
THE CARLYLE GROUP

GLOBAL ALTERNATIVE ASSET MANAGEMENT

Bank of America Merrill Lynch Future of Financials 2017

Glenn Youngkin, President & Chief Operating Officer
November 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 Q4 2016 through Q3 2017, and the prior rolling 12-month period refers to the period Q4 2015 to Q3 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

We operate a diversified, multi-fund, global platform with four distinct segments

Overall Platform

AUM	\$174 billion Total \$122 billion Fee-Earning
Dry Powder	\$53 billion (\$37 bn CPE/RA/GMS carry funds)
Active Investments	270+ Portfolio Companies 390+ Real Estate / Energy
# of Investment Professionals / Employees	637 / 1,570
Global Operating Presence	31 Offices / 6 Continents
Market Capitalization	\$7.0 billion ¹

Four Operating Segments

Corporate Private Equity

\$56 bn AUM \$36 bn FEAUM	31 Funds
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28% Realized/Partially Realized
Gross IRR

Real Assets

\$40 bn AUM \$30 bn FEAUM	(of AUM) 44% R/E 43% ENR 13% Legacy
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17% Realized/Partially Realized
Gross IRR

Global Market Strategies

\$32 bn AUM \$26 bn FEAUM	(of AUM) 67% CLOs 26% Carry Fund 7% BDC/Other
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Investment Solutions

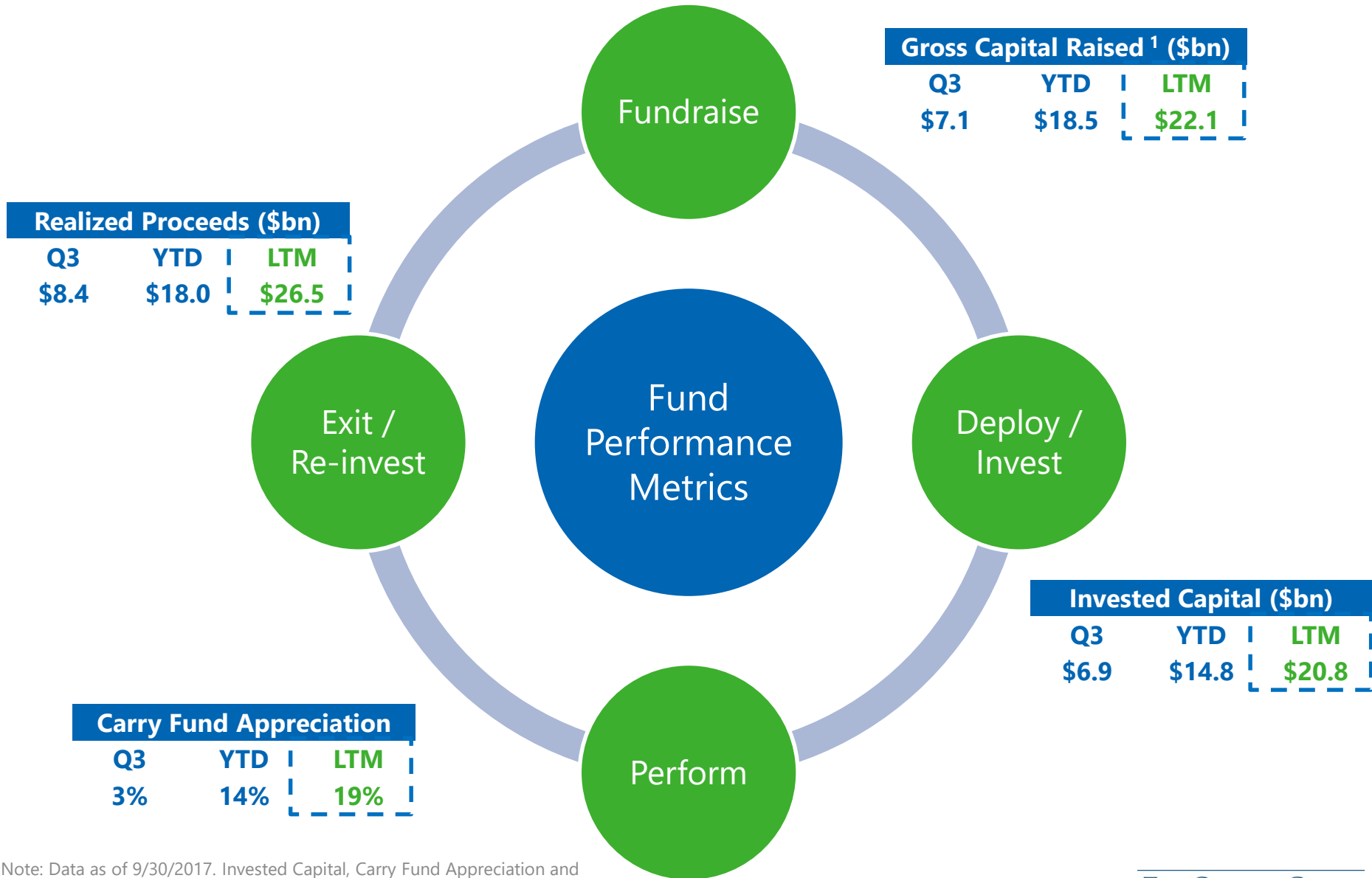
\$47 bn AUM \$30 bn FEAUM	PE & Real Estate Funds Secondaries Co-Invest's
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Note: Data as of 9/30/2017, unless otherwise noted. Totals may reflect rounding.

1) Market capitalization data as of 11/14/2017.

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

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



Note: Data as of 9/30/2017. Invested Capital, Carry Fund Appreciation and Realized Proceeds amounts represent carry fund activity only.

1) Raised \$21.2 billion over the LTM on a net basis after redemptions in our hedge fund businesses.

We Are Focused On Three Core Areas

Invest Wisely and Drive Asset Appreciation

Raise \$100 billion in New Capital

Build a Premier Global Credit Platform

Strong Fund Appreciation Over The Past Year Has Driven Over \$900 Million In Net Performance Fees

LTM Carry Fund Appreciation

Corporate Private Equity **27%**

Real Assets **18%**

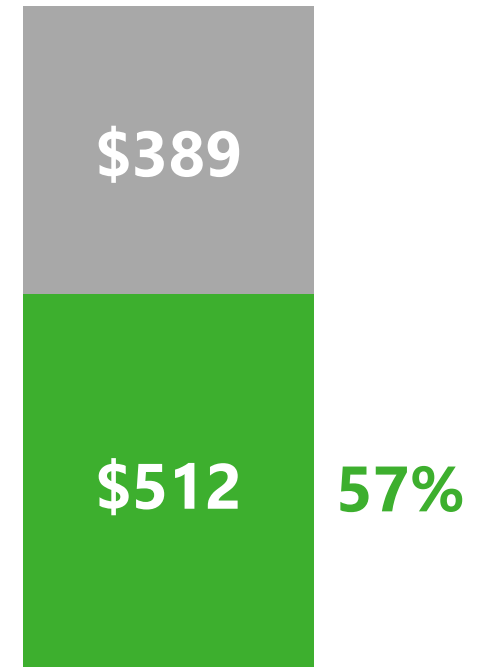
Global Market Strategies **11%**

Investment Solutions **14%**

All Carry Funds **19%**

Last 12-Months Net Performance Fee Revenue (\$mm)

\$901



■ Investing Generation ■ All Other Funds

Note: Data as of 9/30/2017. "Investing Generation" of funds include: CP VI, CEP IV, CAP IV, CJP III, CGFSP II, CEOF II, CETP III, CGP, CRP VII, NGP XI, CIEP, CPP II, CSP IV, CEMOF II.

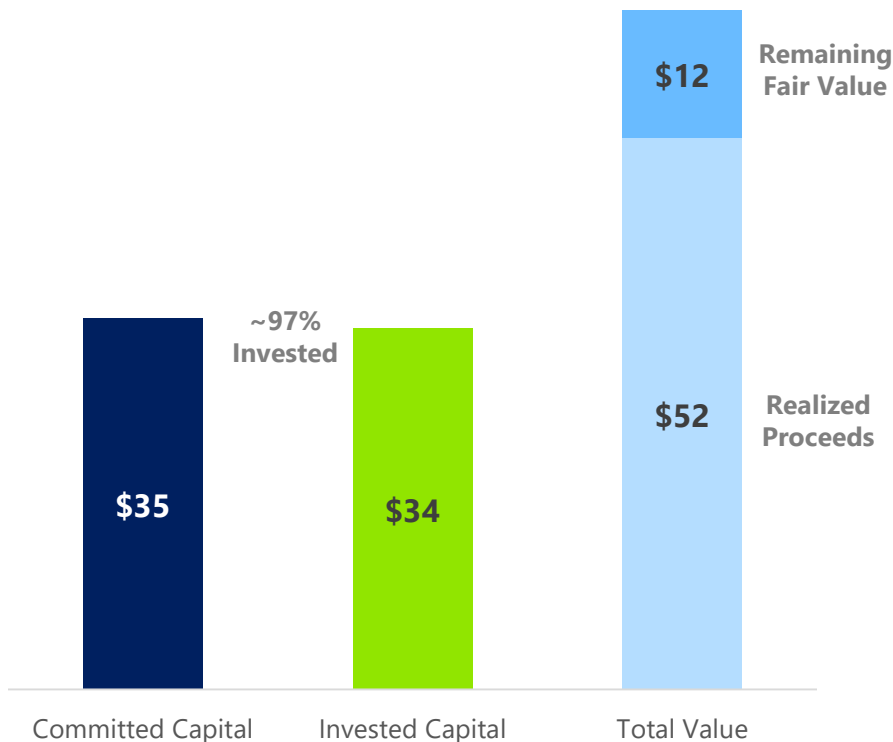
“Investing” Generation Benefits From ~40% More Capital Committed To The Funds Than “Workhorse” Generation

“Workhorse” Generation: Currently Exiting

“Investing” Generation: Currently Deploying

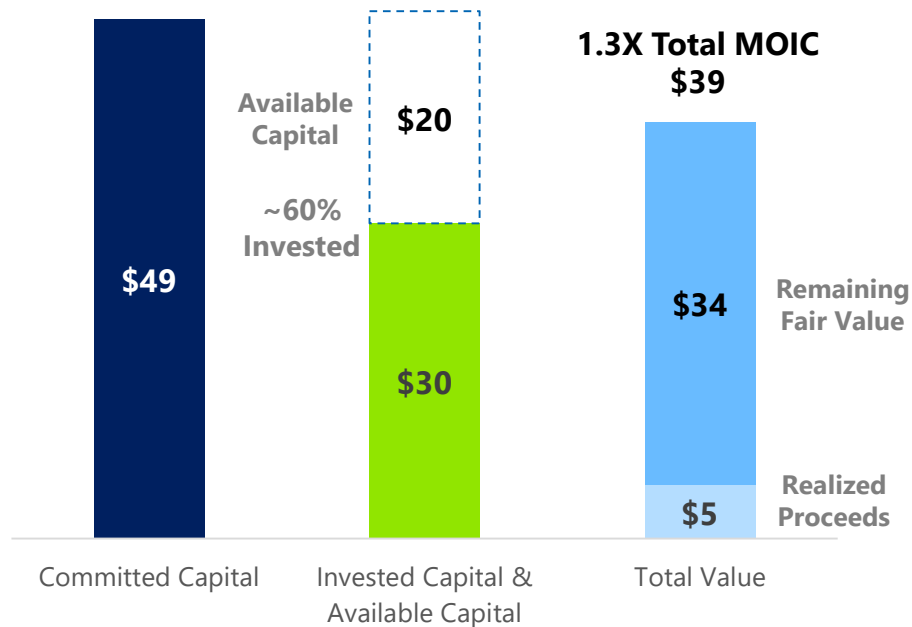
Fund Value (\$ billions)

**1.9X Total MOIC
\$64**



Fund Value (\$ billions)

**1.3X Total MOIC
\$39**



Note: Data as of 9/30/2017. For illustrative purposes only. “Workhorse Generation” of funds includes: CP V, CEP III, CAP III, CJP II, CGFSP I, CEOF I, CETP II, CRP VI, NGP X, CPOCP, CSP III, CEMOF I. “Investing Generation” of funds includes: CP VI, CEP IV, CAP IV, CJP III, CGFSP II, CEOF II, CETP III, CGP, CRP VII, NGP XI, CIEP, CPP II, CSP IV, CEMOF II. Available Capital shown here is reduced for investments currently funded via credit facility. Remaining fair value as of 9/30/2017 for CPE, Real Assets and GMS carry funds was \$68 billion. The combined remaining fair value of \$46 billion shown above excludes predecessor generation funds and co-investment vehicles, among others.

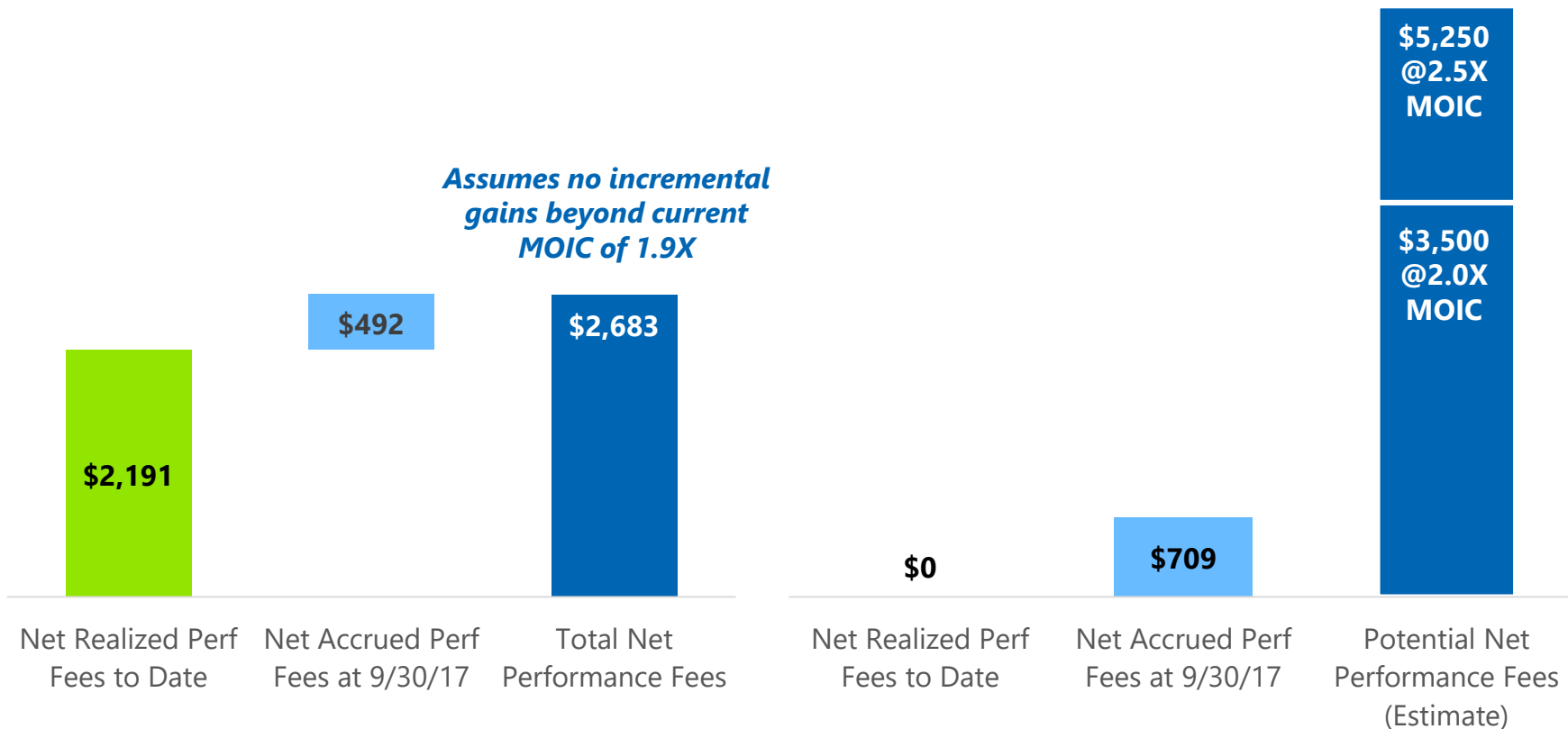
The Larger “Investing” Generation of Funds Are In The Early Stages of Strong Performance Fee Generation

“Workhorse” Generation: Currently **Exiting**

“Investing” Generation: Currently **Deploying**

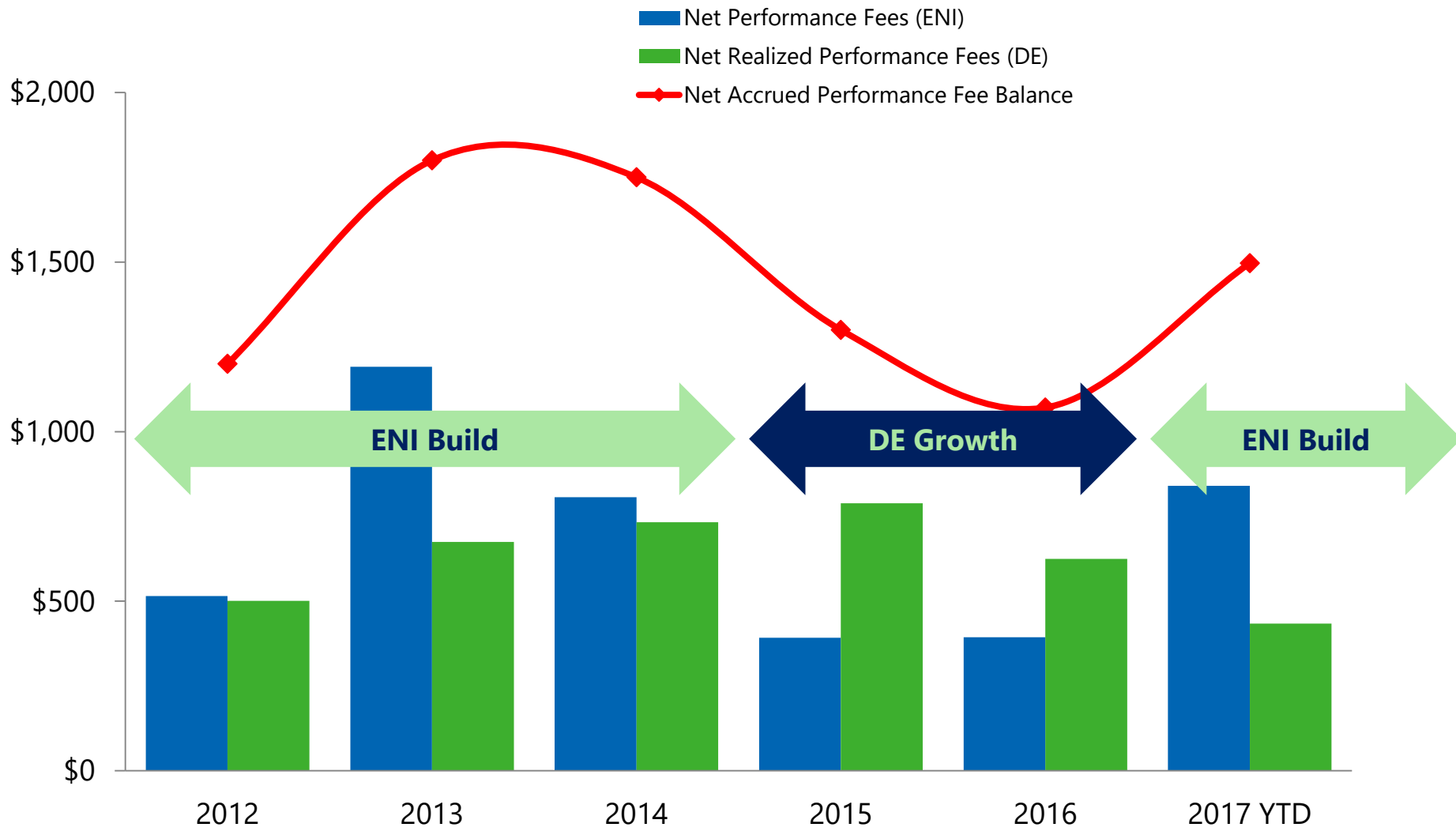
Performance Fees (\$ million)

Potential Performance Fees (\$ million)



Note: Data as of 9/30/2017. Hypothetical example presented for illustrative purposes only. There can be no guarantee that funds will perform as expected or that the above noted results will occur. Management takes no obligation to update future performance of this example. See “Important Information” for more information on the use of, and reliance on, projections. Hypothetical future performance fee scenario based on assumptions for fee & expense impact in the carry waterfall and percent of capital in a carry position. Carlyle’s net accrued performance fees as of 9/30/2017 were \$1,497 million in total. The combined net accrued performance fees of \$1,201 million shown above excludes amounts from predecessor generation funds, Investment Solutions carry funds, and certain carry generating co-investment vehicles, among others.

Performance Fee Accrual Likely to Exceed Near Term Realizations as Investing Generation of Funds Continue to Accrue Carry

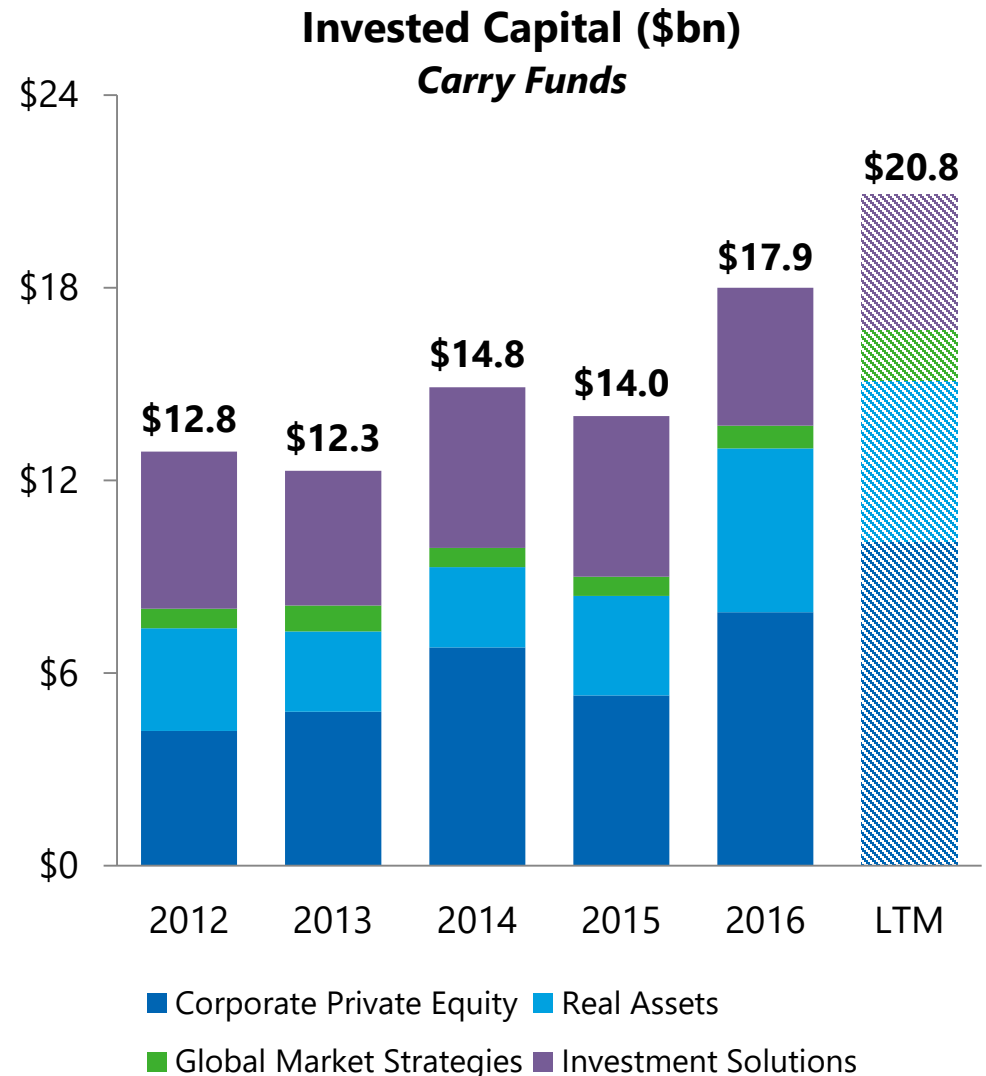


Note: Data as of 9/30/2017. Past performance is not indicative of future results and there is no guarantee any Carlyle fund will be able to replicate these results.

Carlyle Carry Funds Have Deployed \$21 billion Over the Last Twelve Months As Firm Wide Investment Capacity Increases

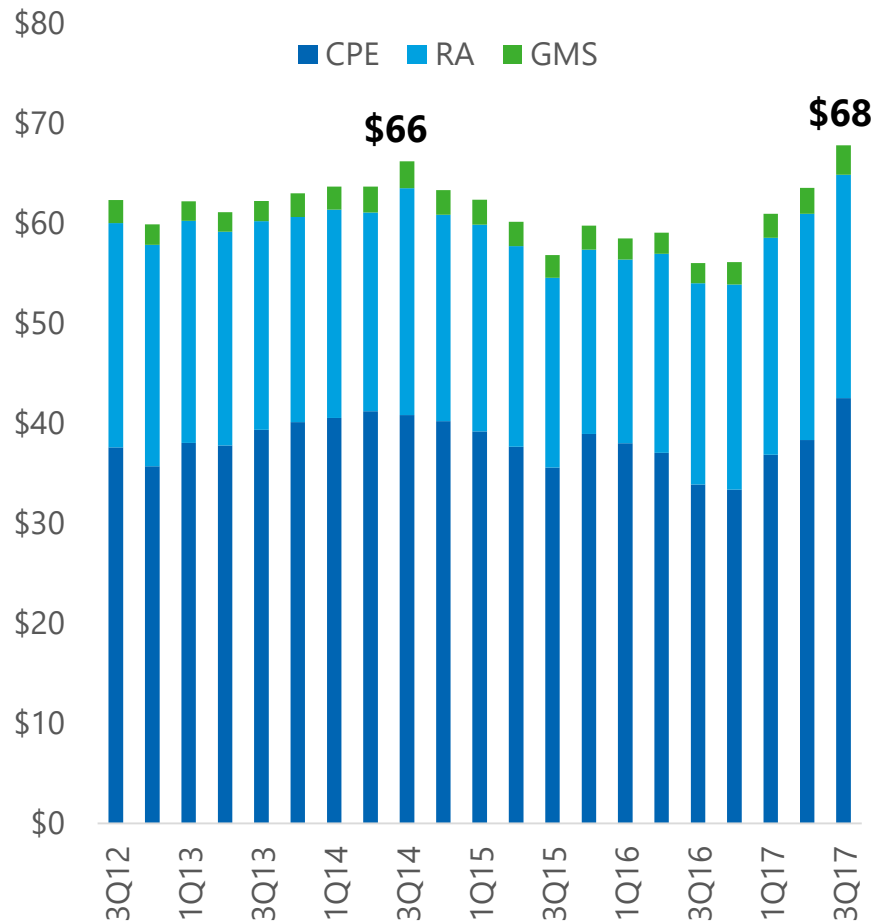
Annual investment pace has grown as we've scaled existing businesses and launched new funds

We continue to find good investment opportunities despite high asset prices

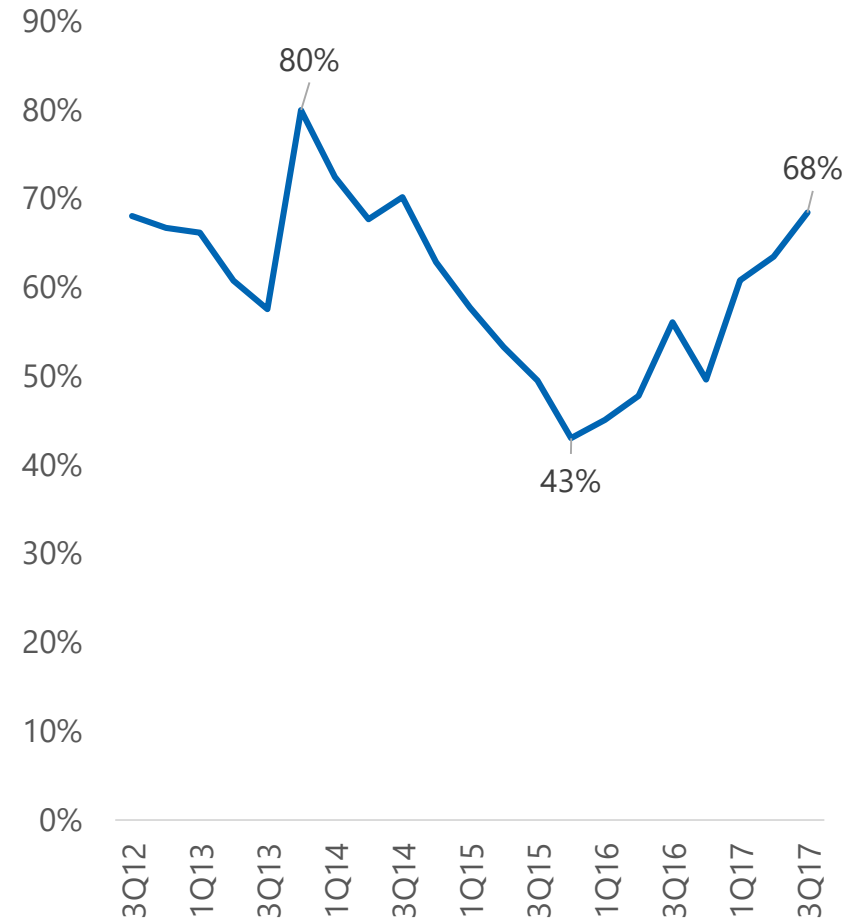


Record Amount of Remaining Fair Value and Increasing AUM in Carry Highlight Opportunity For Growing Performance Fees

Remaining Fair Value
CPE/RA/GMS Carry Funds
(\$ billion)



AUM In Carry ¹

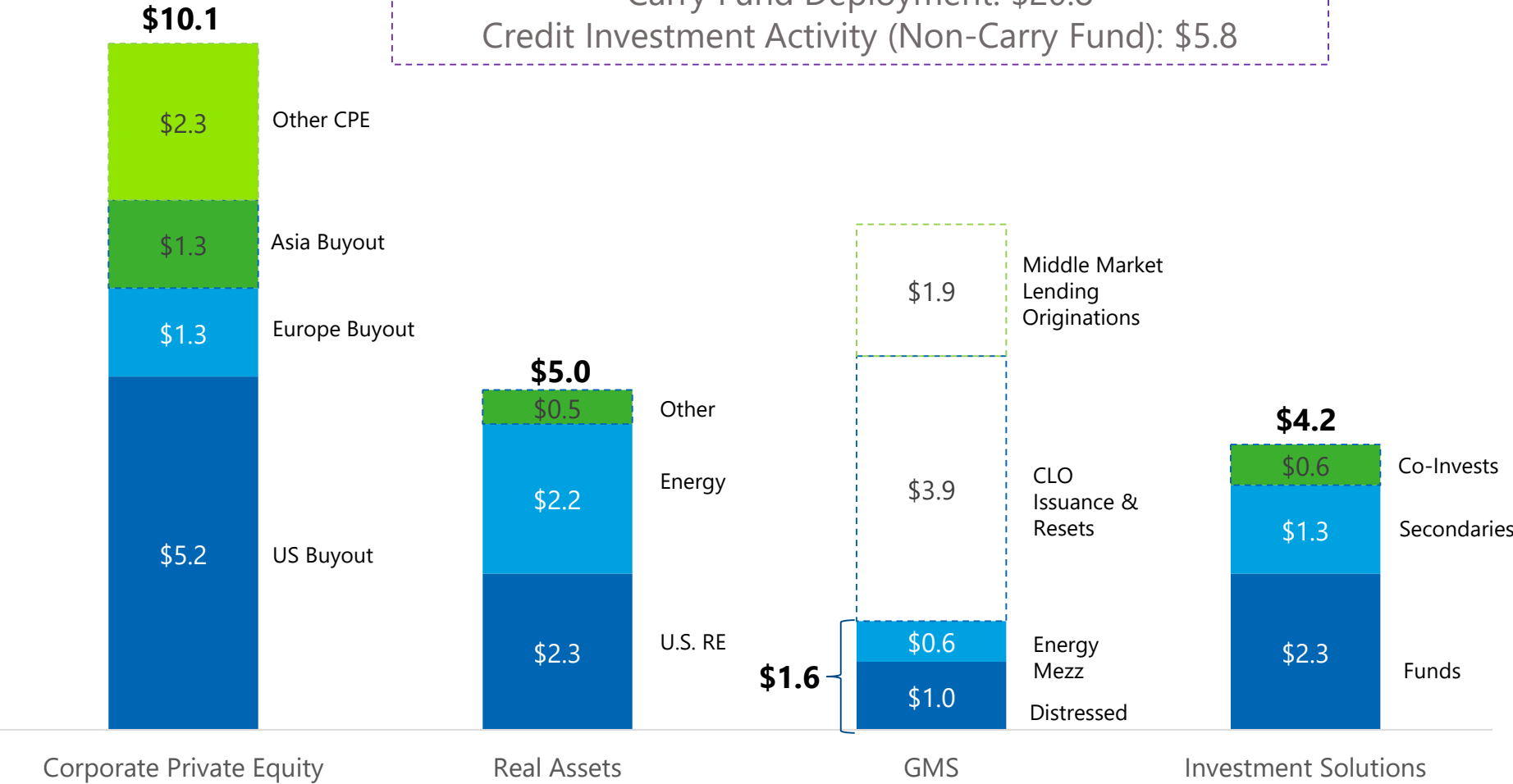


Note: Data as of 9/30/2017. There is no guarantee these trends will continue.

1) AUM In Carry reflects percentage of remaining fair value attributable to funds or vehicles in an accrued carry position.

Investment Activity Across Carry Funds And Credit Robust Despite Competitive Global Markets

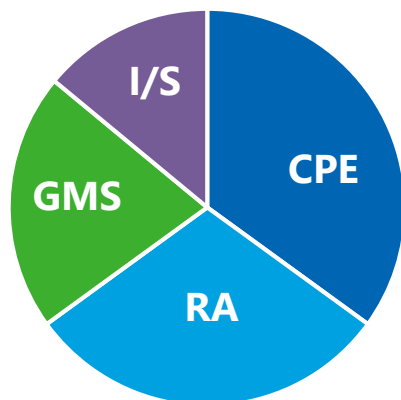
Total Investment Activity (LTM, \$ billion)
 Carry Fund Deployment: \$20.8
 Credit Investment Activity (Non-Carry Fund): \$5.8



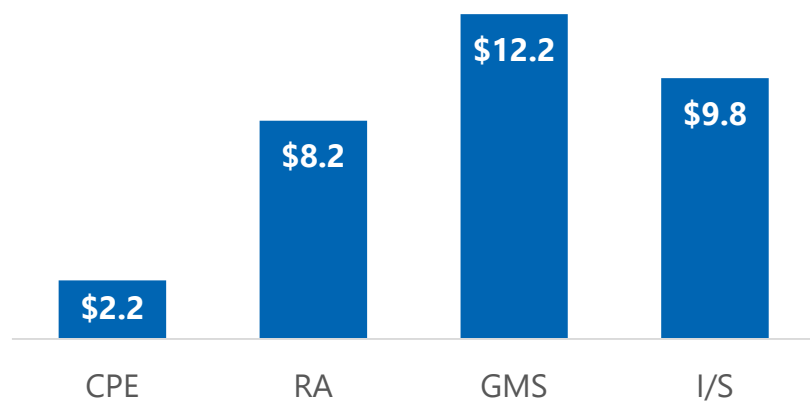
Note: Data as of 9/30/2017.

We Are On Track To Achieve Our Fundraising Target of \$100 Billion For the Coming Cycle

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



Gross Fundraising Since Q1 2016
(\$ billions)

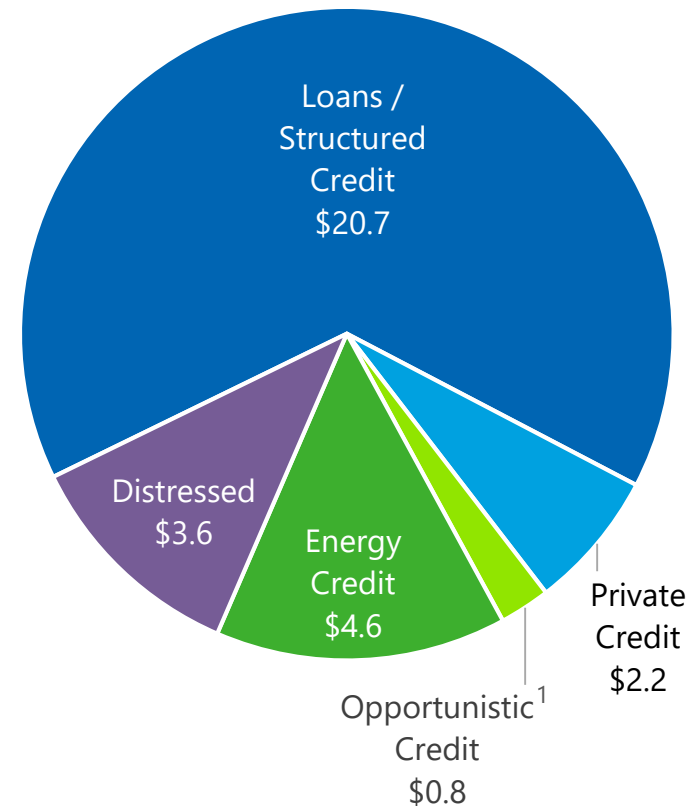


- Raised \$32 billion towards goal since Q1 2016
 - Upcoming closes in all major buyout funds over next several quarters
- Fee terms generally in line to modestly better on a blended basis
 - Stable/higher management fee rate
 - Lower net transaction fees
 - Stable carry rates
- Strong partnerships with over 1,750 global investors from 82 countries
 - More than 285 new investors over the past 3-years have contributed \$6 billion of new commitments
- October fundraising inline to Q3 overall and Q4 2017 on track for record level

Global Credit Business Gaining Momentum and Scale

- Manage \$32 billion in AUM in Global Market Strategies business
- Launch and develop new funds & products
 - Opportunistic Credit
 - Secondary Structured Credit
 - New BDCs
 - Managed Accounts
- Leverage functional platform to scale broadening investment capabilities
 - Origination / Trading / Workouts / Research
- Build out segment management team, fund leadership and investment professional talent
- Enhance credit specific fundraising and investor relations group

Global Market Strategies
AUM: \$32 billion



Note: Data as of 9/30/2017.

1) First Opportunistic Credit fund is currently in fundraising.

Well Positioned to Continue to Deliver Solid Economic Results

\$903 million in YTD Economic Net Income and **\$2.47** post-tax per unit

\$514 million in YTD Distributable Earnings resulting in **\$1.08** in unitholder distributions

Leading carry fund **Investment Performance**: Total carry fund appreciation of 19% LTM; Corporate Private Equity 27% LTM

\$1.5 billion in Net Accrued Performance Fees across all segments and funds, **up 40%** since year-end 2016

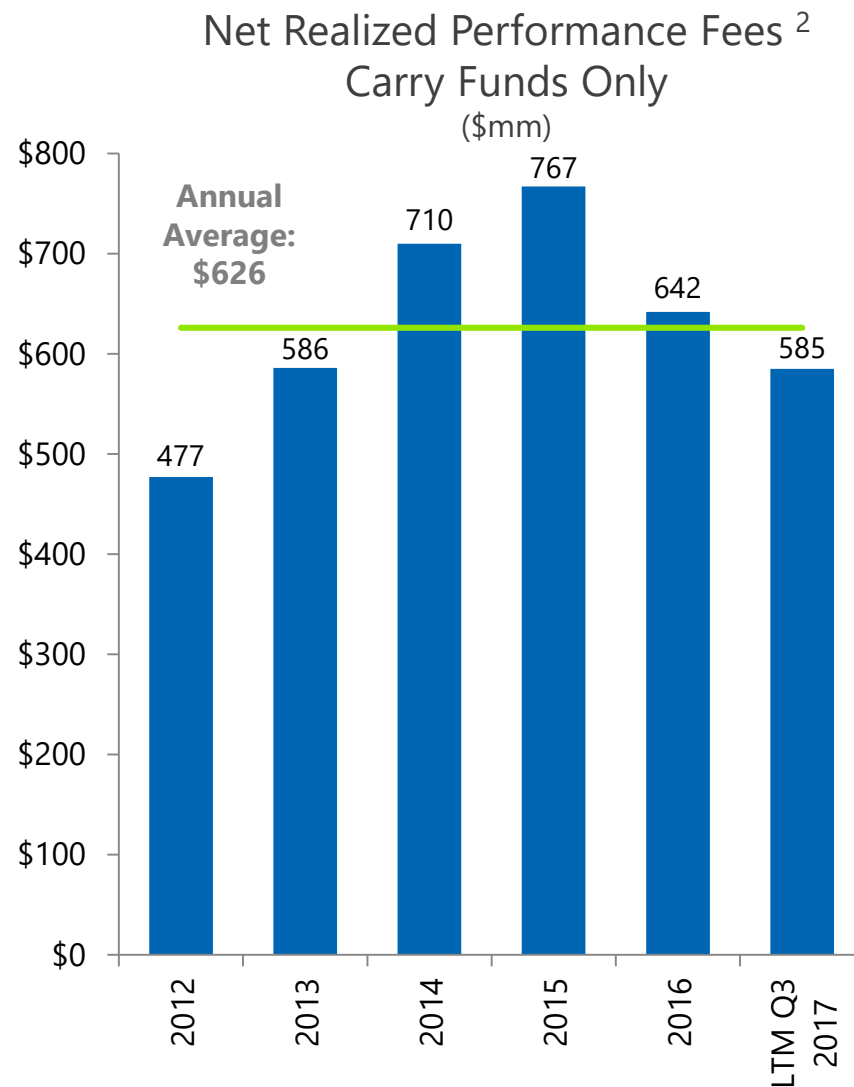
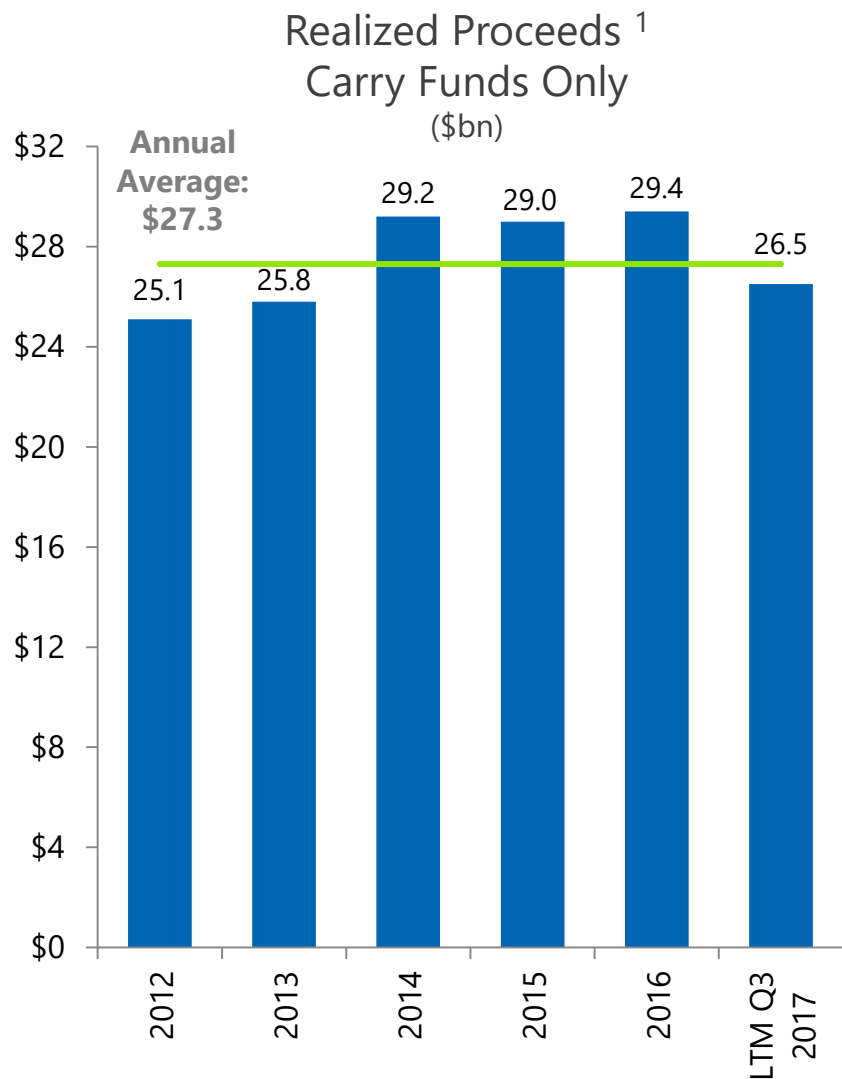
\$53 billion in carry fund dry powder to deploy globally on an opportunistic basis

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

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

APPENDIX

Realized Proceeds Reached a Record of Nearly \$30 billion in 2016 & Net Realized Performance Fees Averaged \$626 million since 2012



Note: Data as of 9/30/2017. There is no guarantee these trends will continue.

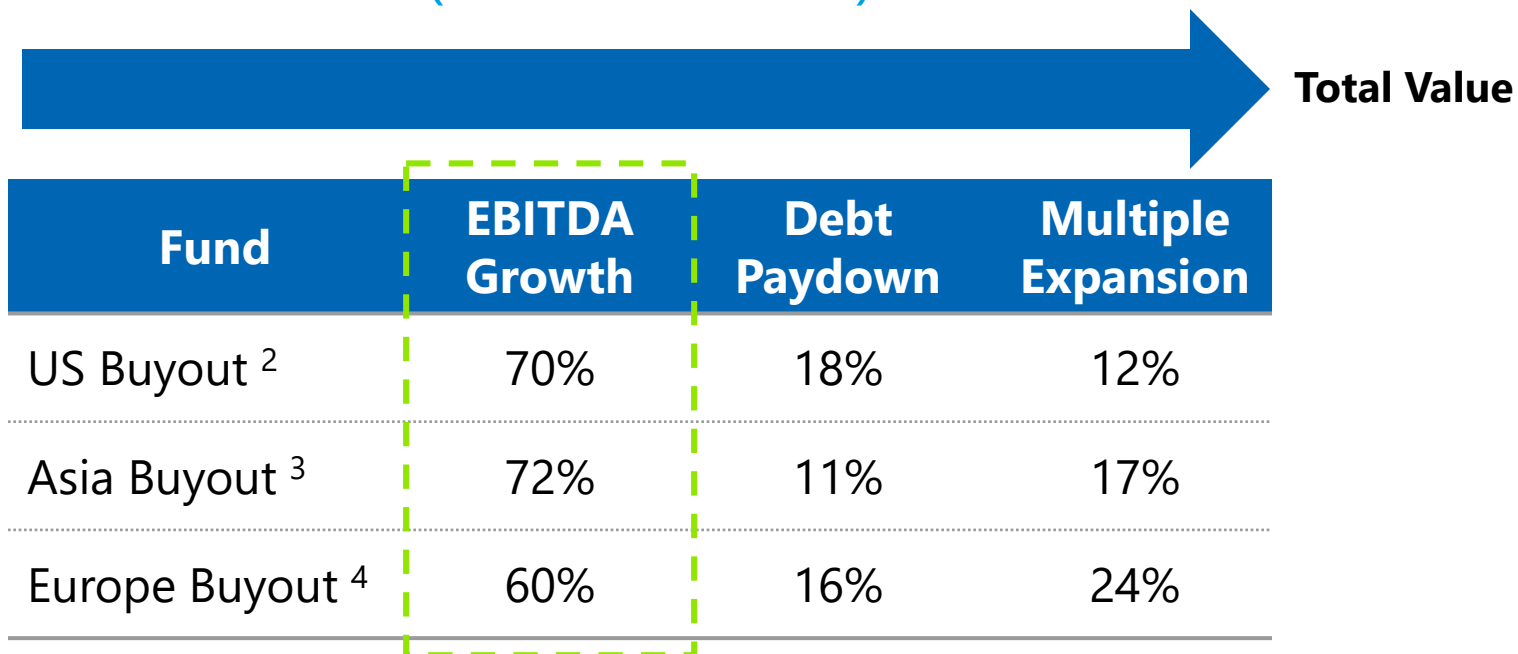
1) Realized Proceeds for carry funds only.

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.

CPE Portfolio Company Earnings Growth Drives Value Creation

Drivers of Value Creation ¹ (% of Value Created)

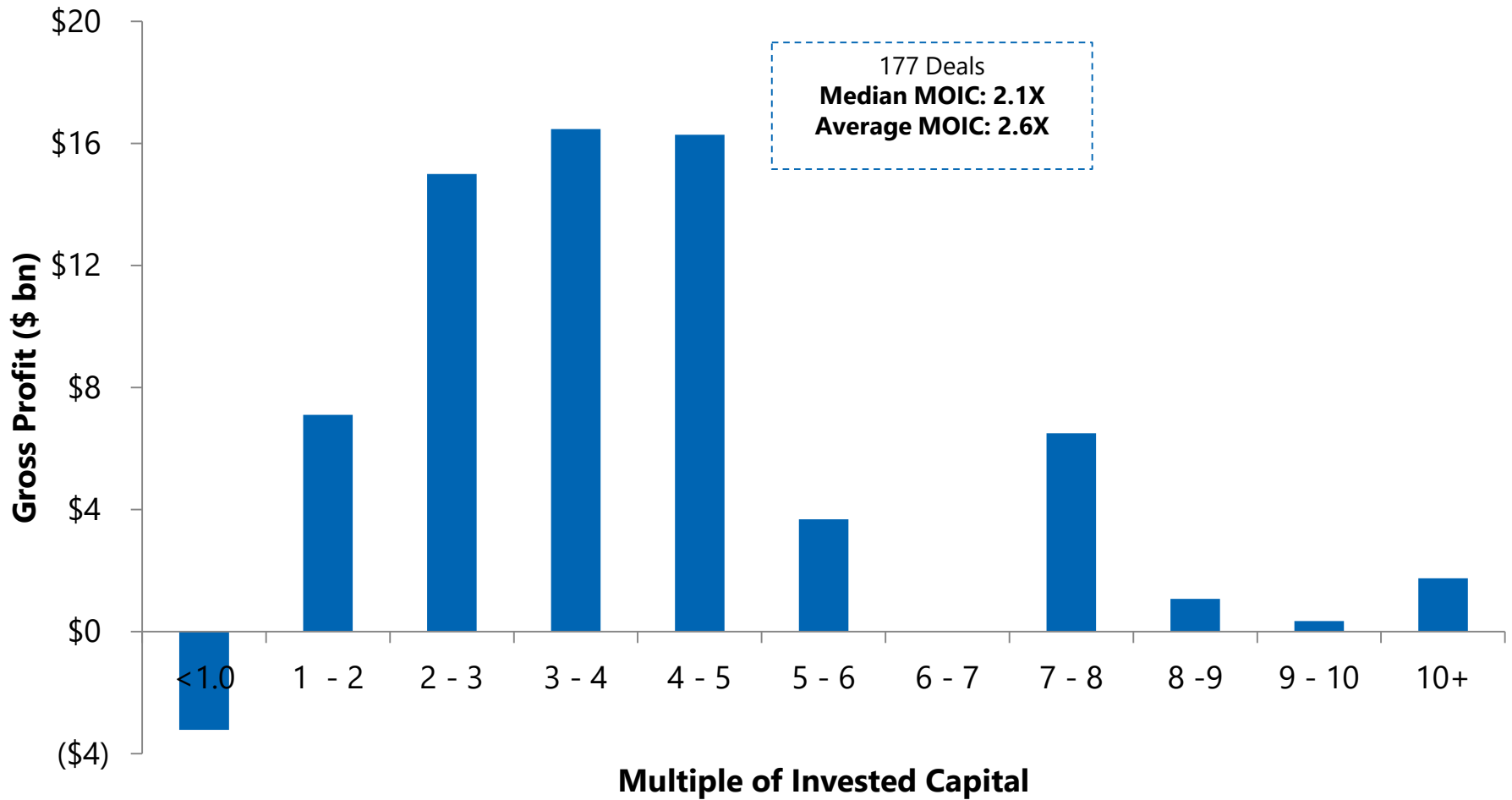
**Equity
Invested**



Total Value

- 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 6/30/2017 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 9/30/2017. Represents realized and partially realized deals in Carlyle Partners, Carlyle Europe Partners and Carlyle Asia Partners since inception. Includes fund and external coinvestment.

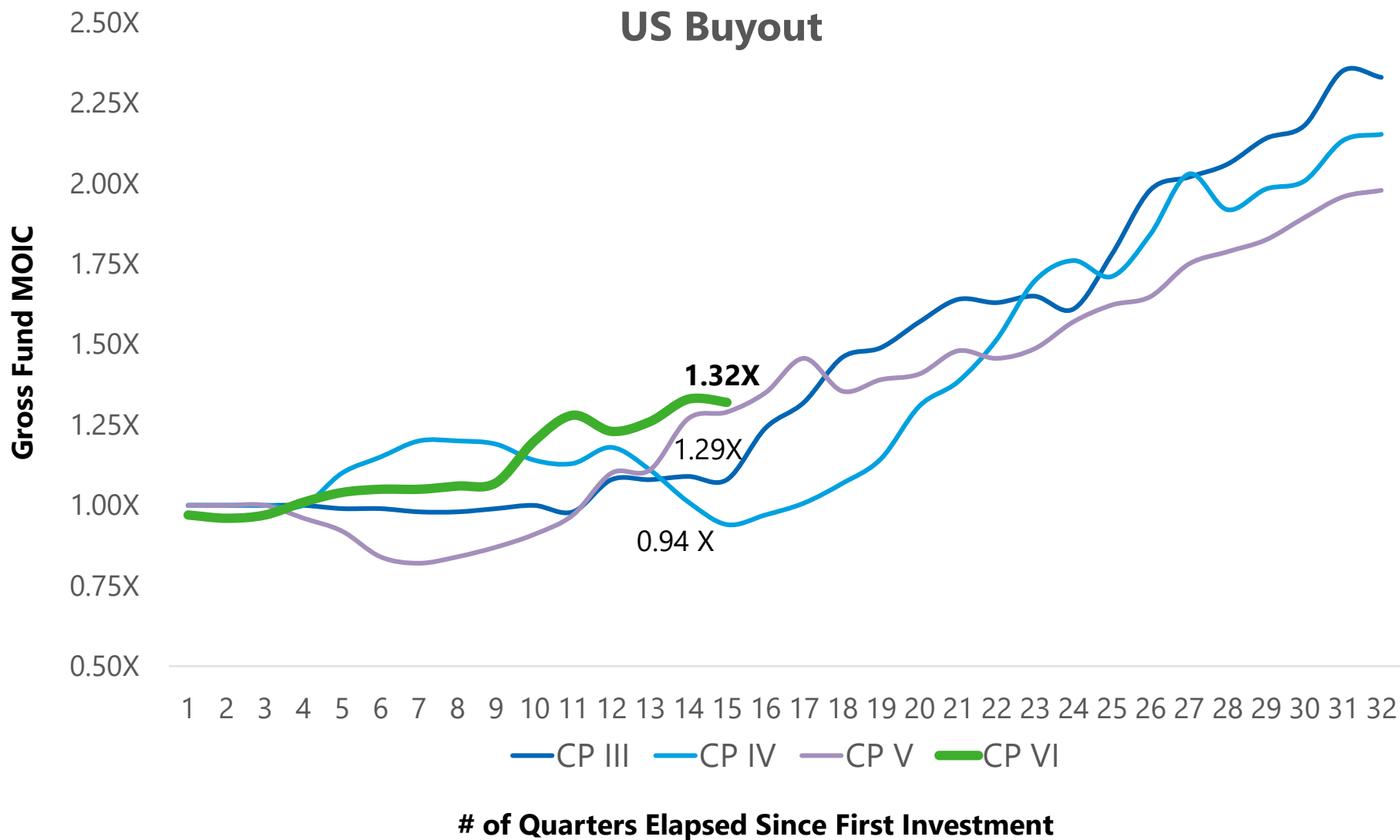
Past performance is not indicative of future results and there is no guarantee these trends will continue.

Carlyle's Private Equity Funds Have Historically Performed Well During Various Investment Cycles

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%	2.6X	26%
Carlyle Europe Partners II	2003 – 2006	2.0X	36%	2.2X	43%
Carlyle Europe Partners III	2007 – 2013	2.2X	19%	2.4X	20%
Carlyle Asia Partners II	2006 – 2008	1.9X	11%	1.9X	12%
Carlyle Asia Partners III	2008 – 2012	1.8X	18%	2.0X	20%

Note: Data as of 9/30/2017. 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.

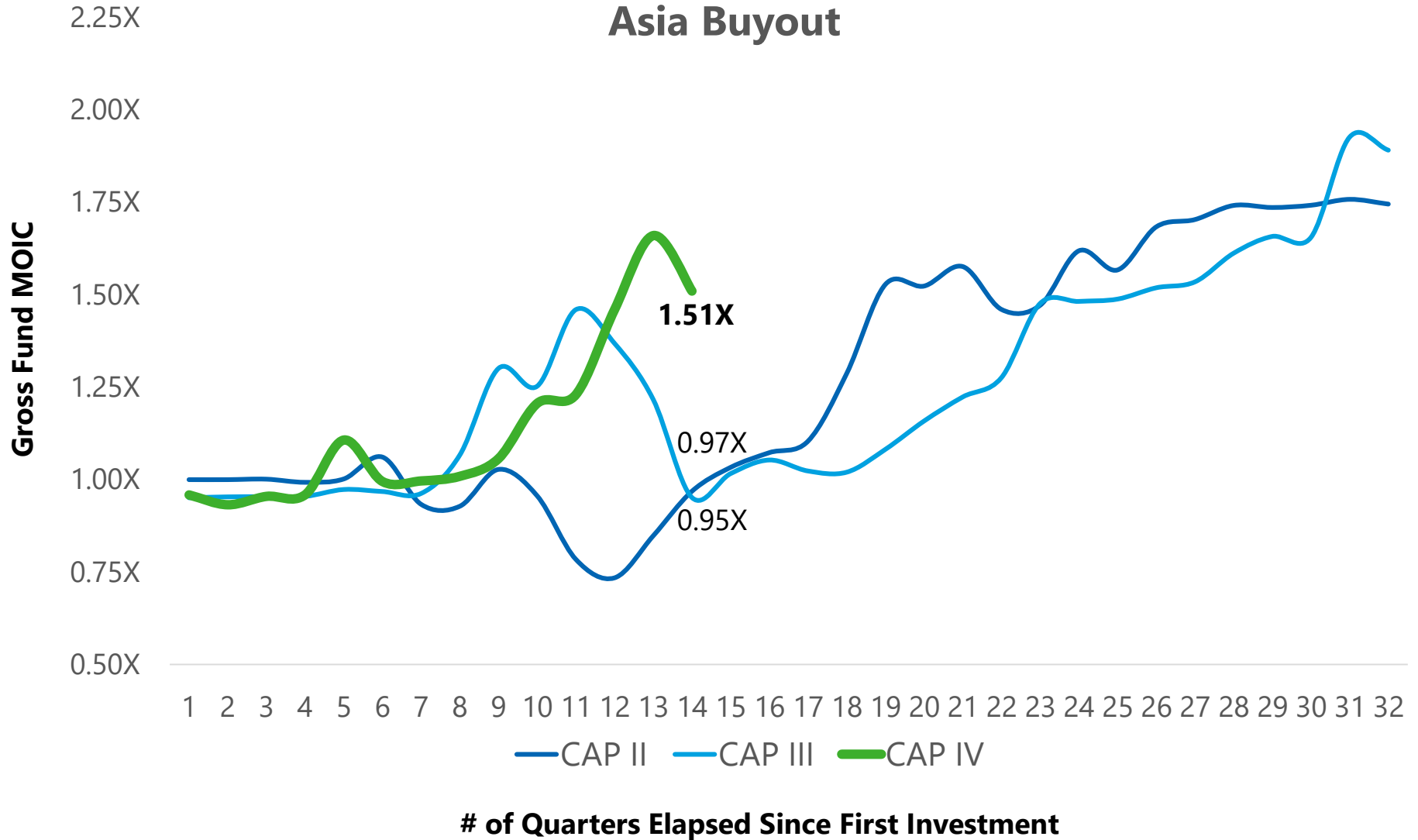
Several Current Funds Tracking Better Than Predecessors (I) US Buyout



Note: Data as of 9/30/2017. 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.

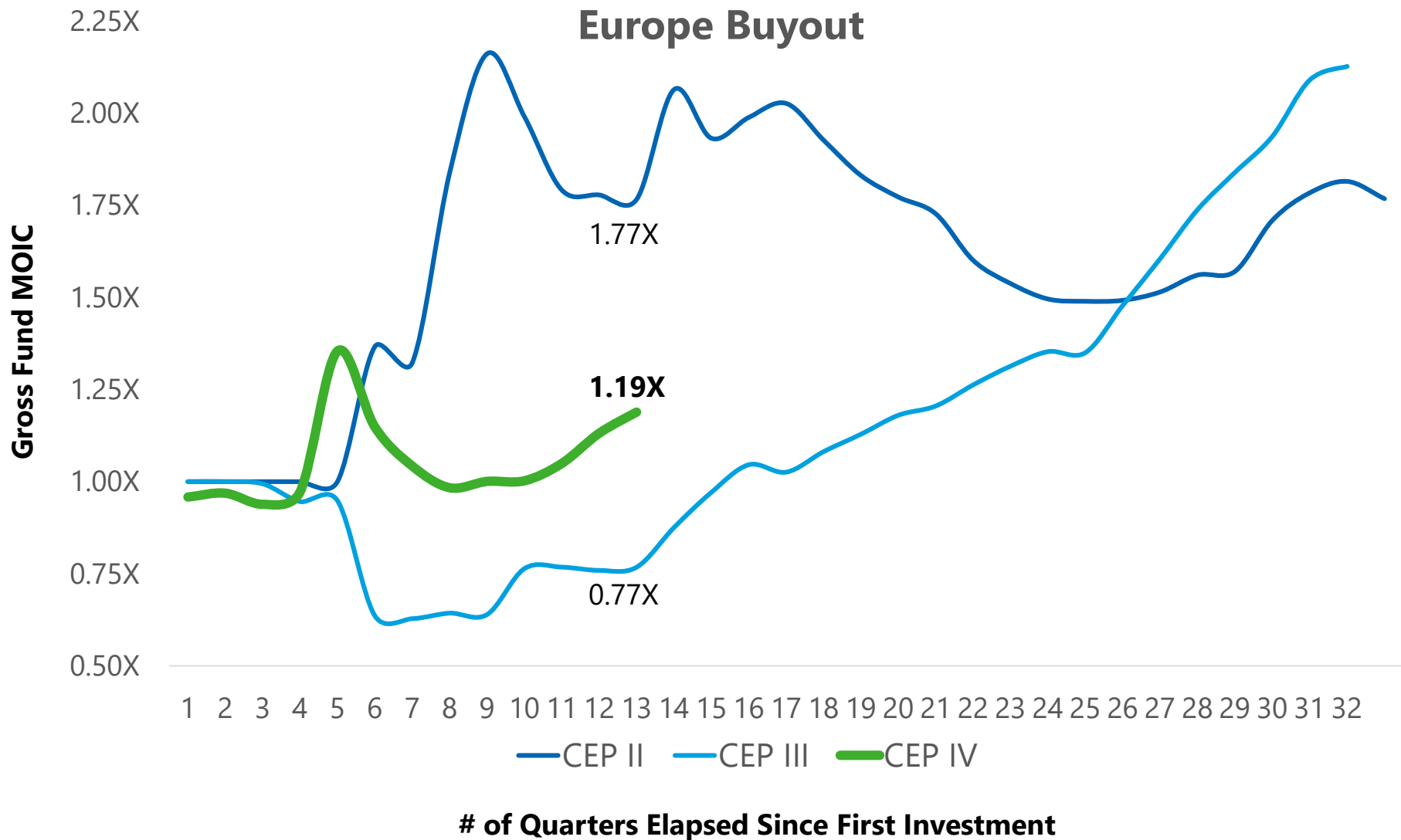
Several Current Funds Tracking Better Than Predecessors (II)

Asia Buyout



Note: Data as of 9/30/2017. 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 (III) Europe Buyout



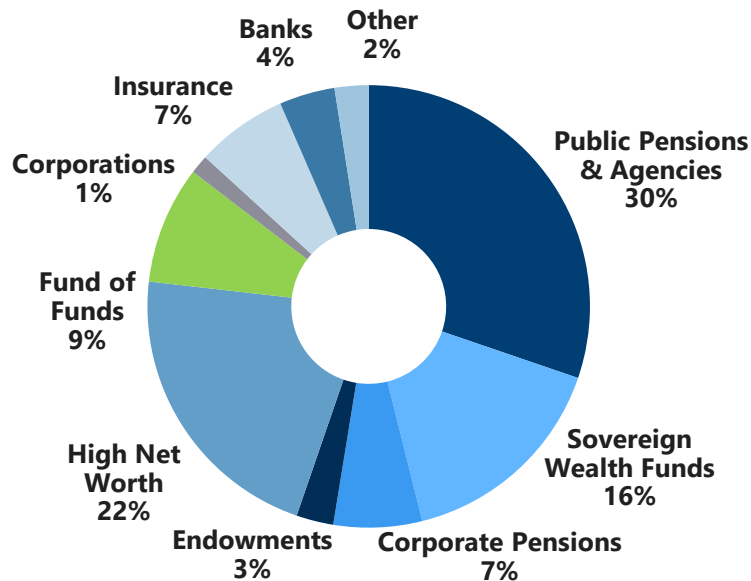
Note: Data as of 9/30/2017. Gross Fund MOICs begin upon consummation of first fund investment. Presented for illustrative purposes only. There is no guarantee this level of performance will continue.

Breadth of Fundraising Resources and Capabilities Drive New Investor Relationships

- More than 1,750 fund investors from 82 countries
- More than 285 new fund investors over past 3 years have committed \$6.0 billion
- 63% of fund investor capital is invested across six or more carry funds, up from 50% in 2006

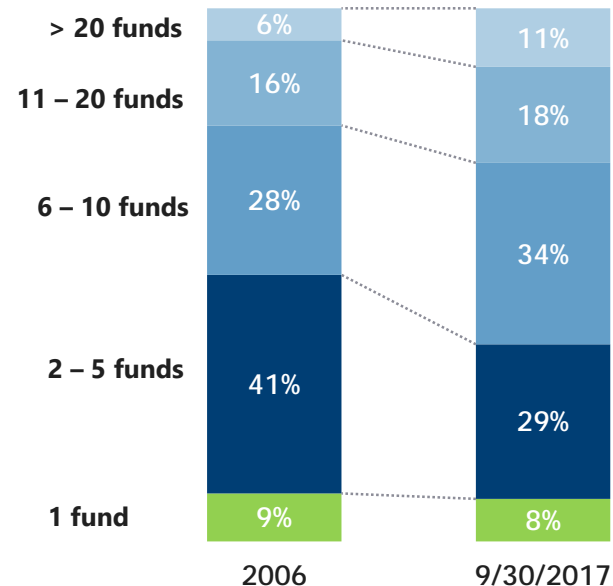


Diverse Source of Capital Commitments



Cross Selling Across Funds¹

% of \$ Commitments Across Multiple Funds

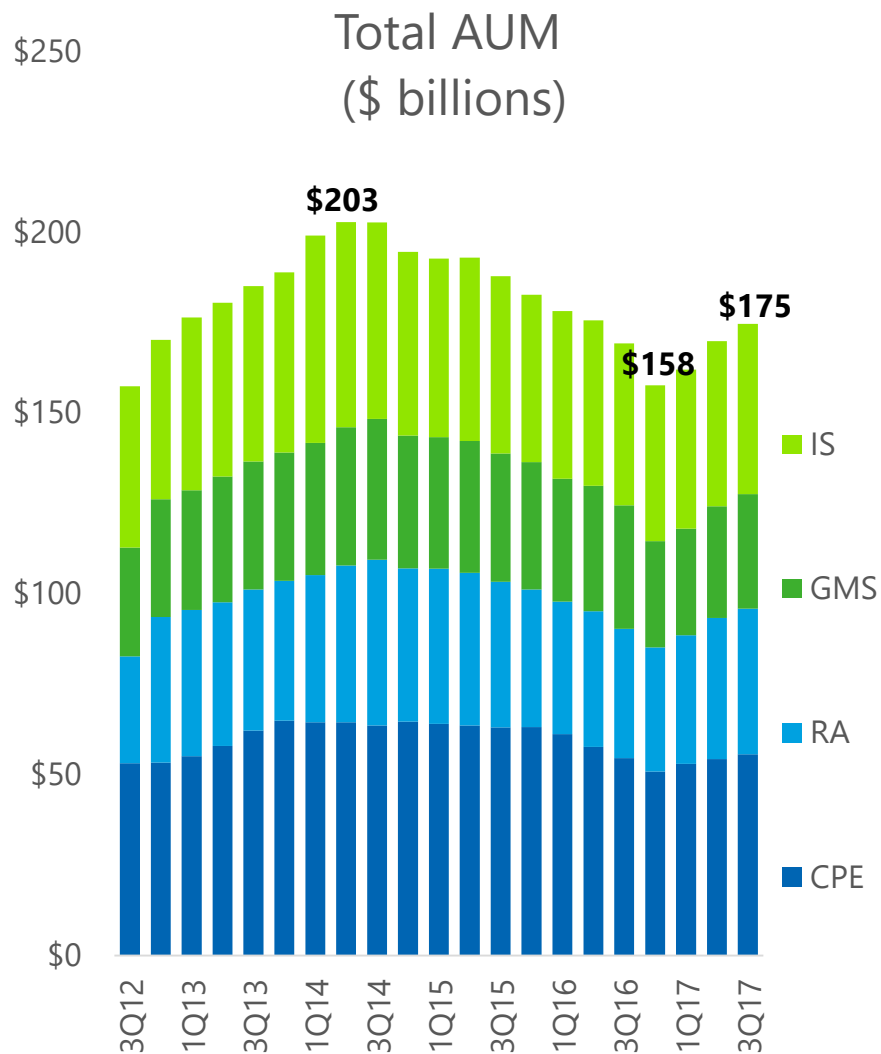


Note: Data as of 9/30/2017.

Number of fund investors for prior years is shown as of September 30th 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 9/30/2017.

Fundraising and Strong Fund Performance Support Growth In Assets Under Management And Net Accrued Carry



Note: Data as of 9/30/2017. There is no guarantee these trends will continue.

We Have \$1.5 Billion in Net Accrued Performance Fees Today Despite Six Years of Strong Exit Activity

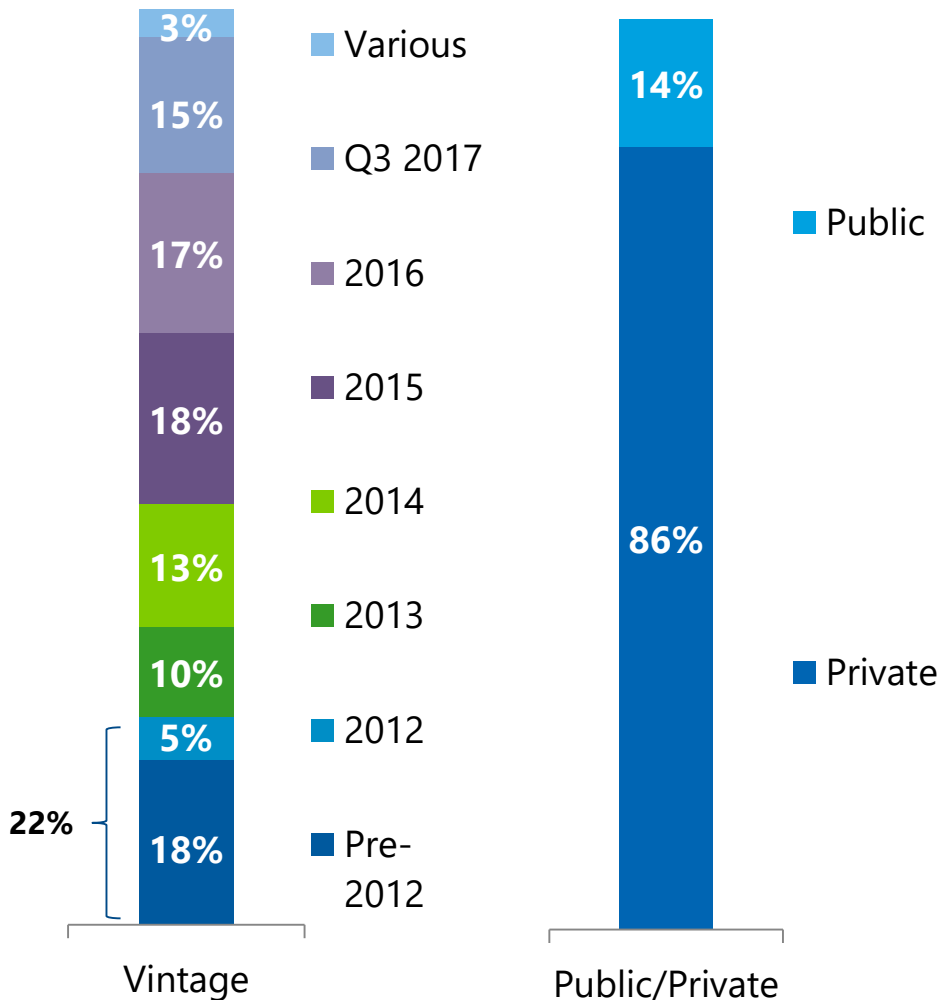
Carlyle remains well positioned to deliver strong near and mid term realized performance fees

Net accrued performance fees grew to \$1.5 billion through Q3 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	434	41%

Investments Remain Diversified Across Age and Tilted Towards Private Assets

Remaining Fair Value of CPE/RA/GMS Carry Fund Portfolio¹ - \$68 billion



“Aging” of investments remains diversified across years with 22% of Remaining Fair Value invested in 2012 or earlier

Note: Data as of 9/30/2017.

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

Summary Financial Results

Pre-tax Segment Measures (\$ millions)	Quarterly				Annual					
	4Q16	1Q17	2Q17	3Q17	2012	2013	2014	2015	2016	2017 YTD
Revenue										
Management & Transaction Fees	277	267	263	289	993	1,105	1,303	1,223	1,134	819
Performance Fees	138	715	559	285	996	2,293	1,708	910	752	1,559
Investment, Interest & Other Income	21	19	36	(27)	55	(30)	12	(0)	73	29
Total Revenue	436	1,001	859	548	2,044	3,369	3,022	2,132	1,959	2,408
Direct & Indirect Base Compensation	149	147	153	177	562	589	683	650	601	478
Equity Based Compensation	24	30	37	30	2	16	80	122	120	97
Performance Fee Compensation	78	321	260	138	481	1,102	901	518	358	719
General & Administrative, Interest & Other Expense	172	96	102	(10)	252	353	374	421	545	188
Depreciation & Amortization	7	8	8	8	22	24	22	26	29	23
Total Expenses	430	601	559	345	1,318	2,084	2,060	1,736	1,653	1,505
Economic Net Income	6	400	300	203	726	1,285	962	397	306	903
(-) Net Performance Fees	61	394	299	147	515	1,191	807	392	394	841
(-) Investment Income (Loss)	15	11	31	(35)	42	(43)	(11)	(22)	50	7
(+) Equity Based Compensation	24	30	37	30	2	16	80	122	120	97
(+) Reserve for Litigation and Contingencies	(100)	-	-	(25)	-	-	-	50	-	(25)
Fee Related Earnings	(145)	25	6	96	171	152	247	199	(19)	128
(+) Realized Net Performance Fees	136	35	182	217	501	675	733	789	625	434
(+) Realized Investment Income (Loss)	17	(5)	11	(53)	16	11	(6)	(65)	45	(48)
Distributable Earnings	7	55	199	260	689	837	973	923	652	514
Per Unit Measures										
Economic Net Income Per Unit (after-tax)	\$0.02	\$1.09	\$0.81	\$0.56		\$3.55	\$2.68	\$1.15	\$0.76	\$2.46
Distributable Earnings Per Common Unit (after-tax)	\$0.00	\$0.13	\$0.56	\$0.75		\$2.50	\$2.78	\$2.73	\$1.85	\$1.44
Distribution per Common Unit	\$0.16	\$0.10	\$0.42	\$0.56		\$1.88	\$2.09	\$2.07	\$1.55	\$1.08

Note: Data as of 9/30/2017.

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

Key Balance Sheet Items¹ (\$ million)	9/30/2017
Cash and Cash Equivalents and Corporate Treasury Investments²	\$1,473
Net accrued performance fees (net of giveback and accrued performance fee compensation)	\$1,497
Investments attributable to Carlyle unitholders³	\$836
Loans Payable and Senior Notes	\$1,516
Drawn revolving credit line (\$750 million capacity)	\$0

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 \$230 million of loans used to finance our investments in CLOs. Excludes the equity method accounting of our investment by Carlyle in NGP Energy Capital Management.

Key Metrics for “The Carlyle Engine”

Quarterly Data

	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Total AUM(1) (\$ bn)	182.6	178.1	175.6	169.1	157.6	161.9	169.8	174.4
Corporate Private Equity	63.1	61.1	57.6	54.6	50.9	53.0	54.3	55.7
Real Assets	38.0	36.7	37.5	35.7	34.3	35.6	38.9	39.8
Global Market Strategies	35.3	34.0	34.7	34.1	29.4	29.4	30.9	31.9
Investment Solutions	46.2	46.3	45.7	44.7	43.1	44.0	45.7	47.0
Fee-Earning AUM(1) (\$ bn)	131.0	130.3	125.3	123.8	115.0	114.9	116.1	121.8
Corporate Private Equity	40.9	40.9	38.9	37.8	36.3	36.9	36.2	35.6
Real Assets	30.9	30.7	30.4	28.9	27.5	27.2	26.2	29.8
Global Market Strategies	31.0	28.6	28.7	29.0	24.1	24.4	25.2	26.0
Investment Solutions	28.2	30.2	27.2	28.1	27.1	26.4	28.5	30.3
Fundraising(2)(3) (\$ bn)	2.7	0.1	3.6	1.8	2.7	3.0	8.4	7.1
Corporate Private Equity	1.6	0.1	0.3	0.4	0.0	0.2	0.3	0.9
Real Assets	0.3	0.2	0.5	0.2	0.3	1.0	3.7	2.4
Global Market Strategies	0.6	(0.5)	1.6	1.1	1.3	0.4	2.7	1.8
Investment Solutions	0.1	0.3	1.2	0.1	1.1	1.4	1.7	2.1
Invested Capital(4) (\$ bn)	5.2	5.3	3.7	2.9	6.1	4.4	3.4	6.9
Corporate Private Equity	2.7	3.3	1.4	0.6	2.6	2.5	1.4	3.6
Real Assets	1.0	0.6	1.4	1.0	2.2	0.7	0.8	1.3
Global Market Strategies	0.3	0.1	0.1	0.1	0.4	0.3	0.2	0.7
Investment Solutions	1.1	1.3	0.8	1.2	0.9	0.9	1.0	1.3
Realized Proceeds(4) (\$ bn)	6.5	4.5	7.6	8.8	8.5	3.6	5.9	8.4
Corporate Private Equity	2.3	2.3	4.0	4.8	3.6	1.1	2.6	4.0
Real Assets	1.6	0.8	1.1	1.7	2.0	0.6	0.9	1.7
Global Market Strategies	0.1	0.0	0.2	0.2	0.1	0.1	0.1	0.2
Investment Solutions	2.4	1.3	2.3	2.2	2.8	1.9	2.3	2.5
Fund Appreciation(6)	2%	0%	4%	3%	5%	6%	5%	3%
Corporate Private Equity	3%	1%	4%	3%	4%	9%	8%	4%
Real Assets	(0%)	1%	7%	4%	4%	5%	6%	2%
Global Market Strategies	(4%)	(12%)	(2%)	(0%)	2%	7%	0%	0%
Investment Solutions	2%	(0%)	3%	2%	7%	3%	1%	3%

Annual Data

	2012	2013	2014	2015	2016	2017 YTD
Total AUM(1) (\$ bn)	170.2	188.8	194.5	182.6	157.6	174.4
Corporate Private Equity	53.3	64.9	64.7	63.1	50.9	55.7
Real Assets	40.2	38.7	42.3	38.0	34.3	39.8
Global Market Strategies	32.5	35.5	36.7	35.3	29.4	31.9
Investment Solutions	44.1	49.8	50.8	46.2	43.1	47.0
Fee-Earning AUM(1) (\$ bn)	123.1	139.9	135.6	131.0	115.0	121.8
Corporate Private Equity	33.8	43.0	40.2	40.9	36.3	35.6
Real Assets	29.3	28.4	28.4	30.9	27.5	29.8
Global Market Strategies	31.0	33.4	33.9	31.0	24.1	26.0
Investment Solutions	28.9	35.1	33.1	28.2	27.1	30.3
Fundraising(2)(3) (\$ bn)	14.0	22.0	24.3	16.4	8.2	18.5
Corporate Private Equity	7.8	11.8	7.6	8.0	0.8	1.4
Real Assets	0.3	2.0	9.2	3.9	1.2	7.0
Global Market Strategies	5.2	5.7	6.9	2.9	3.5	4.9
Investment Solutions	0.6	2.5	0.5	1.6	2.8	5.2
Invested Capital(4) (\$ bn)	12.8	12.3	14.8	14.0	17.9	14.8
Corporate Private Equity	4	4.8	6.8	5.3	7.9	7.5
Real Assets	3.2	2.5	2.5	3.1	5.1	2.8
Global Market Strategies	0.6	0.8	0.6	0.6	0.7	1.2
Investment Solutions	4.9	4.2	5.0	5.0	4.3	3.2
Realized Proceeds(4)(5) (\$ bn)	25.1	25.8	29.4	29.0	29.4	18.0
Corporate Private Equity	12.1	12.2	14.5	12.9	14.8	7.7
Real Assets	5.5	4.1	4.7	4.8	5.6	3.2
Global Market Strategies	1.1	1.0	0.7	0.5	0.4	0.4
Investment Solutions	6.3	8.4	9.5	10.8	8.6	6.7
Fund Appreciation(6)	15%	18%	19%	12%	12%	14%
Corporate Private Equity	16%	30%	23%	13%	11%	23%
Real Assets	9%	1%	(2%)	(3%)	18%	14%
Global Market Strategies	23%	28%	20%	(8%)	(11%)	9%
Investment Solutions	17%	15%	26%	23%	12%	6%

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.

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

Reconciliation of GAAP to Non-GAAP Financials

(\$ millions)	Quarterly					Annual					
	3Q16	4Q16	1Q17	2Q17	3Q17	2012	2013	2014	2015	2016	2017 YTD
Income (loss) before provision for income taxes	\$ (50)	\$ 12	\$ 328	\$ 244	\$ 166	\$ 2,440	\$ 1,444	\$ 992	\$ 402	\$ 45	\$ 737
Adjustments:											
Partner compensation(1)	-	-	-	-	-	(265)	-	-	-	-	-
Equity-based compensation issued in conjunction with the initial public offering, acquisitions and strategic investments(2)	51	48	67	59	58	200	314	269	260	223	184
Acquisition related charges, including amortization of intangibles and impairment	28	27	9	9	7	128	260	243	289	94	25
Other non-operating expense (income)	(4)	(12)	-	0	-	7	(17)	(30)	(7)	(11)	0
Tax (expense) benefit associated with performance fee compensation	(2)	1	(3)	(2)	(2)	(9)	(35)	(25)	(15)	(15)	(7)
Net (income) loss attributable to non-controlling interests in Consolidated entities	29	(71)	(3)	(17)	(28)	(1,757)	(676)	(486)	(538)	(41)	(47)
Severance and other adjustments	2	0	3	8	1	(17)	(5)	-	6	10	11
Economic Net Income	\$ 54	\$ 6	\$ 400	\$ 300	\$ 203	\$ 726	\$ 1,285	\$ 962	\$ 397	\$ 306	\$ 903
(-) Net Performance Fees	142	61	394	299	147	515	1,191	807	392	394	841
(-) Investment Income (Loss)	13	15	11	31	(35)	42	(42)	(11)	(22)	50	7
(+) Equity-Based Compensation	33	24	30	37	30	2	16	80	122	120	97
(+) Reserve for litigation and contingencies	100	(100)	-	-	(25)	-	-	-	50	-	(25)
Fee Related Earnings	\$ 31	\$ (145)	\$ 26	\$ 6	\$ 96	\$ 171	\$ 152	\$ 247	\$ 199	\$ (19)	\$ 128
(+) Realized Net Performance Fees	186	136	35	182	217	501	675	733	789	625	434
(+) Realized Investment Income (Loss)	11	17	(5)	11	(53)	16	11	(6)	(65)	45	(48)
Distributable Earnings	\$ 228	\$ 7	\$ 55	\$ 199	\$ 260	\$ 689	\$ 837	\$ 973	\$ 923	\$ 652	\$ 514

Note: Data as of 9/30/2017.

- 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.