.3	2011	87%	21% / 19%
AlInvest Coinvestment Fund V	€1.1	2012	97%	35% / 32%
AlInvest Coinvestment Fund VI	€1.1	2014	82%	19% / 16%
AlInvest Fund Investment V	€5.1	2012	65%	9% / 8%
AlInvest Fund Investment VI	€1.1	2015	24%	NM

**Carlyle's performance fee generation should grow over time as funds launched after our 2011 acquisition move through a European waterfall**

# Summary Financial Results

Pre-tax Segment Measures (\$ million)	Quarterly				Annual					
	2Q16	3Q16	4Q16	1Q17	2012	2013	2014	2015	2016	LTM
<b>Revenue</b>										
Management & Transaction Fees	288	266	277	267	993	1,105	1,303	1,223	1,134	1,098
Performance Fees	210	255	138	715	996	2,293	1,708	910	752	1,318
Investment, Interest & Other Income	34	19	21	19	55	(30)	12	(0)	73	93
<b>Total Revenue</b>	<b>533</b>	<b>540</b>	<b>436</b>	<b>1,001</b>	<b>2,044</b>	<b>3,369</b>	<b>3,022</b>	<b>2,132</b>	<b>1,959</b>	<b>2,509</b>
Direct & Indirect Base Compensation	147	144	149	147	562	589	683	650	601	587
Equity Based Compensation	31	33	24	30	2	16	80	122	120	118
Performance Fee Compensation	95	113	78	321	481	1,102	901	518	358	606
General & Administrative, Interest & Other Expense	94	189	172	96	252	353	374	421	545	551
Depreciation & Amortization	7	7	7	8	22	24	22	26	29	29
<b>Total Expenses</b>	<b>374</b>	<b>486</b>	<b>430</b>	<b>601</b>	<b>1,318</b>	<b>2,084</b>	<b>2,060</b>	<b>1,736</b>	<b>1,653</b>	<b>1,891</b>
<b>Economic Net Income</b>	<b>158</b>	<b>54</b>	<b>6</b>	<b>400</b>	<b>726</b>	<b>1,285</b>	<b>962</b>	<b>397</b>	<b>306</b>	<b>618</b>
(-) Net Performance Fees	115	142	61	394	515	1,191	807	392	394	713
(-) Investment Income (Loss)	29	13	15	11	42	(43)	(11)	(22)	50	67
(+) Equity Based Compensation	31	33	24	30	2	16	80	122	120	118
(+) Reserve for Litigation and Contingencies	-	100	(100)	-	-	-	-	50	-	-
<b>Fee Related Earnings</b>	<b>45</b>	<b>31</b>	<b>(145)</b>	<b>25</b>	<b>171</b>	<b>152</b>	<b>247</b>	<b>199</b>	<b>(19)</b>	<b>(44)</b>
(+) Realized Net Performance Fees	233	186	136	35	501	675	733	789	625	591
(+) Realized Investment Income (Loss)	9	11	17	(5)	16	11	(6)	(65)	45	32
<b>Distributable Earnings</b>	<b>288</b>	<b>228</b>	<b>7</b>	<b>55</b>	<b>689</b>	<b>837</b>	<b>973</b>	<b>923</b>	<b>652</b>	<b>579</b>
<b>Per Unit Measures</b>										
Economic Net Income Per Unit (after-tax)	\$0.35	\$0.21	\$0.02	\$1.09		\$3.55	\$2.68	\$1.15	\$0.76	\$1.67
Distributable Earnings Per Common Unit (after-tax)	\$0.84	\$0.66	\$0.00	\$0.13		\$2.50	\$2.78	\$2.73	\$1.85	\$1.63
Distribution per Common Unit	\$0.63	\$0.50	\$0.16	\$0.10		\$1.88	\$2.09	\$2.07	\$1.55	\$1.39

Note: Data as of 3/31/2017.

See "Selected Financial Data" in Carlyle's periodic and annual reports filed with the U.S. Securities and Exchange Commission.

Performance fee revenue net of related compensation expense.

## Strong Balance Sheet

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<b>Key Balance Sheet Items<sup>1</sup> (\$ million)</b>	<b>3/31/2017</b>
<b>Cash and Cash Equivalents and Corporate Treasury Investments<sup>2</sup></b>	<b>\$948</b>
<b>Net accrued performance fees (net of giveback and accrued performance fee compensation)</b>	<b>\$1,432</b>
<b>Investments attributable to Carlyle unitholders<sup>3</sup></b>	<b>\$586</b>
<b>Loans Payable and Senior Notes</b>	<b>\$1,332</b>
<b>Drawn revolving credit line (\$750 million capacity)</b>	<b>\$0</b>

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

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

3) Excludes the equity method accounting of our investment by Carlyle in NGP Energy Capital Management.

# Key Metrics for “The Carlyle Engine”

## Carlyle Group Carlyle Key Metrics

Quarterly Data								
	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
<b>Total AUM(1) (\$ bn)</b>	<b>192.8</b>	<b>187.7</b>	<b>182.6</b>	<b>178.1</b>	<b>175.6</b>	<b>169.1</b>	<b>157.6</b>	<b>161.9</b>
Corporate Private Equity	63.6	63.1	63.1	61.1	57.6	54.6	50.9	53.0
Real Assets	42.2	40.2	38.0	36.7	37.5	35.7	34.3	35.6
Global Market Strategies	36.4	35.5	35.3	34.0	34.7	34.1	29.4	29.4
Investment Solutions	50.7	48.9	46.2	46.3	45.7	44.7	43.1	44.0
<b>Fee-Earning AUM(1) (\$ bn)</b>	<b>130.0</b>	<b>128.1</b>	<b>131.0</b>	<b>130.3</b>	<b>125.3</b>	<b>123.8</b>	<b>115.0</b>	<b>114.9</b>
Corporate Private Equity	40.3	40.7	40.9	40.9	38.9	37.8	36.3	36.9
Real Assets	28.1	28.5	30.9	30.7	30.4	28.9	27.5	27.2
Global Market Strategies	31.3	29.5	31.0	28.6	28.7	29.0	24.1	24.4
Investment Solutions	30.3	29.4	28.2	30.2	27.2	28.1	27.1	26.4
<b>Fundraising(2)(3) (\$ bn)</b>	<b>4.7</b>	<b>4.6</b>	<b>2.7</b>	<b>0.1</b>	<b>3.6</b>	<b>1.8</b>	<b>2.7</b>	<b>3.0</b>
Corporate Private Equity	1.9	2.8	1.6	0.1	0.3	0.4	0.0	0.2
Real Assets	0.6	0.9	0.3	0.2	0.5	0.2	0.3	1.0
Global Market Strategies	1.2	0.8	0.6	(0.5)	1.6	1.1	1.3	0.4
Investment Solutions	1.0	0.1	0.1	0.3	1.2	0.1	1.1	1.4
<b>Invested Capital(4) (\$ bn)</b>	<b>2.9</b>	<b>3.1</b>	<b>5.2</b>	<b>5.3</b>	<b>3.7</b>	<b>2.9</b>	<b>6.1</b>	<b>4.4</b>
Corporate Private Equity	0.9	0.8	2.7	3.3	1.4	0.6	2.6	2.5
Real Assets	0.6	0.9	1.0	0.6	1.4	1.0	2.2	0.7
Global Market Strategies	0.0	0.2	0.3	0.1	0.1	0.1	0.4	0.3
Investment Solutions	1.3	1.2	1.1	1.3	0.8	1.2	0.9	0.9
<b>Realized Proceeds(4) (\$ bn)</b>	<b>8.4</b>	<b>6.8</b>	<b>6.5</b>	<b>4.5</b>	<b>7.6</b>	<b>8.8</b>	<b>8.6</b>	<b>3.5</b>
Corporate Private Equity	4.6	2.6	2.3	2.3	4.0	4.8	3.6	1.0
Real Assets	1.1	1.0	1.6	0.8	1.1	1.7	2.0	0.6
Global Market Strategies	0.1	0.1	0.1	0.0	0.2	0.2	0.1	0.1
Investment Solutions	2.5	3.1	2.4	1.3	2.3	2.2	2.8	1.9
<b>Carry Fund Appreciation(6)</b>	<b>3%</b>	<b>(1%)</b>	<b>2%</b>	<b>0%</b>	<b>4%</b>	<b>3%</b>	<b>5%</b>	<b>6%</b>
Corporate Private Equity	5%	(3%)	3%	1%	4%	3%	4%	9%
Real Assets	0%	(5%)	(0%)	1%	7%	4%	4%	5%
Global Market Strategies	2%	(9%)	(4%)	(12%)	(2%)	(0%)	2%	7%
Investment Solutions	4%	4%	2%	(0%)	3%	2%	7%	3%

Annual Data												
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Total AUM(1) (\$ bn)</b>	<b>45.3</b>	<b>80.6</b>	<b>86.3</b>	<b>89.8</b>	<b>107.5</b>	<b>147.0</b>	<b>170.2</b>	<b>188.8</b>	<b>194.5</b>	<b>182.6</b>	<b>157.6</b>	<b>161.9</b>
Corporate Private Equity	24.7	48.5	45.2	48.8	56.3	51.1	53.3	64.9	64.7	63.1	50.9	53.0
Real Assets	13.9	21.7	27.3	27.7	30.6	30.7	40.2	38.7	42.3	38.0	34.3	35.6
Global Market Strategies	6.7	10.4	13.9	13.3	20.6	24.5	32.5	35.5	36.7	35.3	29.4	29.4
Investment Solutions	n/a	n/a	n/a	n/a	n/a	40.7	44.1	49.8	50.8	46.2	43.1	44.0
<b>Fee-Earning AUM(1) (\$ bn)</b>	<b>33.6</b>	<b>64.8</b>	<b>76.3</b>	<b>75.4</b>	<b>80.8</b>	<b>111.0</b>	<b>123.1</b>	<b>139.9</b>	<b>135.6</b>	<b>131.0</b>	<b>115.0</b>	<b>114.9</b>
Corporate Private Equity	17.4	36.6	40.2	40.4	38.9	38.0	33.8	43.0	40.2	40.9	36.3	36.9
Real Assets	10.2	20.0	22.8	22.5	22.9	22.2	29.3	28.4	28.4	30.9	27.5	27.2
Global Market Strategies	6.0	8.3	13.4	12.5	19.0	23.2	31.0	33.4	33.9	31.0	24.1	24.4
Investment Solutions	n/a	n/a	n/a	n/a	n/a	27.7	28.9	35.1	33.1	28.2	27.1	26.4
<b>Fundraising(2)(3) (\$ bn)</b>	<b>15.2</b>	<b>31.2</b>	<b>20.1</b>	<b>1.2</b>	<b>4.2</b>	<b>6.6</b>	<b>14.0</b>	<b>22.0</b>	<b>24.3</b>	<b>16.4</b>	<b>8.2</b>	<b>3.0</b>
Corporate Private Equity	8.5	18.8	5.5	0.3	2.4	1.6	7.8	11.8	7.6	8.0	0.8	0.2
Real Assets	3.9	7.6	8.3	0.8	1.5	2.1	0.3	2.0	9.2	3.9	1.2	1.0
Global Market Strategies	2.8	4.7	6.3	0.1	0.3	2.4	5.2	5.7	6.9	2.9	3.5	0.4
Investment Solutions	n/a	n/a	n/a	n/a	n/a	0.5	0.6	2.5	0.5	1.6	2.8	1.4
<b>Invested Capital(4) (\$ bn)</b>	<b>7.9</b>	<b>14.5</b>	<b>12.0</b>	<b>5.0</b>	<b>10.1</b>	<b>14.0</b>	<b>12.8</b>	<b>12.3</b>	<b>14.8</b>	<b>14.0</b>	<b>17.9</b>	<b>4.4</b>
Corporate Private Equity	5.6	9.3	4.9	2	5	8	4	4.8	6.8	5.3	7.9	2.5
Real Assets	2.1	4.7	6.4	2.5	3.9	3.0	3.2	2.5	2.5	3.1	5.1	0.7
Global Market Strategies	0.2	0.5	0.7	0.5	0.8	0.8	0.6	0.8	0.6	0.6	0.7	0.3
Investment Solutions	n/a	n/a	n/a	n/a	n/a	2.7	4.9	4.2	5.0	5.0	4.3	0.9
<b>Realized Proceeds(4)(5) (\$ bn)</b>	<b>10.6</b>	<b>8.9</b>	<b>2.0</b>	<b>2.1</b>	<b>8.2</b>	<b>20.8</b>	<b>25.1</b>	<b>25.8</b>	<b>29.2</b>	<b>28.9</b>	<b>29.4</b>	<b>3.5</b>
Corporate Private Equity	8.2	6.2	1.1	0.9	5.3	11.4	12.1	12.2	14.3	12.8	14.8	1.0
Real Assets	2.3	2.6	0.7	1.0	2.1	5.2	5.5	4.1	4.7	4.8	5.6	0.6
Global Market Strategies	0.1	0.1	0.2	0.2	0.8	1.0	1.1	1.0	0.7	0.5	0.4	0.1
Investment Solutions	n/a	n/a	n/a	n/a	n/a	3.2	6.3	8.4	9.5	10.8	8.6	1.9
<b>Carry Fund Appreciation(6)</b>			<b>(22%)</b>	<b>8%</b>	<b>34%</b>	<b>16%</b>	<b>15%</b>	<b>18%</b>	<b>19%</b>	<b>12%</b>	<b>12%</b>	<b>6%</b>
Corporate Private Equity			(23%)	9%	46%	16%	16%	30%	23%	13%	11%	9%
Real Assets			(18%)	3%	15%	16%	9%	1%	(2%)	(3%)	18%	5%
Global Market Strategies			(46%)	43%	38%	9%	23%	28%	20%	(8%)	(11%)	7%
Investment Solutions			n/a	n/a	n/a	n/a	17%	15%	26%	23%	12%	3%

Note: segments may not add to total due to rounding; For definitions of the operating metrics above, please see The Carlyle Group LP's filings with the Securities and Exchange Commission.

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

# Reconciliation of GAAP to Non-GAAP Financials

(\$ millions)	Quarterly					Annual					
	1Q16	2Q16	3Q16	4Q16	1Q17	2012	2013	2014	2015	2016	LTM
Income (loss) before provision for income taxes	\$ 15	\$ 68	\$ (50)	\$ 12	\$ 328	\$ 2,440	\$ 1,444	\$ 992	\$ 402	\$ 45	\$ 358
Adjustments:											
Partner compensation(1)	-	-	-	-	-	(265)	-	-	-	-	-
Equity-based compensation issued in conjunction with the initial public offering, acquisitions and strategic investments(2)	45	79	51	48	67	200	314	269	260	223	245
Acquisition related charges, including amortization of intangibles and impairment	18	22	28	27	9	128	260	243	289	94	85
Other non-operating expense (income)	4	1	(4)	(12)	-	7	(17)	(30)	(7)	(11)	(15)
Tax (expense) benefit associated with performance fee compensation	(3)	(11)	(2)	1	(3)	(9)	(35)	(25)	(15)	(15)	(15)
Net (income) loss attributable to non-controlling interests in Consolidated entities	2	(2)	29	(71)	(3)	(1,757)	(676)	(486)	(538)	(41)	(47)
Severance and other adjustments	7	1	2	0	3	(17)	(5)	-	6	10	6
<b>Economic Net Income</b>	<b>\$ 89</b>	<b>\$ 158</b>	<b>\$ 54</b>	<b>\$ 6</b>	<b>\$ 400</b>	<b>\$ 726</b>	<b>\$ 1,285</b>	<b>\$ 962</b>	<b>\$ 397</b>	<b>\$ 306</b>	<b>\$ 618</b>
(-) Net Performance Fees	75	115	142	61	394	515	1,191	807	392	394	713
(-) Investment Income (Loss)	(6)	29	13	15	11	42	(42)	(11)	(22)	50	67
(+) Equity-Based Compensation	31	31	33	24	30	2	16	80	122	120	118
(+) Reserve for litigation and contingencies	-	-	100	(100)	-	-	-	-	50	-	-
<b>Fee Related Earnings</b>	<b>\$ 51</b>	<b>\$ 45</b>	<b>\$ 31</b>	<b>\$ (145)</b>	<b>\$ 26</b>	<b>\$ 171</b>	<b>\$ 152</b>	<b>\$ 247</b>	<b>\$ 199</b>	<b>\$ (19)</b>	<b>\$ (44)</b>
(+) Realized Net Performance Fees	70	233	186	136	35	501	675	733	789	625	591
(+) Realized Investment Income (Loss)	8	9	11	17	(5)	16	11	(6)	(65)	45	32
<b>Distributable Earnings</b>	<b>\$ 129</b>	<b>\$ 288</b>	<b>\$ 228</b>	<b>\$ 7</b>	<b>\$ 55</b>	<b>\$ 689</b>	<b>\$ 837</b>	<b>\$ 973</b>	<b>\$ 923</b>	<b>\$ 652</b>	<b>\$ 579</b>
(+) Depreciation & Amortization	7	7	7	7	8	22	24	22	26	29	29
(+) Interest Expense	15	16	16	15	15	25	44	56	58	61	61
<b>Distributable EBITDA</b>	<b>\$ 151</b>	<b>\$ 310</b>	<b>\$ 251</b>	<b>\$ 30</b>	<b>\$ 78</b>	<b>\$ 736</b>	<b>\$ 905</b>	<b>\$ 1,051</b>	<b>\$ 1,007</b>	<b>\$ 742</b>	<b>\$ 669</b>

Note: Data as of 3/31/2017.

- Adjustments for partner compensation reflect amounts due to senior Carlyle professionals for compensation and performance fees allocated to them, which amounts were classified as distributions from partner's capital in the consolidated financial statements for periods prior to the reorganization and initial public offering in May 2012.
- Other Adjustments are comprised of losses associated with early extinguishment of debt, severance and lease terminations, provisions for income taxes attributable to non-controlling interests in consolidated entities, and gains on business acquisitions.