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**THE CARLYLE GROUP**

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GLOBAL ALTERNATIVE ASSET MANAGEMENT

# The Carlyle Group Unitholder Presentation

August 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 Q3 2016 through Q2 2017, and the prior rolling 12-month period refers to the period Q3 2015 to Q2 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.

# Carlyle is a Leading Global Alternative Asset Manager

## THE CARLYLE GROUP

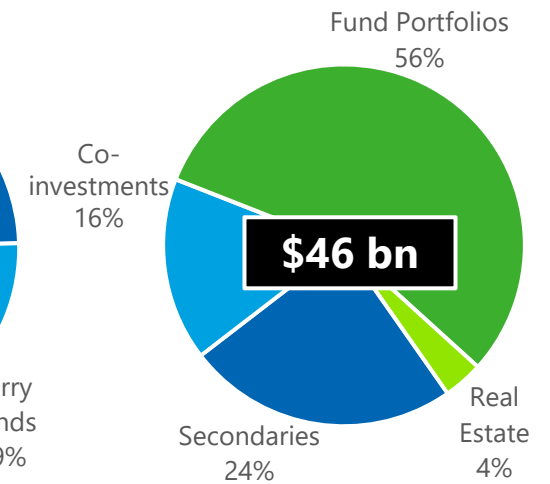
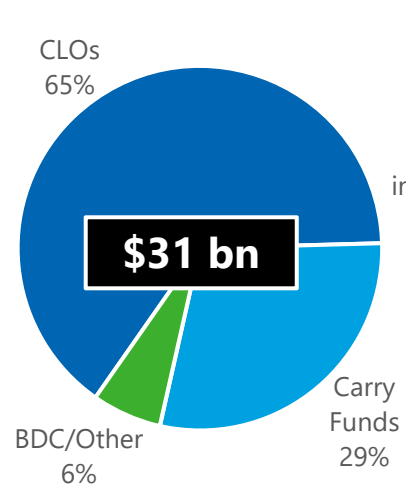
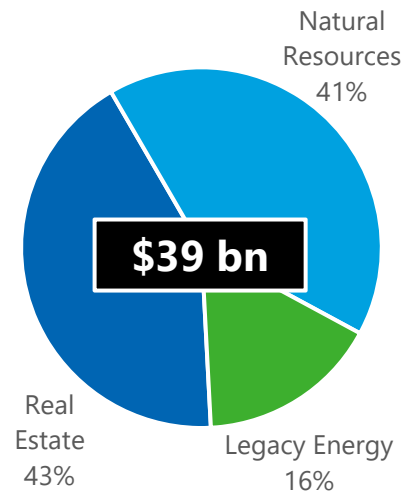
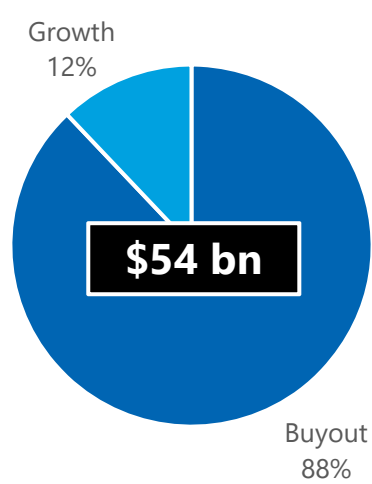
**Corporate  
Private Equity**

**Real Assets**

**Global Market  
Strategies**

**Investment  
Solutions**

**Assets Under Management: \$170 billion**



**Dry Powder: \$54 billion**

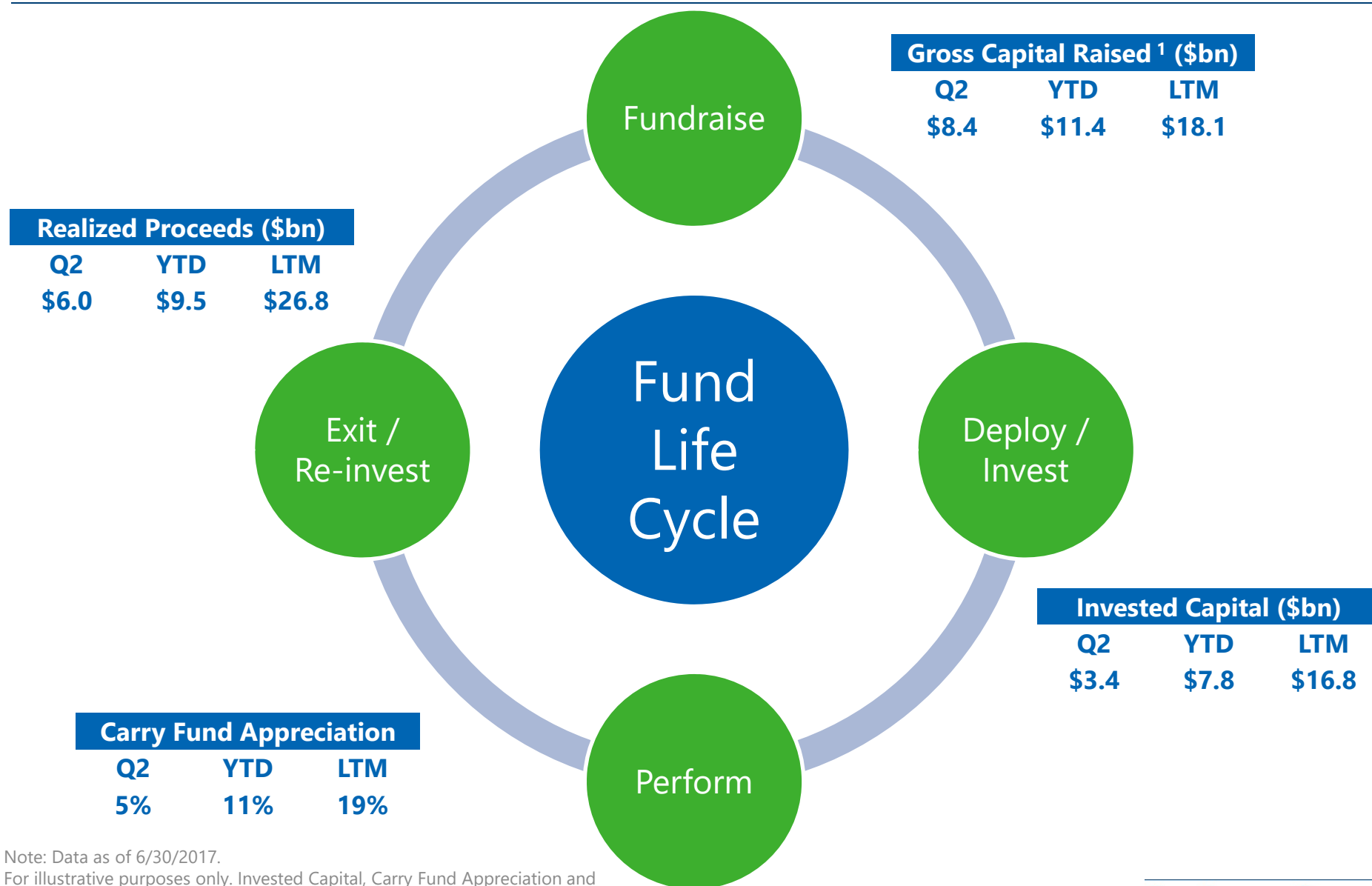
**\$16 bn**

**\$15 bn**

**\$8 bn**

**\$16 bn**

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



Note: Data as of 6/30/2017.

For illustrative purposes only. Invested Capital, Carry Fund Appreciation and Realized Proceeds amounts represent carry fund activity only.

1) Raised \$15.9 billion over the LTM on a net basis after redemptions in our hedge fund businesses.

## We Are Focused On Three Core Areas

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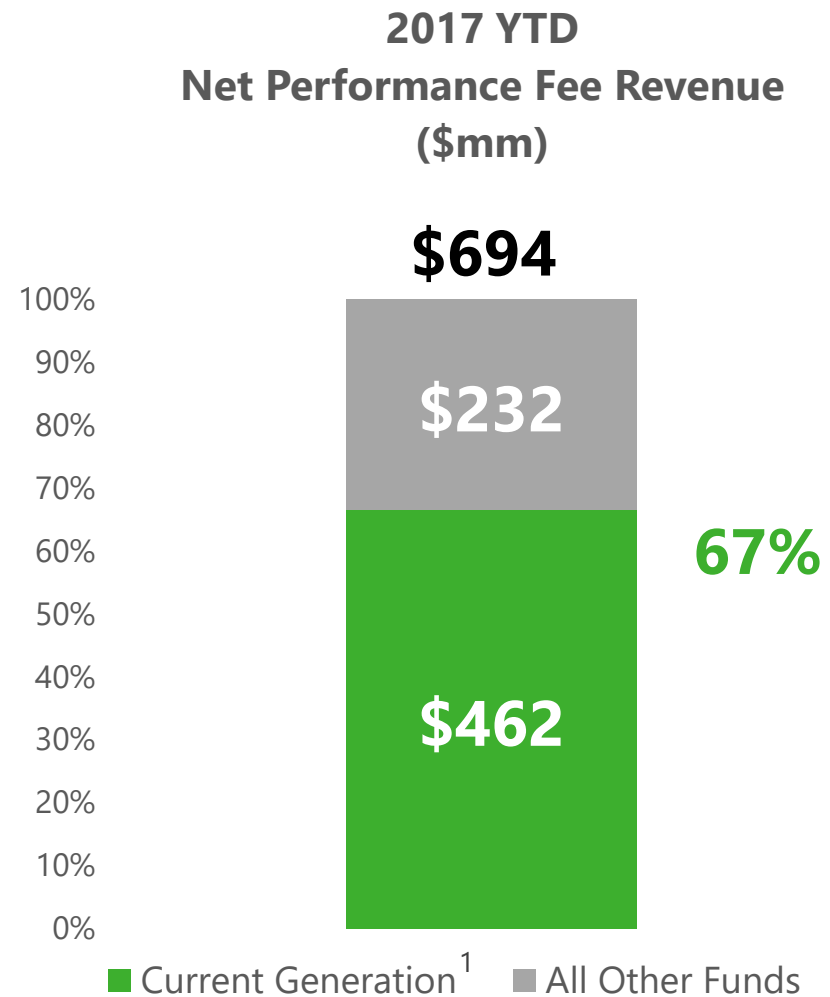
**Invest Wisely and Drive Asset Appreciation**

**Raise \$100 billion in New Capital**

**Build a Premier Global Credit Platform**

## Strong Fund Appreciation Across the Platform in 2017

2017 YTD Carry Fund Appreciation	
Corporate Private Equity	18%
Real Assets	11%
Global Market Strategies	8%
Investment Solutions	4%
<b>All Carry Funds</b>	<b>11%</b>



Note: Data as of 6/30/2017.

1) Current Generation Carry Funds discussed here are defined as the most recent vintage CPE/RA/GMS carry funds with commitments greater than \$500 million and a fee inception date between 2012-16. For analytical purposes, this basket of funds excludes Investment Solutions carry funds due to fee economics, and the Core Plus real estate fund due to open-end structure. See slide 22 for a definition and listing of Current Generation Carry Funds.

## Prior Generations of Funds Have Driven Significant Performance Fees and Remain Well Positioned To Deliver More...

More than 60% of net accrued perf fee balance from prior generations

Fund	Vintage Year	Size (bn)	Rem FMV (bn)	Total MOIC	<b>Net Accrued Perf Fees <sup>2</sup></b>  <b>\$973 million</b>
Carlyle Partners V	2007	\$13.7	\$5.3	2.1X	
Carlyle Asia Partners III	2008	\$2.6	\$1.6	1.8X	
Carlyle Europe Partners III	2006	€5.3	€1.4	2.2X	
Carlyle Realty Partners VI	2010	\$2.3	\$1.0	1.9X	
Carlyle Financial Services I	2008	\$1.1	\$0.7	2.2X	
Carlyle Equity Opportunities I	2011	\$1.1	\$1.0	1.3X	
Carlyle Strategic Partners III	2011	\$0.7	\$0.5	1.6X	
All Other Funds <sup>1</sup>	NA	NA	\$25.2	NA	

Note: Data as of 6/30/2017.

1) Includes all other prior generation CPE/RA/GMS carry funds.

2) Includes \$55 million of net accrued performance fees from Investment Solutions carry funds.

## Our Largest Current Generation Funds are Generally Performing Well

Fund	Vintage Year	Size (bn)	Rem FMV (bn)	Total MOIC	% Invested / Committed <sup>1</sup>	Net Accrued Perf Fees
Carlyle Partners VI	2013	\$13.0	\$9.7	1.3X	87%	<b>\$590 million</b>
Natural Gas Partners XI	2014	\$5.3	\$3.5	1.4X	93%	
Carlyle Realty Partners VII	2014	\$4.2	\$3.3	1.3X	77%	
Carlyle Asia Partners IV	2013	\$3.9	\$3.4	1.7X	83%	
Carlyle Europe Partners IV	2014	€3.7	€1.8	1.1X	82%	
Carlyle Int'l Energy Partners	2013	\$2.5	\$0.8	1.7X	29%	
Carlyle Japan Partners III	2013	¥120	¥85	1.5X	50%	
All Other Current Generation <sup>2</sup>	NA	NA	\$3.1	NA	NA	

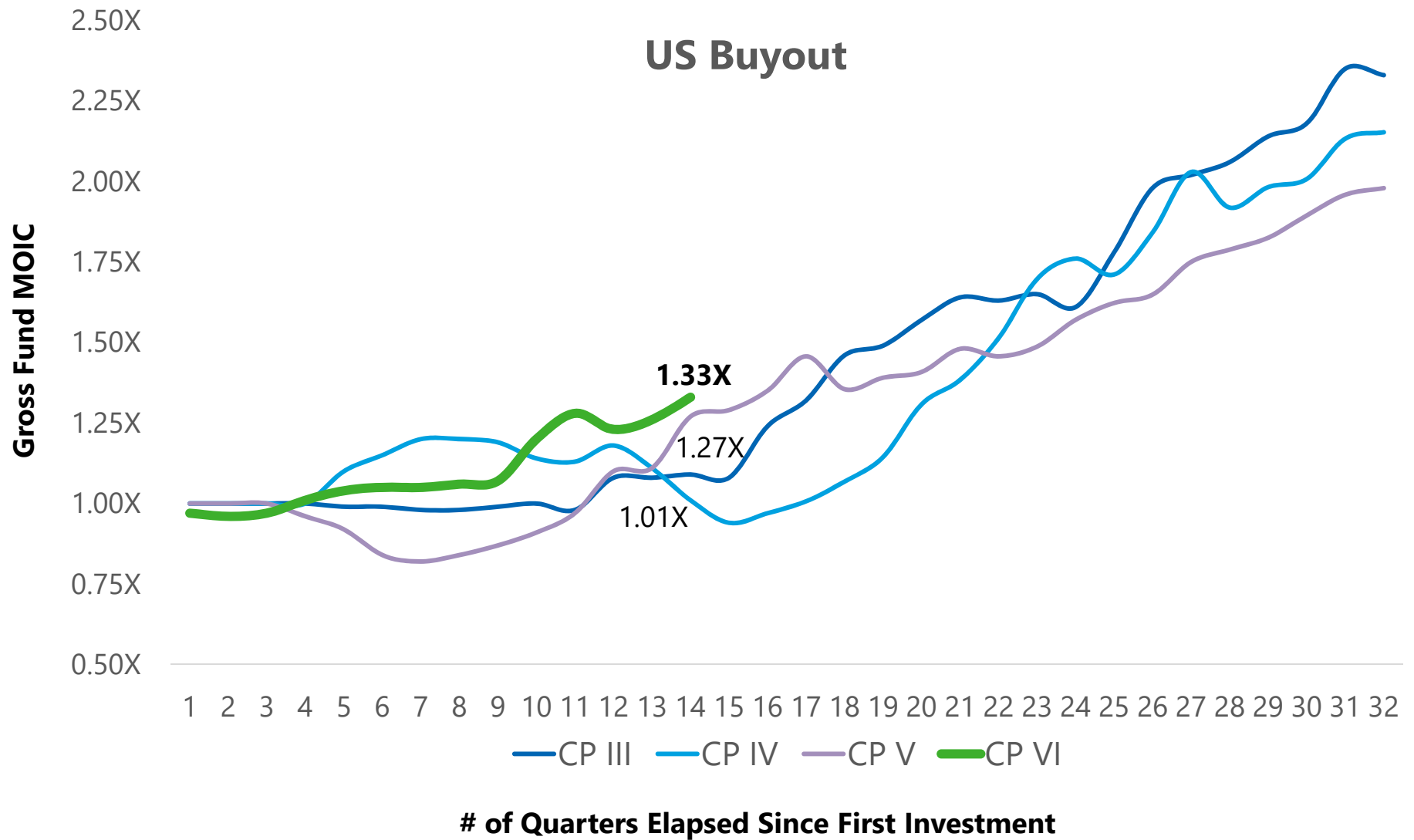
Note: Data as of 6/30/2017.

- 1) Invested or committed includes actual equity invested as of 6/30/2017, as well as capital committed for transactions to be deployed in future periods.
- 2) Current Generation Carry Funds discussed here are defined as the most recent vintage CPE/RA/GMS carry funds with commitments greater than \$500 million and a fee inception date between 2012-16. For analytical purposes, this basket of funds excludes Investment Solutions carry funds due to fee economics, and the Core Plus real estate fund due to open-end structure. See slide 22 for a definition and listing of Current Generation Carry Funds.



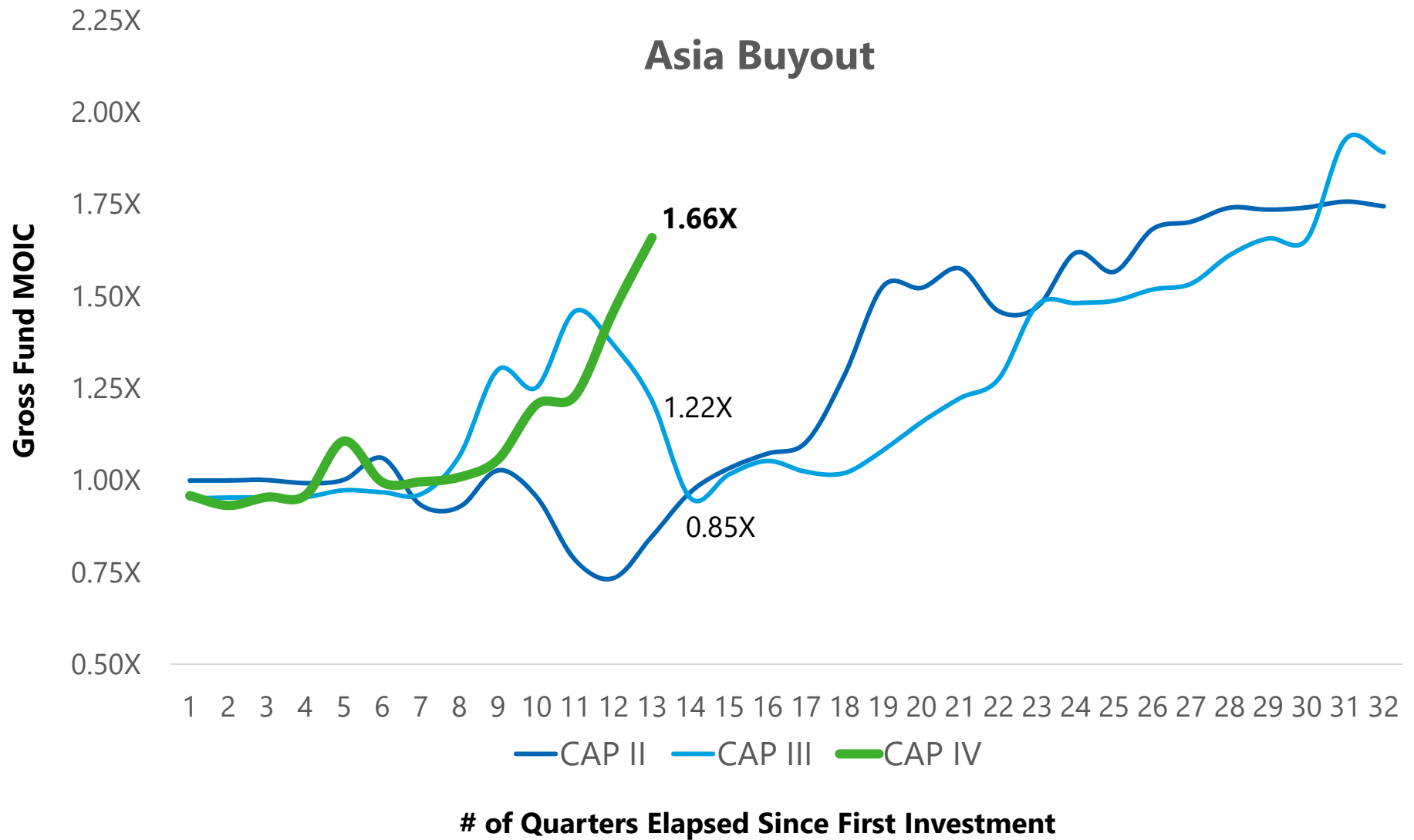
# Several Current Funds Tracking Better Than Predecessors (I)

## US Buyout



Note: Data as of 6/30/2017. Gross Fund MOICs begin upon consummation of first fund investment. Presented for illustrative purposes only. There is no guarantee this level of performance will continue.

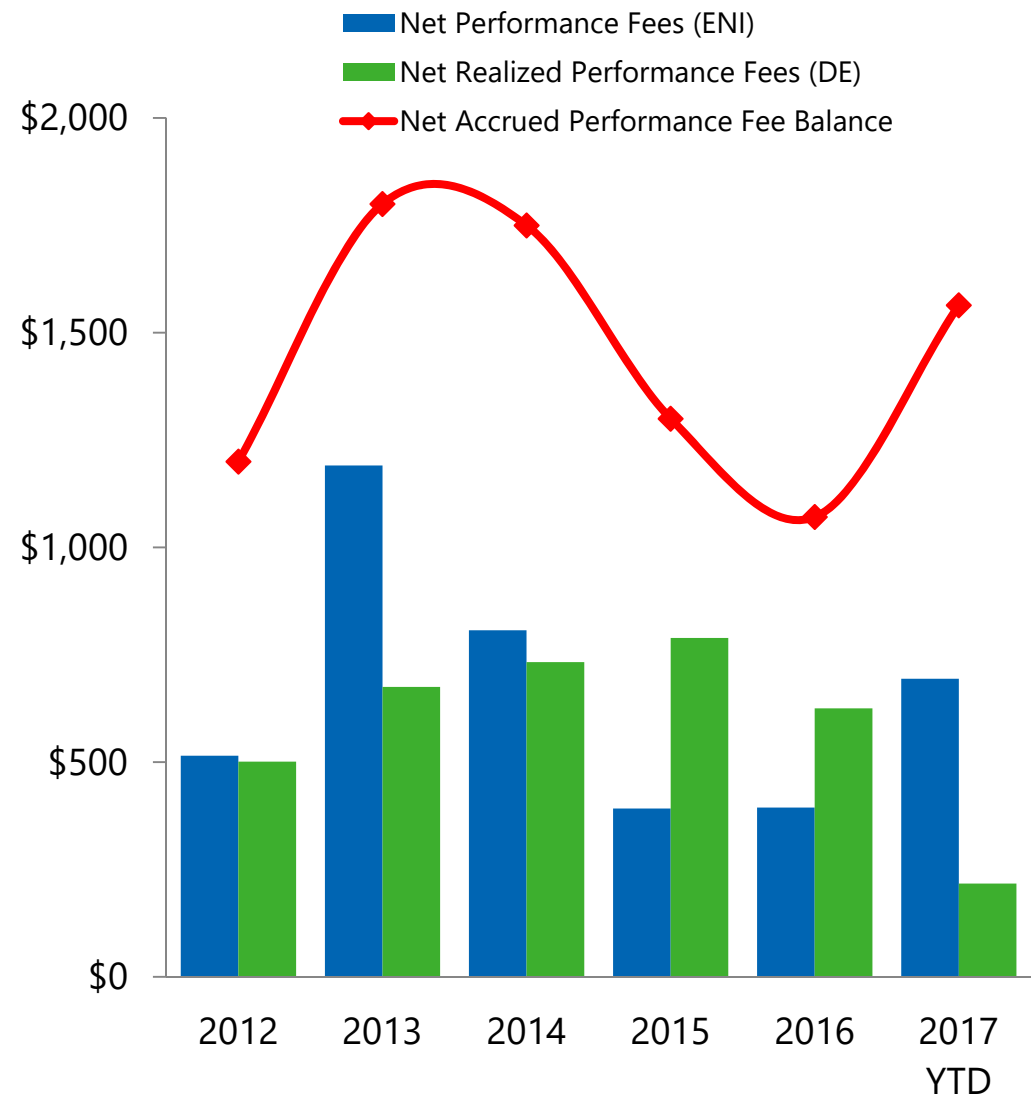
## Several Current Funds Tracking Better Than Predecessors (II) Asia Buyout



Note: Data as of 6/30/2017. Gross Fund MOICs begin upon consummation of first fund investment. Presented for illustrative purposes only. There is no guarantee this level of performance will continue.

## Performance Fee Accrual Likely to Exceed Realizations as Current Generation of Funds Cycle into a Carry Position

YTD 2017 Net Performance Fee Revenue tracking significantly higher than recent years as strong performance drives our current generation of funds into significant accrued carry positions



Note: Historical data as of 6/30/2017. There is no guarantee these trends will continue.

## We Have \$1.6 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

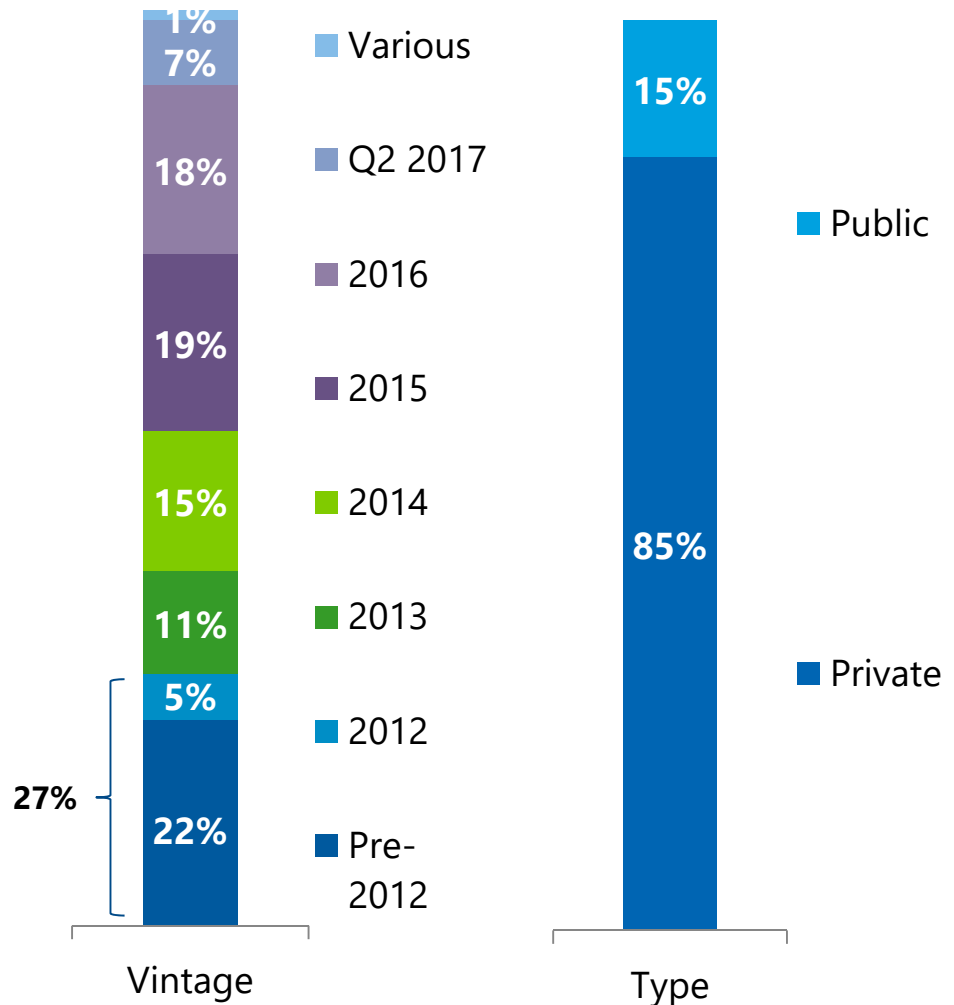
Net accrued performance fees grew to \$1.6 billion in 1H 2017 while realization rates remained similar to historical pace

(\$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 YTD	1,071	217	20%

Note: Data as of 6/30/2017. There is no guarantee these trends will continue.

## Investments Remain Diversified Across Age

### Remaining Fair Value of CPE/GMS/RA Carry Fund Portfolio<sup>1</sup> - \$64 billion



“Aging” of investments remains diversified across years with 27% of Remaining Fair Value invested in 2012 or earlier

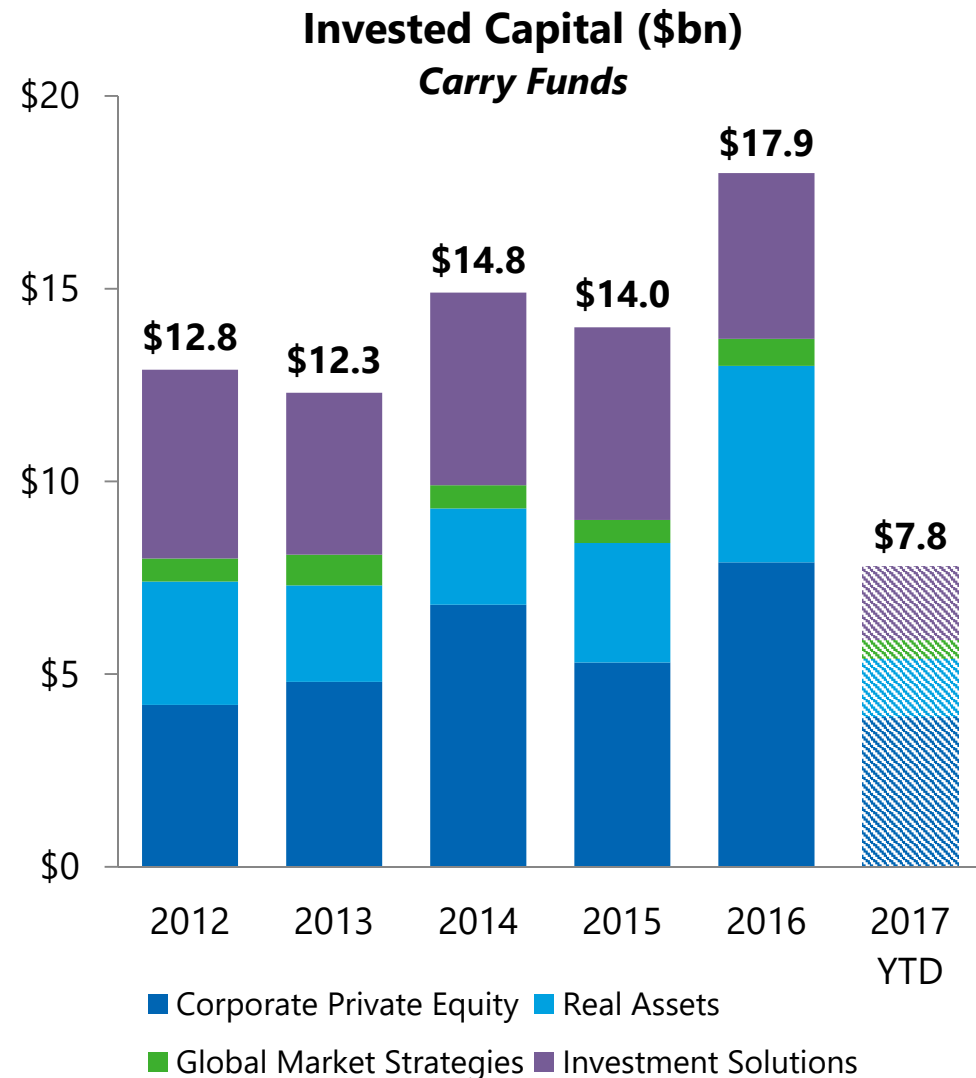
Note: Data as of 6/30/2017.

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

## Deployment Capacity Has Grown Since IPO

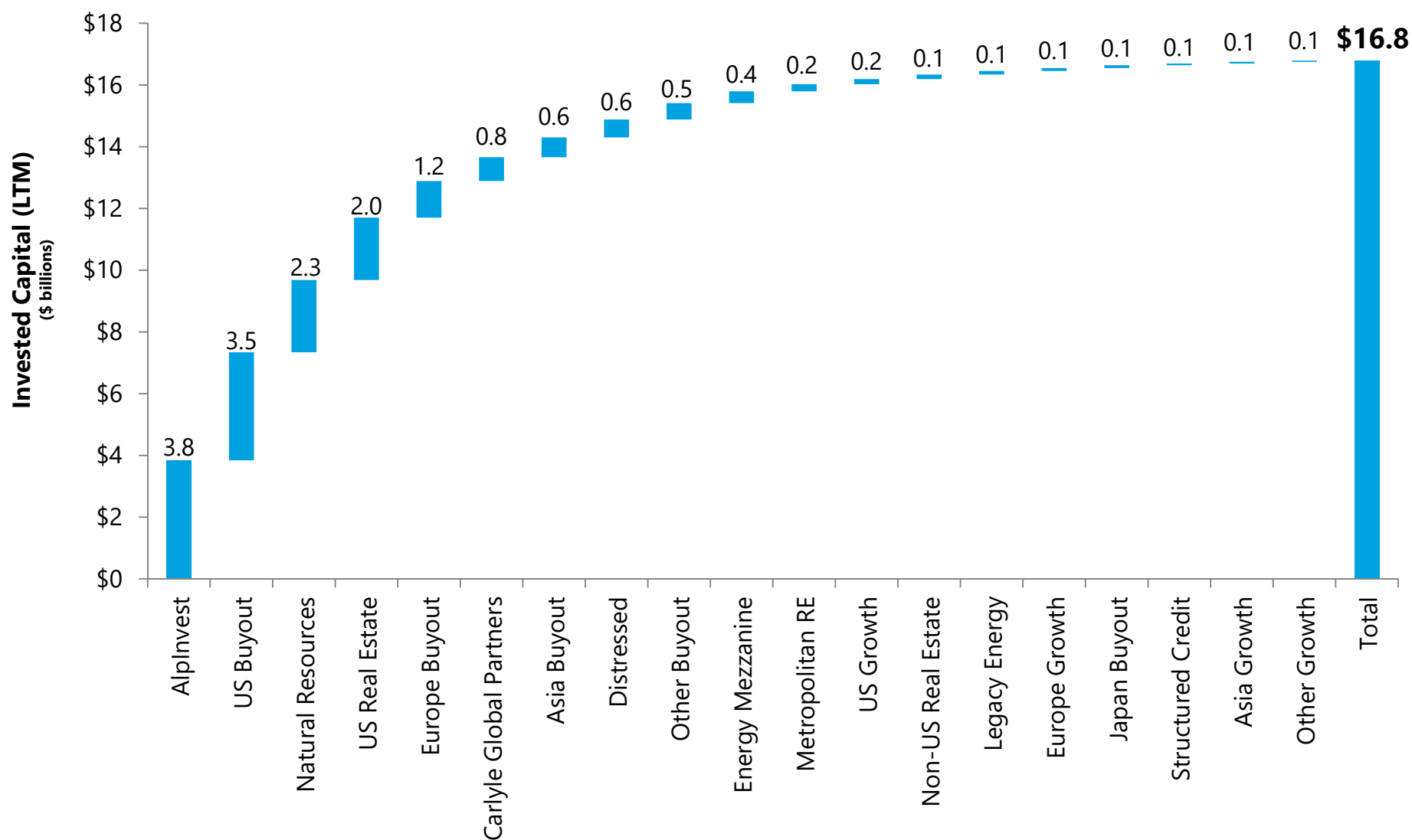
Annual investment pace has grown as we've scaled existing businesses and launched new funds

We continue to find good investment opportunities despite high asset prices



Note: Historical data as of 6/30/2017. There is no guarantee these trends will continue.

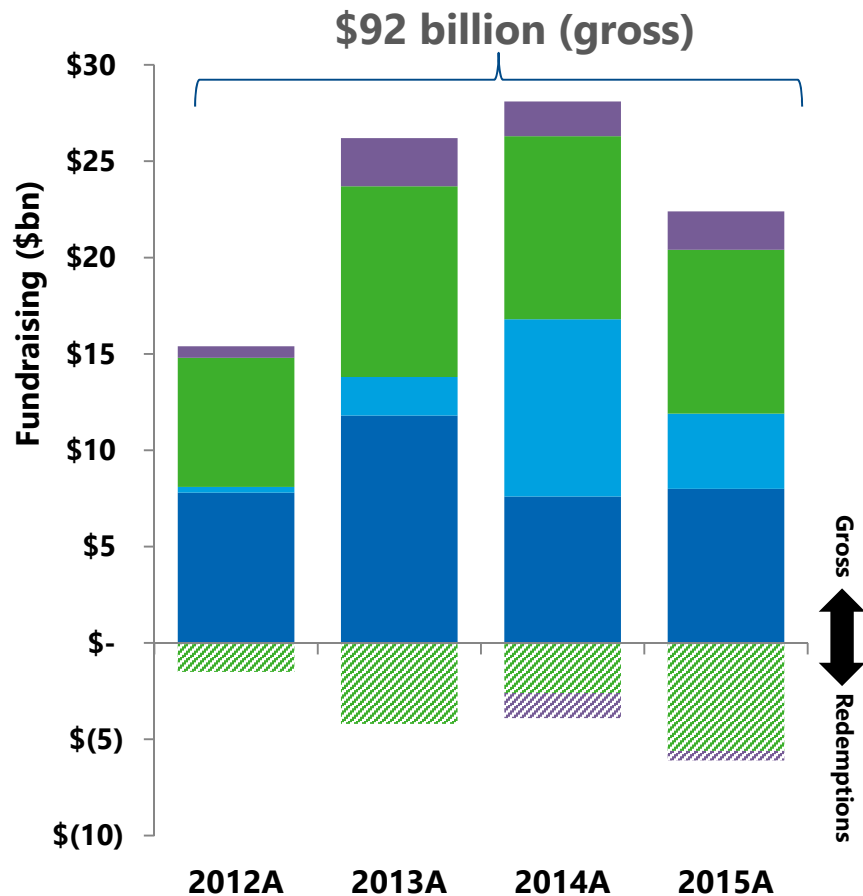
## Carlyle Invested Nearly \$17 Billion Over the Past Year Across a Wide Diversity of Geographies and Strategies



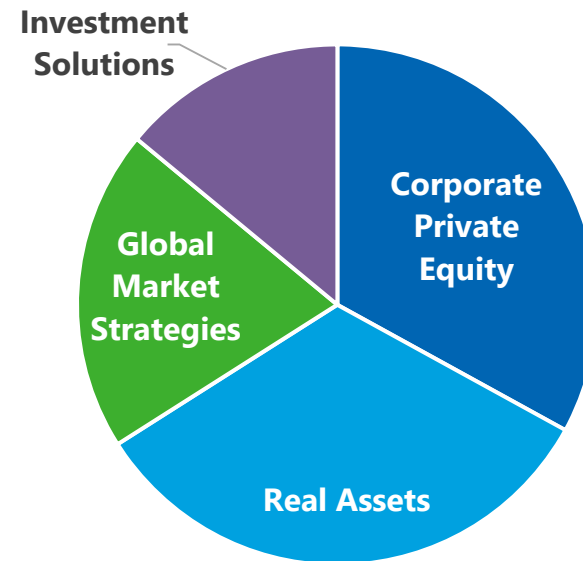
Note: Data as of 6/30/2017. Invested capital reflects all carry funds. Period of investment is Q3 2016 to Q2 2017. LTM Invested Capital reflects a true-up of approximately \$0.5 billion for capital invested in prior periods.

# 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 more than \$25 billion in new capital from 2016 through Q2 2017 despite not yet having our largest buyout 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 8/2/2017. Please see "Important Information" slides for information about the use of and reliance on projections.

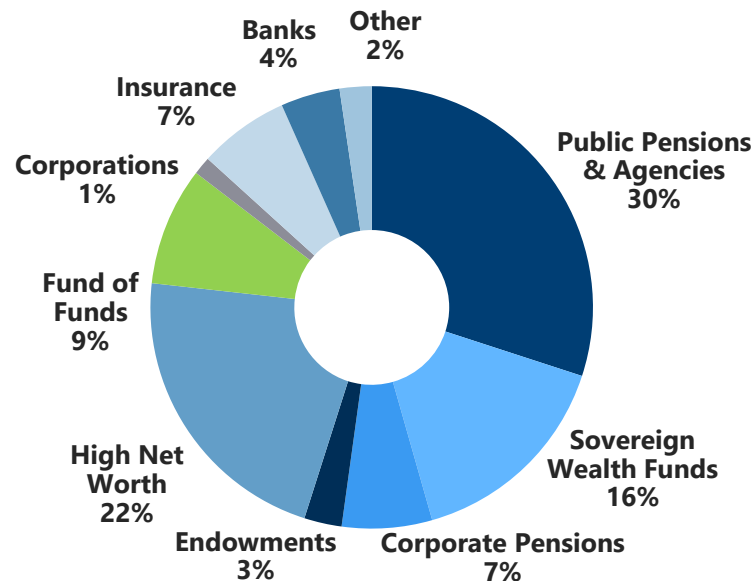


# Breadth of Fundraising Resources and Capabilities Drive New Investor Relationships

- More than 1,750 fund investors from 83 countries
- More than 300 new fund investors over past 3 years have committed \$5.6 billion
- 63% of fund investor capital is invested across six or more carry funds, up from 50% in 2006

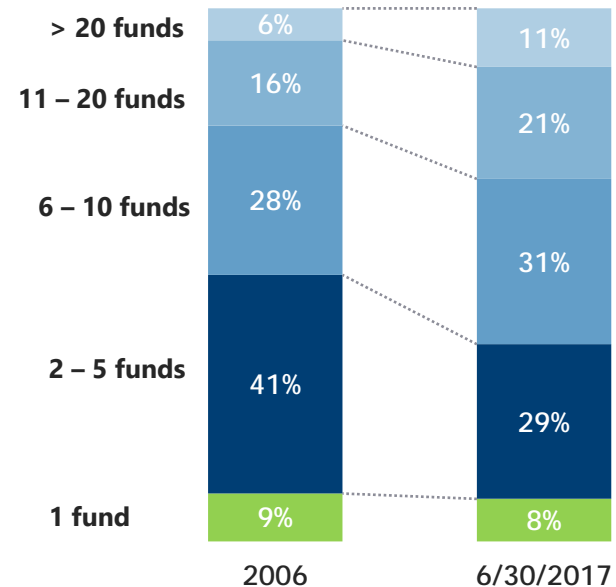


## Diverse Source of Capital Commitments



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

% of \$ Commitments Across Multiple Funds



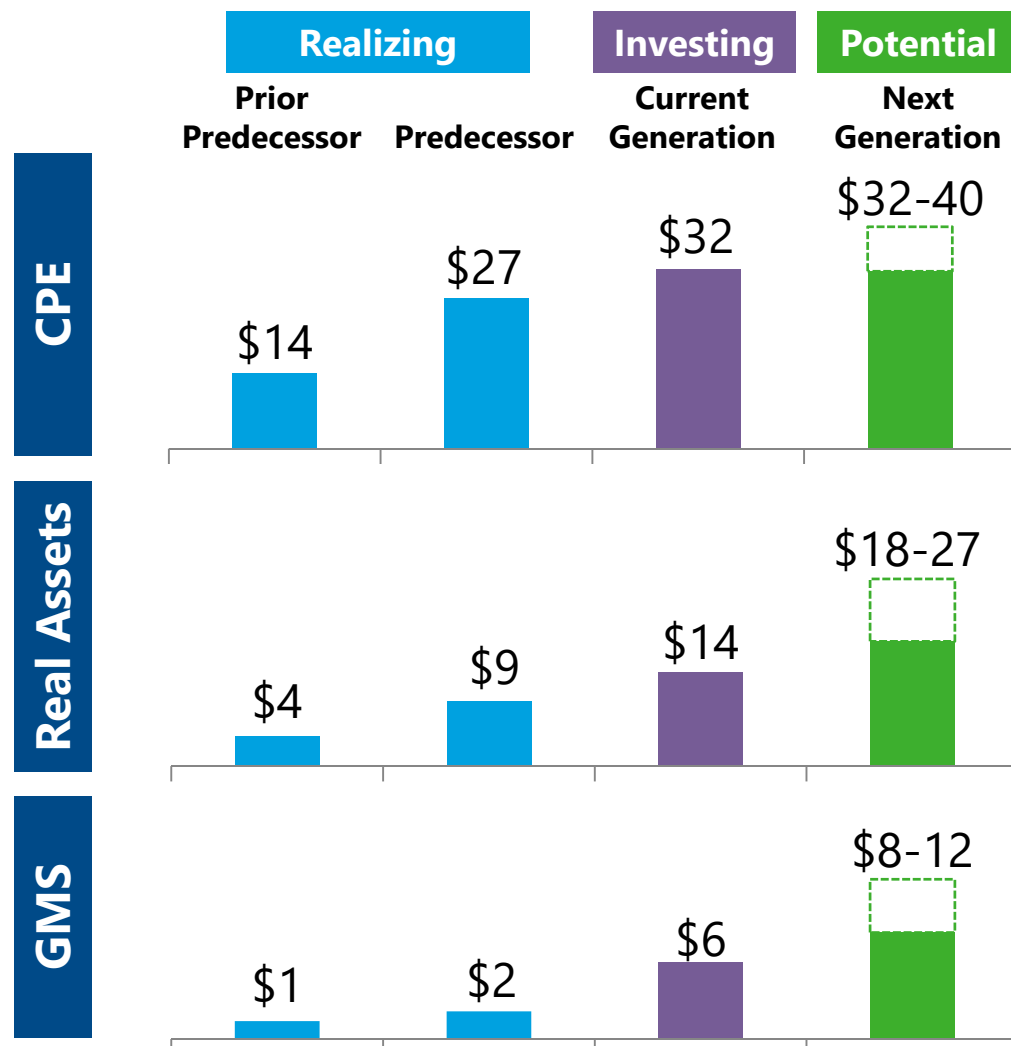
Note: Data as of 6/30/2017.

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 6/30/2017.

# Every Segment is Expected Scale Commitments with the Next Generation of Carry Funds

Total Fund Commitments (USD in \$ billions)

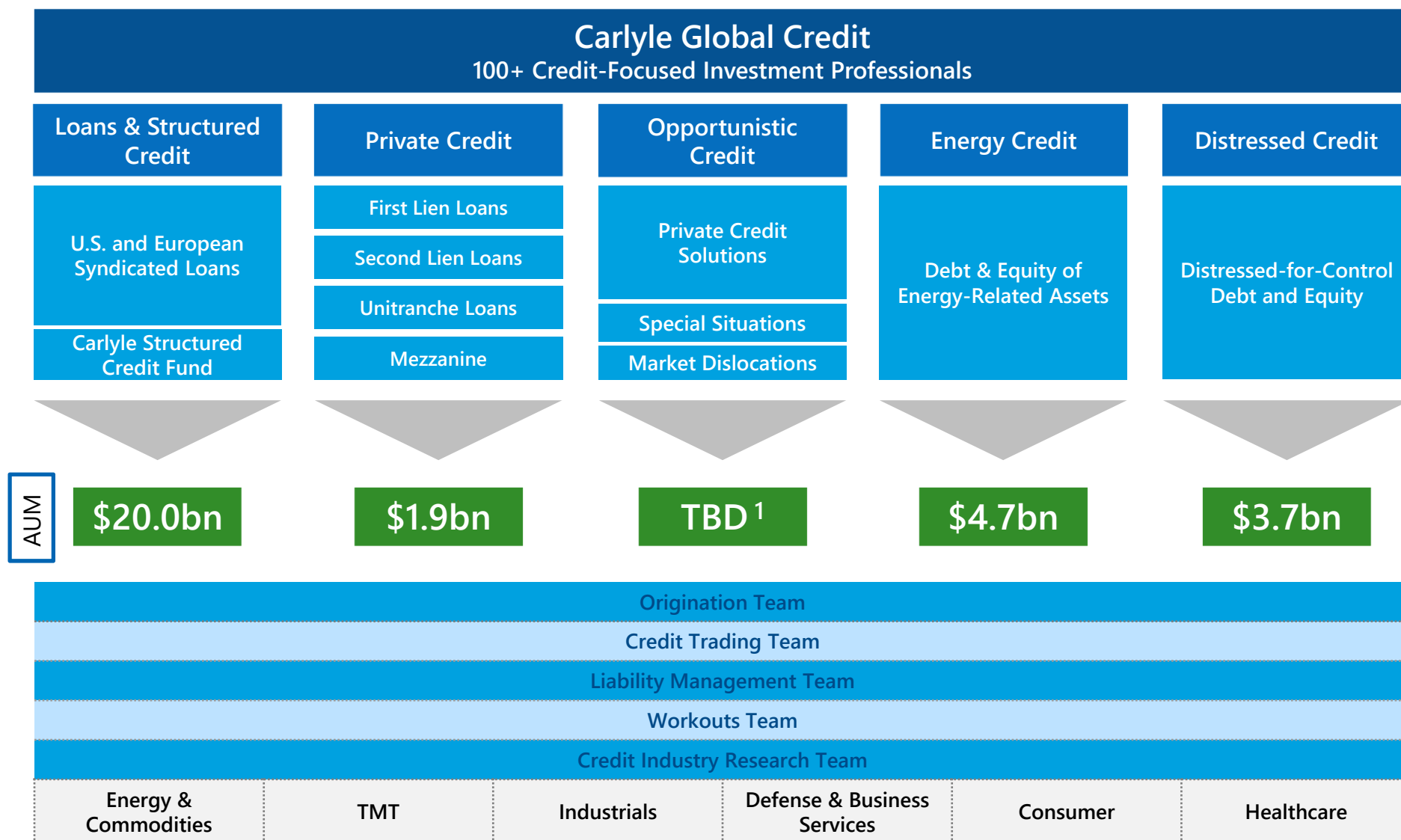


Exceptional investment performance has driven demand for larger funds and new products over multiple generations

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

Note: Data as of 6/30/2017. Non-USD funds translated at the 6/30/2017 spot rate. There is no guarantee these trends will continue or that forecasts will actually occur. Please see "Important Information" slides for information about the use of and reliance on projections.

# Carlyle Global Credit Current Investment Platform



Note: Data as of 6/30/2017. Not included in the count are Fundraising, Legal, Finance, Operations and Risk Management.

1) Carlyle's credit opportunities fund is actively fundraising and had it's first close in Q2 2017.

## Well Positioned to Continue to Deliver Solid Economic Results

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**\$700 million** in YTD Economic Net Income and **\$1.90** post-tax per unit

**\$254 million** in YTD Distributable Earnings resulting in **\$0.52** in unitholder distributions

In the middle of a **\$100 billion fundraising period**

**\$54 billion in carry fund dry powder** to deploy globally on an opportunistic basis

**\$1.6 billion in Net Accrued Performance Fees** across all segments and funds, **up 46%** since year-end 2016

Leading carry fund **Investment Performance**: Total carry fund appreciation of 11% YTD; Corporate Private Equity 18% YTD

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

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# APPENDIX

## A Diverse Set of Funds Drives Our Financial Performance

### Current Generation Carry Funds <sup>1</sup>

<b>CPE</b>	US Buyout	CP VI
	Asia Buyout	CAP IV
	Europe Buyout	CEP IV
	Japan Buyout	CJP III
	Financial Services	CGFSP II
	Sub Saharan Africa Buyout	CSSAF
	Equity Opportunities	CEOF II
	Europe Technology	CETP III
<b>RA</b>	Natural Gas Partners	NGP XI
	US Real Estate	CRP VII
	International Energy	CIEP
	Power	CPP II
<b>GMS</b>	Distressed Debt	CSP IV
	Energy Mezzanine	CEMOF II

# of Funds **14**

Total Commitments **\$45 billion**

Aggregate % Invested **53%**

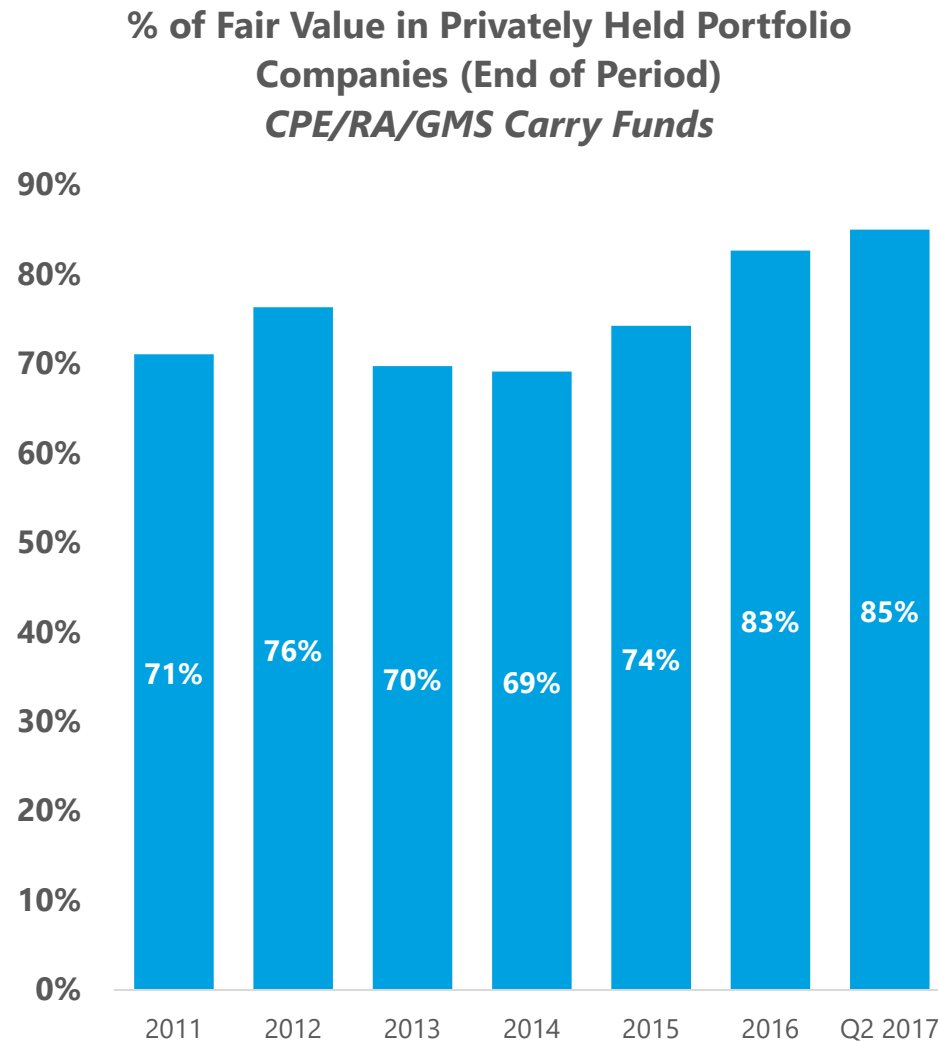
# of Funds in Carry **8**

Net Accrued Performance Fees From Current Gen **\$590 million**

Note: Data as of 6/30/2017.

1) Current Generation Carry Funds discussed here are defined as the most recent vintage CPE/RA/GMS carry funds with commitments greater than \$500 million and a fee inception date between 2012-16. For analytical purposes, this basket of funds excludes Investment Solutions carry funds due to fee economics, and the Core Plus real estate fund due to open-end structure.

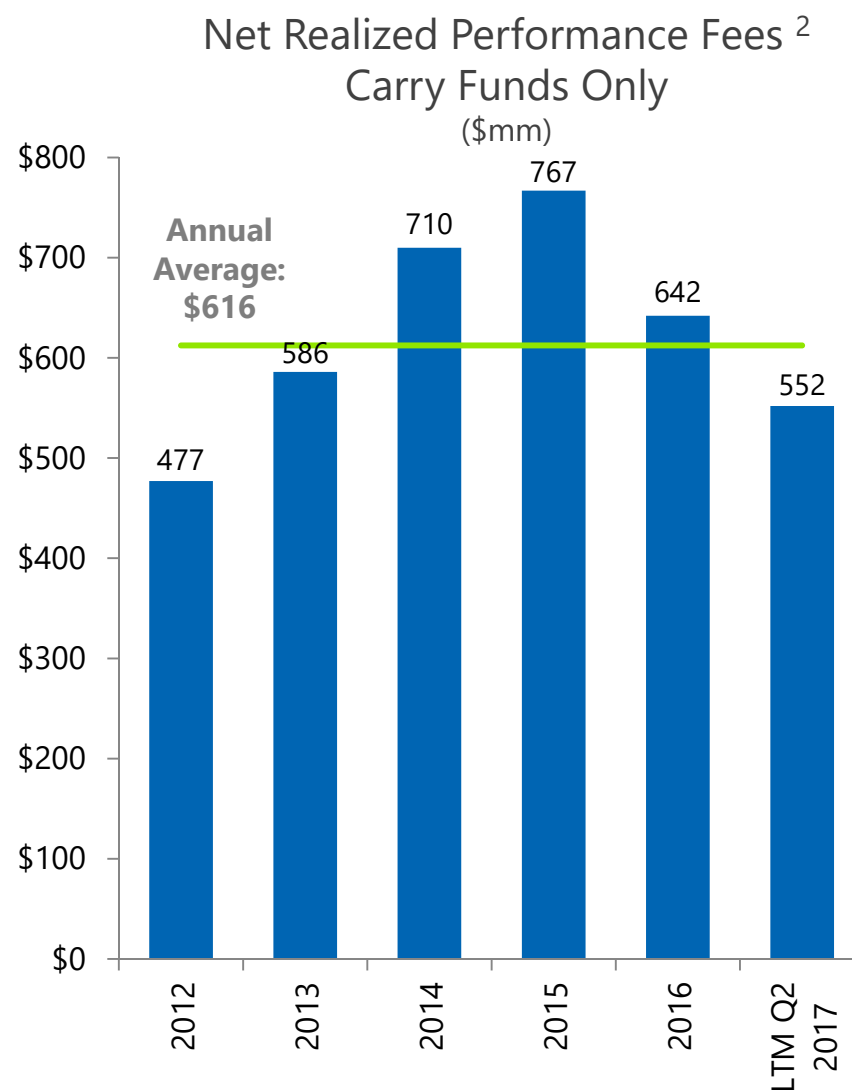
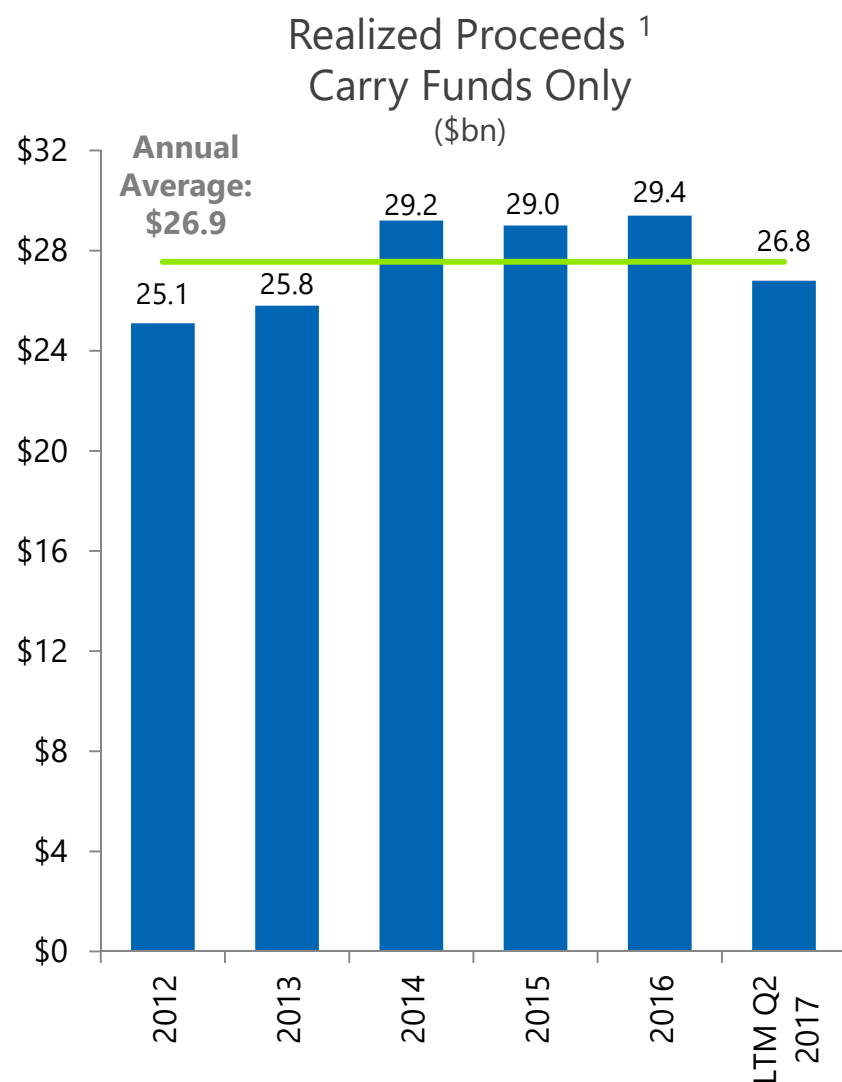
## Our Current Portfolio is Being Driven by Privately Held Companies with Substantial Upside Potential



Active investment activity, solid fund appreciation, and a strong public security exit pace has driven funds to a high level of private assets awaiting next wave of monetization

Note: Data of 6/30/2017.

## Realized Proceeds Reached a Record of Nearly \$30 billion in 2016 & Net Realized Performance Fees Averaged \$616 million since 2012



Note: Data as of 6/30/2017. 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.



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

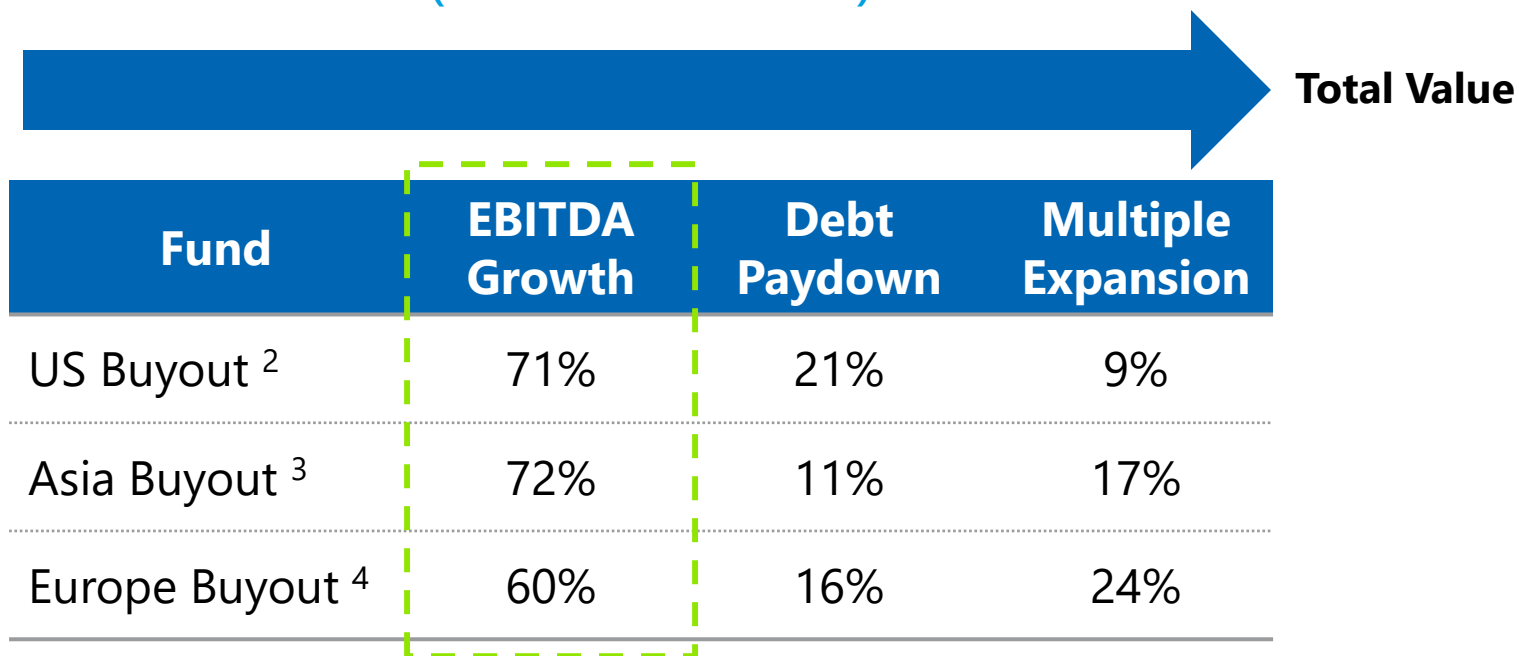
Fund	Investing Period	Total Investments		Realized/Partially Realized	
		MOIC	Gross IRR	MOIC	Gross IRR
Carlyle Partners IV	2004 – 2007	2.4X	16%	2.4X	16%
Carlyle Partners V	2007 – 2012	2.1X	18%	2.8X	27%
Carlyle Europe Partners II	2003 – 2006	2.0X	36%	2.2X	43%
Carlyle Europe Partners III	2007 – 2013	2.2X	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 6/30/2017. Past performance is not indicative of future results and there is no guarantee these trends will continue. 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. 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

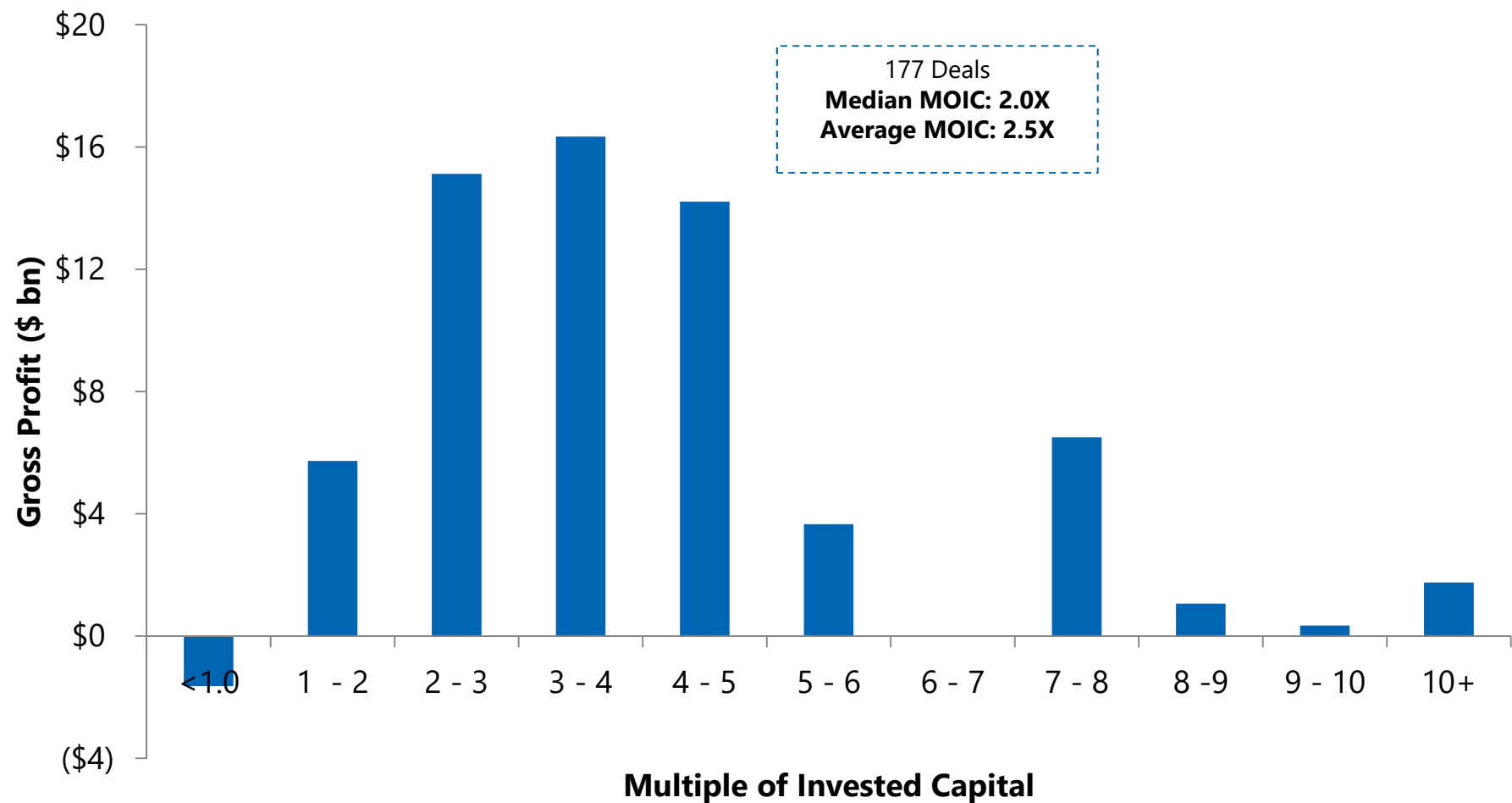
## Drivers of Value Creation <sup>1</sup> (% of Value Created)

**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 3/31/2017 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 & CP VI. Excludes coinvestment in deals acquired by CP IV, CP V & CP VI.
- 3) As of 6/30/2017 or most recent data available. Excludes co-investment.
- 4) As of 6/30/2017 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 6/30/2017. 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.

# Summary Financial Results

Pre-tax Segment Measures (\$ million)	Quarterly				Annual					
	3Q16	4Q16	1Q17	2Q17	2012	2013	2014	2015	2016	LTM
<b>Revenue</b>										
Management & Transaction Fees	266	277	267	263	993	1,105	1,303	1,223	1,134	1,073
Performance Fees	255	138	715	559	996	2,293	1,708	910	752	1,667
Investment, Interest & Other Income	19	21	19	36	55	(30)	12	(0)	73	95
<b>Total Revenue</b>	<b>540</b>	<b>436</b>	<b>1,001</b>	<b>859</b>	<b>2,044</b>	<b>3,369</b>	<b>3,022</b>	<b>2,132</b>	<b>1,959</b>	<b>2,835</b>
Direct & Indirect Base Compensation	144	149	147	153	562	589	683	650	601	593
Equity Based Compensation	33	24	30	37	2	16	80	122	120	124
Performance Fee Compensation	113	78	321	260	481	1,102	901	518	358	771
General & Administrative, Interest & Other Expense	189	172	96	102	252	353	374	421	545	558
Depreciation & Amortization	7	7	8	8	22	24	22	26	29	29
<b>Total Expenses</b>	<b>486</b>	<b>430</b>	<b>601</b>	<b>559</b>	<b>1,318</b>	<b>2,084</b>	<b>2,060</b>	<b>1,736</b>	<b>1,653</b>	<b>2,076</b>
<b>Economic Net Income</b>	<b>54</b>	<b>6</b>	<b>400</b>	<b>300</b>	<b>726</b>	<b>1,285</b>	<b>962</b>	<b>397</b>	<b>306</b>	<b>759</b>
(-) Net Performance Fees	142	61	394	299	515	1,191	807	392	394	897
(-) Investment Income (Loss)	13	15	11	31	42	(43)	(11)	(22)	50	70
(+) Equity Based Compensation	33	24	30	37	2	16	80	122	120	124
(+) Reserve for Litigation and Contingencies	100	(100)	-	-	-	-	-	50	-	-
<b>Fee Related Earnings</b>	<b>31</b>	<b>(145)</b>	<b>25</b>	<b>6</b>	<b>171</b>	<b>152</b>	<b>247</b>	<b>199</b>	<b>(19)</b>	<b>(83)</b>
(+) Realized Net Performance Fees	186	136	35	182	501	675	733	789	625	539
(+) Realized Investment Income (Loss)	11	17	(5)	11	16	11	(6)	(65)	45	33
<b>Distributable Earnings</b>	<b>228</b>	<b>7</b>	<b>55</b>	<b>199</b>	<b>689</b>	<b>837</b>	<b>973</b>	<b>923</b>	<b>652</b>	<b>490</b>
<b>Per Unit Measures</b>										
Economic Net Income Per Unit (after-tax)	\$0.21	\$0.02	\$1.09	\$0.81		\$3.55	\$2.68	\$1.15	\$0.76	\$2.13
Distributable Earnings Per Common Unit (after-tax)	\$0.66	\$0.00	\$0.13	\$0.56		\$2.50	\$2.78	\$2.73	\$1.85	\$1.35
Distribution per Common Unit	\$0.50	\$0.16	\$0.10	\$0.42		\$1.88	\$2.09	\$2.07	\$1.55	\$1.18

Note: Data as of 6/30/2017.

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>6/30/2017</b>
<b>Cash and Cash Equivalents and Corporate Treasury Investments<sup>2</sup></b>	<b>\$905</b>
<b>Net accrued performance fees (net of giveback and accrued performance fee compensation)</b>	<b>\$1,564</b>
<b>Investments attributable to Carlyle unitholders<sup>3</sup></b>	<b>\$677</b>
<b>Loans Payable and Senior Notes</b>	<b>\$1,437</b>
<b>Drawn revolving credit line (\$750 million capacity)</b>	<b>\$0</b>

- 1) Balance sheet amounts are shown without the impact of certain Carlyle funds that are required to be consolidated on its financial statements.
- 2) Corporate treasury investments represent investments in U.S. Treasury and government agency obligations, commercial paper, certificates of deposit, other investment grade securities and other investments with original maturities of greater than three months when purchased.
- 3) Included in our on-balance sheet investments is approximately \$152 million of loans used to finance our investments in CLOs. Excludes the equity method accounting of our investment by Carlyle in NGP Energy Capital Management.

# Key Metrics for “The Carlyle Engine”

## Carlyle Group Carlyle Key Metrics

Quarterly Data								
	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
<b>Total AUM(1) (\$ bn)</b>	187.7	182.6	178.1	175.6	169.1	157.6	161.9	169.8
Corporate Private Equity	63.1	63.1	61.1	57.6	54.6	50.9	53.0	54.3
Real Assets	40.2	38.0	36.7	37.5	35.7	34.3	35.6	38.9
Global Market Strategies	35.5	35.3	34.0	34.7	34.1	29.4	29.4	30.9
Investment Solutions	48.9	46.2	46.3	45.7	44.7	43.1	44.0	45.7
<b>Fee-Earning AUM(1) (\$ bn)</b>	128.1	131.0	130.3	125.3	123.8	115.0	114.9	116.1
Corporate Private Equity	40.7	40.9	40.9	38.9	37.8	36.3	36.9	36.2
Real Assets	28.5	30.9	30.7	30.4	28.9	27.5	27.2	26.2
Global Market Strategies	29.5	31.0	28.6	28.7	29.0	24.1	24.4	25.2
Investment Solutions	29.4	28.2	30.2	27.2	28.1	27.1	26.4	28.5
<b>Fundraising(2)(3) (\$ bn)</b>	4.6	2.7	0.1	3.6	1.8	2.7	3.0	8.4
Corporate Private Equity	2.8	1.6	0.1	0.3	0.4	0.0	0.2	0.3
Real Assets	0.9	0.3	0.2	0.5	0.2	0.3	1.0	3.7
Global Market Strategies	0.8	0.6	(0.5)	1.6	1.1	1.3	0.4	2.7
Investment Solutions	0.1	0.1	0.3	1.2	0.1	1.1	1.4	1.7
<b>Invested Capital(4) (\$ bn)</b>	3.1	5.2	5.3	3.7	2.9	6.1	4.4	3.4
Corporate Private Equity	0.8	2.7	3.3	1.4	0.6	2.6	2.5	1.4
Real Assets	0.9	1.0	0.6	1.4	1.0	2.2	0.7	0.8
Global Market Strategies	0.2	0.3	0.1	0.1	0.1	0.4	0.3	0.2
Investment Solutions	1.2	1.1	1.3	0.8	1.2	0.9	0.9	1.0
<b>Realized Proceeds(4) (\$ bn)</b>	6.9	6.5	4.5	7.6	8.8	8.5	3.6	6.0
Corporate Private Equity	2.6	2.3	2.3	4.0	4.8	3.6	1.0	2.7
Real Assets	1.0	1.6	0.8	1.1	1.7	2.0	0.6	0.9
Global Market Strategies	0.1	0.1	0.0	0.2	0.2	0.1	0.1	0.1
Investment Solutions	3.1	2.4	1.3	2.3	2.2	2.8	1.9	2.3
<b>Fund Appreciation(6)</b>	(1%)	2%	0%	4%	3%	5%	6%	5%
Corporate Private Equity	(3%)	3%	1%	4%	3%	4%	9%	8%
Real Assets	(5%)	(0%)	1%	7%	4%	4%	5%	6%
Global Market Strategies	(9%)	(4%)	(12%)	(2%)	(0%)	2%	7%	0%
Investment Solutions	4%	2%	(0%)	3%	2%	7%	3%	1%

Annual Data						
	2012	2013	2014	2015	2016	2017
<b>Total AUM(1) (\$ bn)</b>	170.2	188.8	194.5	182.6	157.6	169.8
Corporate Private Equity	53.3	64.9	64.7	63.1	50.9	54.3
Real Assets	40.2	38.7	42.3	38.0	34.3	38.9
Global Market Strategies	32.5	35.5	36.7	35.3	29.4	30.9
Investment Solutions	44.1	49.8	50.8	46.2	43.1	45.7
<b>Fee-Earning AUM(1) (\$ bn)</b>	123.1	139.9	135.6	131.0	115.0	116.1
Corporate Private Equity	33.8	43.0	40.2	40.9	36.3	36.2
Real Assets	29.3	28.4	28.4	30.9	27.5	26.2
Global Market Strategies	31.0	33.4	33.9	31.0	24.1	25.2
Investment Solutions	28.9	35.1	33.1	28.2	27.1	28.5
<b>Fundraising(2)(3) (\$ bn)</b>	14.0	22.0	24.3	16.4	8.2	11.4
Corporate Private Equity	7.8	11.8	7.6	8.0	0.8	0.5
Real Assets	0.3	2.0	9.2	3.9	1.2	4.7
Global Market Strategies	5.2	5.7	6.9	2.9	3.5	3.1
Investment Solutions	0.6	2.5	0.5	1.6	2.8	3.1
<b>Invested Capital(4) (\$ bn)</b>	12.8	12.3	14.8	14.0	17.9	7.8
Corporate Private Equity	4.2	4.8	6.8	5.3	7.9	3.9
Real Assets	3.2	2.5	2.5	3.1	5.1	1.5
Global Market Strategies	0.6	0.8	0.6	0.6	0.7	0.5
Investment Solutions	4.9	4.2	5.0	5.0	4.3	1.9
<b>Realized Proceeds(4)(5) (\$ bn)</b>	25.1	25.8	29.2	29.0	29.4	9.5
Corporate Private Equity	12.1	12.2	14.3	12.9	14.8	3.7
Real Assets	5.5	4.1	4.7	4.8	5.6	1.5
Global Market Strategies	1.1	1.0	0.7	0.5	0.4	0.2
Investment Solutions	6.3	8.4	9.5	10.8	8.6	4.2
<b>Fund Appreciation(6)</b>	15%	18%	19%	12%	12%	11%
Corporate Private Equity	16%	30%	23%	13%	11%	18%
Real Assets	9%	1%	(2%)	(3%)	18%	11%
Global Market Strategies	23%	28%	20%	(8%)	(11%)	8%
Investment Solutions	17%	15%	26%	23%	12%	4%

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

- 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 NPG 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						
	2Q16	3Q16	4Q16	1Q17	2Q17	2012	2013	2014	\$ 2,015	\$ 2,016	LTM	
Income (loss) before provision for income taxes	\$ 68	\$ (50)	\$ 12	\$ 328	\$ 244	\$ 2,440	\$ 1,444	\$ 992	\$ 402	\$ 45	\$ 534	
<b>Adjustments:</b>												
Partner compensation(1)	\$ -	\$ -	\$ -	\$ -	\$ -	(265)	-	-	\$ -	\$ -	\$ -	
Equity-based compensation issued in conjunction with the initial public offering, acquisitions and strategic investments(2)	\$ 79	\$ 51	\$ 48	\$ 67	\$ 59	200	314	269	\$ 260	\$ 223	\$ 224	
Acquisition related charges, including amortization of intangibles and impairment	\$ 22	\$ 28	\$ 27	\$ 9	\$ 9	128	260	243	\$ 289	\$ 94	\$ 73	
Other non-operating expense (income)	\$ 1	\$ (4)	\$ (12)	\$ -	\$ 0	7	(17)	(30)	\$ (7)	\$ (11)	\$ (16)	
Tax (expense) benefit associated with performance fee compensation	\$ (11)	\$ (2)	\$ 1	\$ (3)	\$ (2)	(9)	(35)	(25)	\$ (15)	\$ (15)	\$ (6)	
Net (income) loss attributable to non-controlling interests in Consolidated entities	\$ (2)	\$ 29	\$ (71)	\$ (3)	\$ (17)	(1,757)	(676)	(486)	\$ (538)	\$ (41)	\$ (62)	
Severance and other adjustments	\$ 1	\$ 2	\$ 0	\$ 3	\$ 8	(17)	(5)	-	\$ 6	\$ 10	\$ 12	
<b>Economic Net Income</b>	<b>\$ 158</b>	<b>\$ 54</b>	<b>\$ 6</b>	<b>\$ 400</b>	<b>\$ 300</b>	<b>\$ 726</b>	<b>\$ 1,285</b>	<b>\$ 962</b>	<b>\$ 397</b>	<b>\$ 306</b>	<b>\$ 759</b>	
(-) Net Performance Fees	\$ 115	\$ 142	\$ 61	\$ 394	\$ 299	515	1,191	807	\$ 392	\$ 394	\$ 897	
(-) Investment Income (Loss)	\$ 29	\$ 13	\$ 15	\$ 11	\$ 31	42	(42)	(11)	\$ (22)	\$ 50	\$ 70	
(+) Equity-Based Compensation	\$ 31	\$ 33	\$ 24	\$ 30	\$ 37	2	16	80	\$ 122	\$ 120	\$ 124	
(+) Reserve for litigation and contingencies	\$ -	\$ 100	\$ (100)	\$ -	\$ -	-	-	-	\$ 50	\$ -	\$ -	
<b>Fee Related Earnings</b>	<b>\$ 45</b>	<b>\$ 31</b>	<b>\$ (145)</b>	<b>\$ 26</b>	<b>\$ 6</b>	<b>\$ 171</b>	<b>\$ 152</b>	<b>\$ 247</b>	<b>\$ 199</b>	<b>\$ (19)</b>	<b>\$ (83)</b>	
(+) Realized Net Performance Fees	\$ 233	\$ 186	\$ 136	\$ 35	\$ 182	501	675	733	\$ 789	\$ 625	\$ 539	
(+) Realized Investment Income (Loss)	\$ 9	\$ 11	\$ 17	\$ (5)	\$ 11	16	11	(6)	\$ (65)	\$ 45	\$ 33	
<b>Distributable Earnings</b>	<b>\$ 288</b>	<b>\$ 228</b>	<b>\$ 7</b>	<b>\$ 55</b>	<b>\$ 199</b>	<b>\$ 689</b>	<b>\$ 837</b>	<b>\$ 973</b>	<b>\$ 923</b>	<b>\$ 652</b>	<b>\$ 490</b>	
(+) Depreciation & Amortization	\$ 7	\$ 7	\$ 7	\$ 8	\$ 8	22	24	22	\$ 26	\$ 29	\$ 29	
(+) Interest Expense	\$ 16	\$ 16	\$ 15	\$ 15	\$ 16	25	44	56	\$ 58	\$ 61	\$ 62	
<b>Adjusted EBITDA</b>	<b>\$ 310</b>	<b>\$ 251</b>	<b>\$ 30</b>	<b>\$ 78</b>	<b>\$ 223</b>	<b>\$ 736</b>	<b>\$ 905</b>	<b>\$ 1,051</b>	<b>\$ 1,006</b>	<b>\$ 742</b>	<b>\$ 581</b>	

Note: Data as of 6/30/2017.

- 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.