



DECEMBER 2019
NASDAQ INVESTOR
CONFERENCE

CURT BUSER
CHIEF FINANCIAL OFFICER

THE CARLYLE GROUP

Important Information

This presentation has been prepared by The Carlyle Group L.P. (together with its affiliates, "Carlyle") and may only be used for informational purposes only. This presentation may not be referenced, quoted or linked by website, in whole or in part except as agreed to in writing by Carlyle.

This presentation provides an overview of Carlyle and is not intended to be taken by, and should not be taken by, any individual recipient as investment advice, a recommendation to buy, hold or sell any security, or an offer to sell or a solicitation of offers to purchase any security. An offer or solicitation for an investment in any investment fund managed or sponsored by Carlyle or its affiliates ("Fund") will occur only through an offering memorandum and related purchase documentation, and subject to the terms and conditions contained in such documents and in such Fund's operative agreements. The offering memorandum relating to any Fund contains additional information about the investment objective, terms and conditions of such Fund, tax information and risk disclosure that should be reviewed prior to making an investment decision regarding a Fund. This presentation is qualified in its entirety by such offering memorandum, which should be read completely before making any investment. An investment in a Fund would be speculative and would involve significant risks. Nothing in this presentation is intended to be taken by, and should not be taken by, any individual recipient as investment advice, a recommendation to buy, hold or sell any security, or an offer to sell or a solicitation of offers to purchase any security.

Although the information presented in this presentation has been obtained from sources that Carlyle believes to be reliable, Carlyle makes no representations as to its accuracy, validity, timeliness or completeness for any purpose. The information set forth herein does not purport to be complete and Carlyle is not responsible for errors and/or omissions with respect to the information contained herein. Unless otherwise expressly stated herein any analysis or outlook relating to the matters discussed herein express Carlyle's views only as of December 2, 2019.

Statements contained in this presentation that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of Carlyle. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain information contained in this presentation constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "seek," "expect," "anticipate," "forecast," "project," "estimate," "intend," "continue," "target," or "believe" or the negatives thereof or other variations thereon or comparable terminology. These statements are subject to risks, uncertainties and assumptions, including those described under the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended 12/31/2018 filed with the SEC on February 13, 2019, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in our filings with the SEC. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

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 2018 through Q3 2019, and the prior rolling 12-month period refers to the period Q4 2017 to Q3 2018.

This presentation includes comparisons of certain private equity indices to various indexes including certain MSCI indexes (MSCI) and the S&P 500 and other indexes. The private equity indices 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 MSCI, S&P 500 and other indexes. Specifically, U.S. and global buyout funds typically make investments in securities and other assets that have a greater degree of risk and volatility, and less liquidity, than those securities included in these indexes and companies included in the indexes are not subject to certain of the management fees, carried interest or expenses to which investors in U.S. and global buyout funds are typically subject. Comparisons between private equity funds, Carlyle sponsored funds, the MSCI, S&P 500 and other indexes are included 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.

Detailed information about Carlyle's management fees and performance revenues is available in Carlyle's public filings. Please note that certain metrics and projections contained in this Presentation include the Legacy Energy Funds and funds advised by NGP Energy Capital Management. 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 predecessor funds."

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, Distributable Earnings ("DE") and Distributable 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 measured 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."

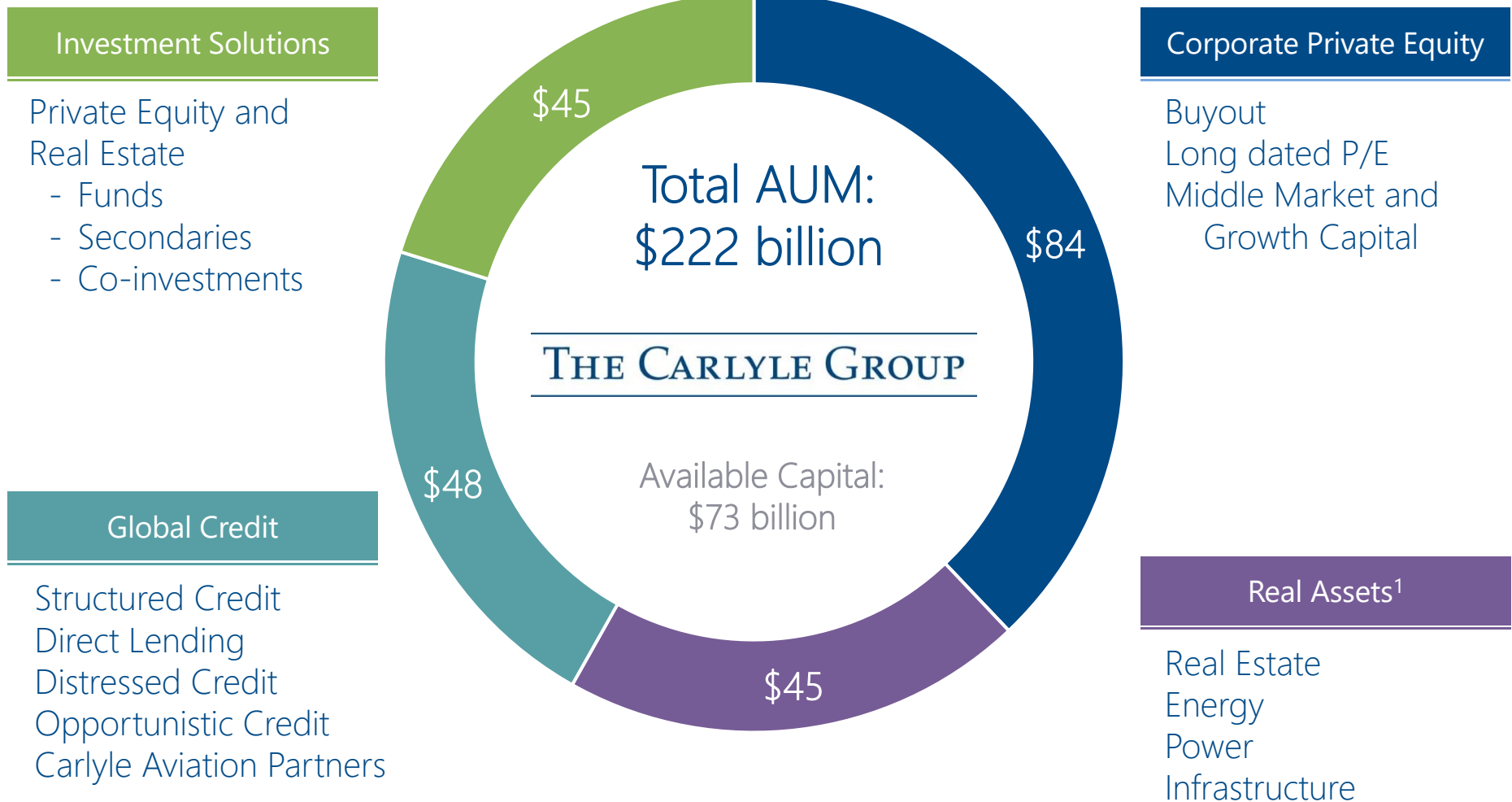
CARLYLE IS A LEADING GLOBAL
PRIVATE INVESTMENT FIRM

The Carlyle Group Overview

- The Carlyle Group was founded in 1987 in Washington DC
 - ✓ Today we have more than 1,775 employee across 33 offices on 6 continents
- Carlyle is a global leader in private capital investment management, one of the fastest growth areas of financial services
- Carlyle manages \$222 billion in Assets Under Management across four main segments on behalf of our fund investors
 - ✓ More than 98% of Fee-earning AUM in locked up, long term fund structures
- Carlyle generated \$685 million in Distributable Earnings over the last-12 months, or \$1.80 per common unit after tax
 - ✓ We generated \$520 million in Fee Related Earnings over the LTM, or roughly \$1.50/unit on a pre-tax basis
- We announced our intention to convert to a Full C-Corporation on January 1, 2020, from our current publicly traded partnership status

Carlyle Is A Global Leader In Private Capital Investing

Carlyle is diversified across sectors with industry leading positions



Note: Data as of 9/30/2019. See The Carlyle Group L.P.'s filings with the U.S. Securities and Exchange Commission for more information on fund performance.

1) Includes three Legacy Energy funds jointly advised with Riverstone Holdings, L.L.C. and seven funds advised by NGP Energy Capital Management.

Our Activity and Performance Metrics Have Been Robust (Last 5-years)

12%

Average
Annual
Carry Fund
Appreciation

\$135
billion

Capital
Raised¹
From Our
Fund
Investors

\$93
billion

Invested
Capital
in our
Carry Funds

\$132
billion

Realized
Proceeds
Back To Our
Fund Investors

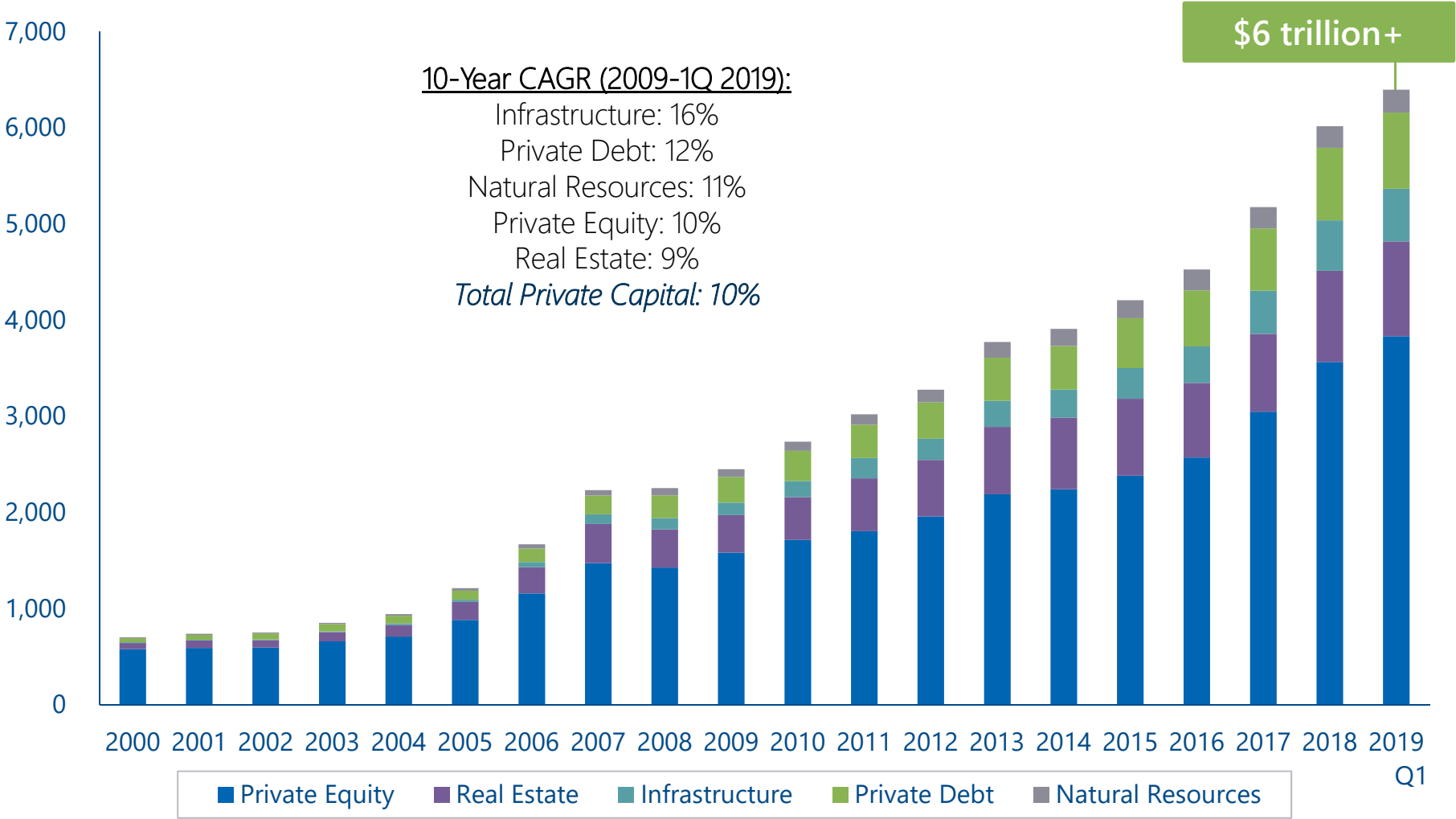
Note: Data as of 9/30/2019.

1. Represents gross capital raised. Inclusive of redemptions from former hedge fund partnerships and other open ended vehicles, net fundraising was \$122 billion.

THE PRIVATE CAPITAL INDUSTRY
IS NO LONGER "ALTERNATIVE"

Private Capital Industry Stronger Than Ever

Historical Assets Under Management (\$billions)

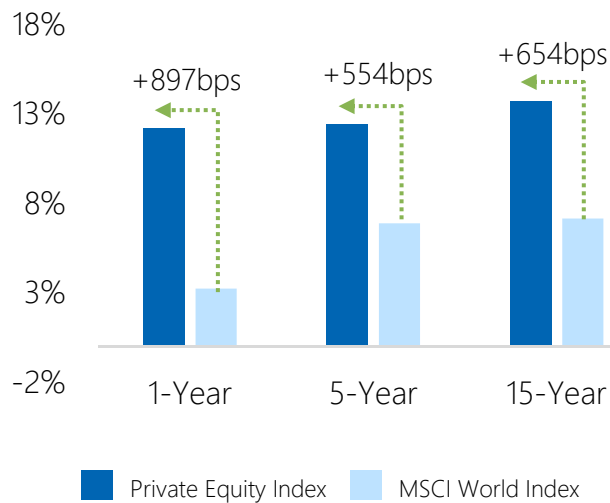


Source: Preqin accessed October 2019. Data as of 3/31/2019. There is no guarantee that this trend will continue.

Private Capital Continues to Outperform

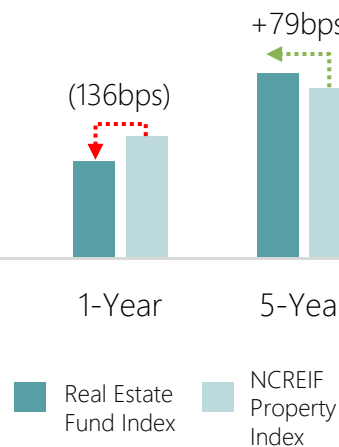
Private Equity¹

POOLED BUYOUT RETURNS (NET) COMPARED TO PUBLIC MARKET EQUIVALENT



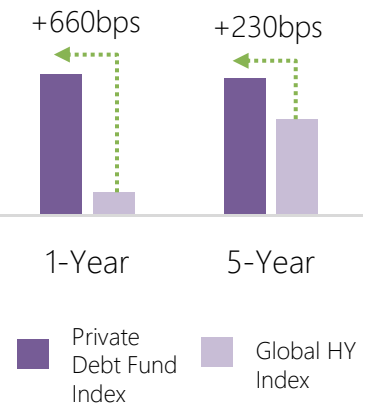
Real Estate²

POOLED REAL ESTATE RETURNS (NET) VS NCREIF PROPERTY INDEX PUBLIC MARKET EQUIVALENT



Private Credit³

PRIVATE DEBT FUND RETURNS (NET) VS GLOBAL HY INDEX (TOTAL RETURN)



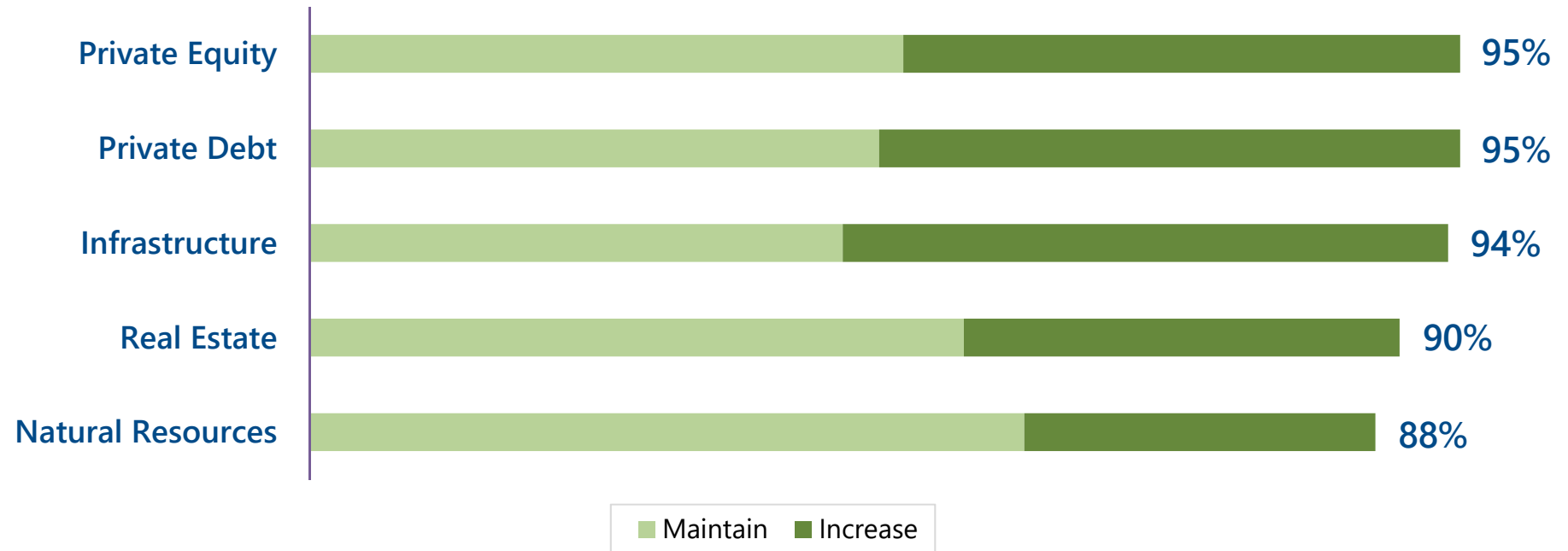
1) Cambridge Associates, Buyout & Growth Equity Index & Selected Benchmark Statistics; 3/31/2019. Buyout: Fund Index Summary: Horizon Pooled Return Compared to CA Modified Public Market Equivalent (mPME). Buyout Index Return represent net-returns to Limited Partners. CA Modified Public Market Equivalent (mPME) replicates private investment performance under public market conditions. The public index's shares are purchased & sold according to the private fund cash flow schedule, with distributions calculated in the same proportion as the private fund, & mPME NAV is a function of mPME cash flows & public index returns.

2) Real Estate: Cambridge Associates, Real Estate Index & Selected Benchmark Statistics; 3/31/2019. Fund Index returns are net of fees, expenses, & carried interest. Benchmark return represents the Cambridge Modified Public Market equivalent, which replicates private investment performance under public market conditions.

3) Preqin Quarterly Update: Private Debt Q1 2019. Represent Horizon Net IRRs (Annualized) as of 9/30/2018. Global HY Index Total Returns sourced from S&P Capital IQ; returns as of 9/30/2018. Please see "Important Information" for more information about the use of, & comparisons to, indexes. There is no assurance that this trend will continue.

Investment Outperformance Leading to Larger Allocations Which Help Achieve Targeted Investment Returns

Investors Expected to Increase or Maintain Allocations in the Longer-Term



Driving Investment Returns For...



Teachers



Students



Government Employees



First Responders



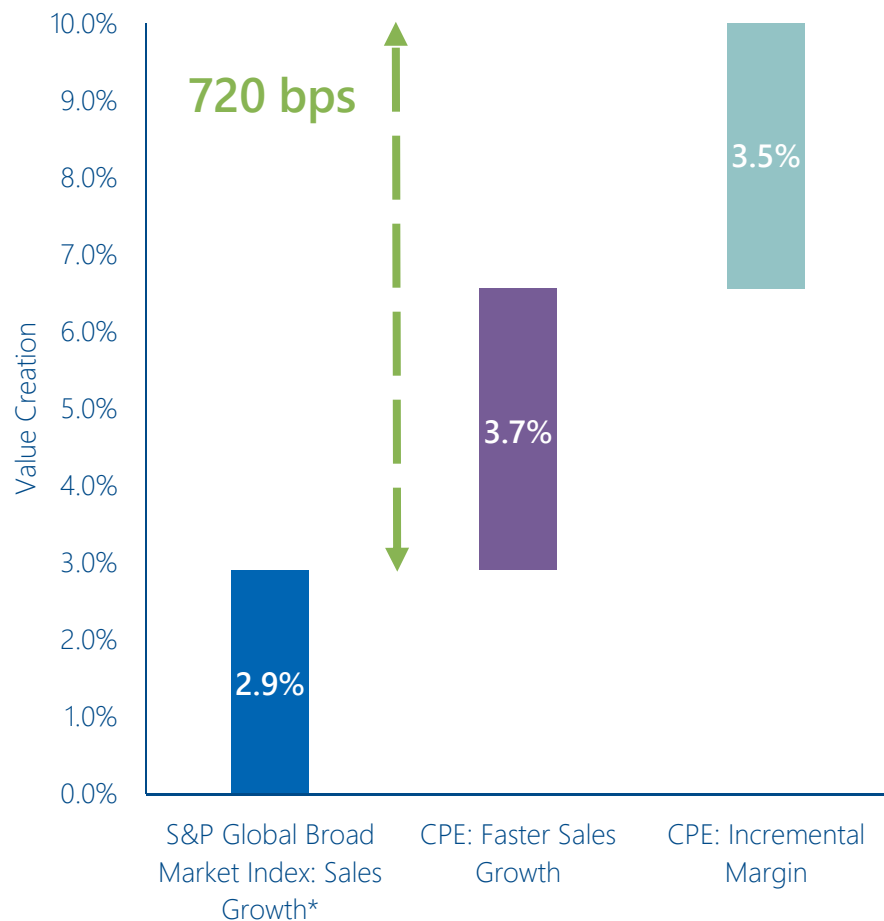
Retirees & Beneficiaries



Global Citizens

Private Equity Is An Engine for Growth

Carlyle's Private Equity Value Creation Relative to Publicly Traded Companies



Impact of Private Capital

- Support good companies to grow into great companies
- Enable businesses to grow by providing access to capital to expand
- CapEx to develop or refurbish hundreds of office building, medical centers, warehouses and multi-family apartment buildings
- Modernize public infrastructure
- Provide investors with access to some of the world's fastest growing companies

*CAGR from Q4 2015 to Q4 2018.

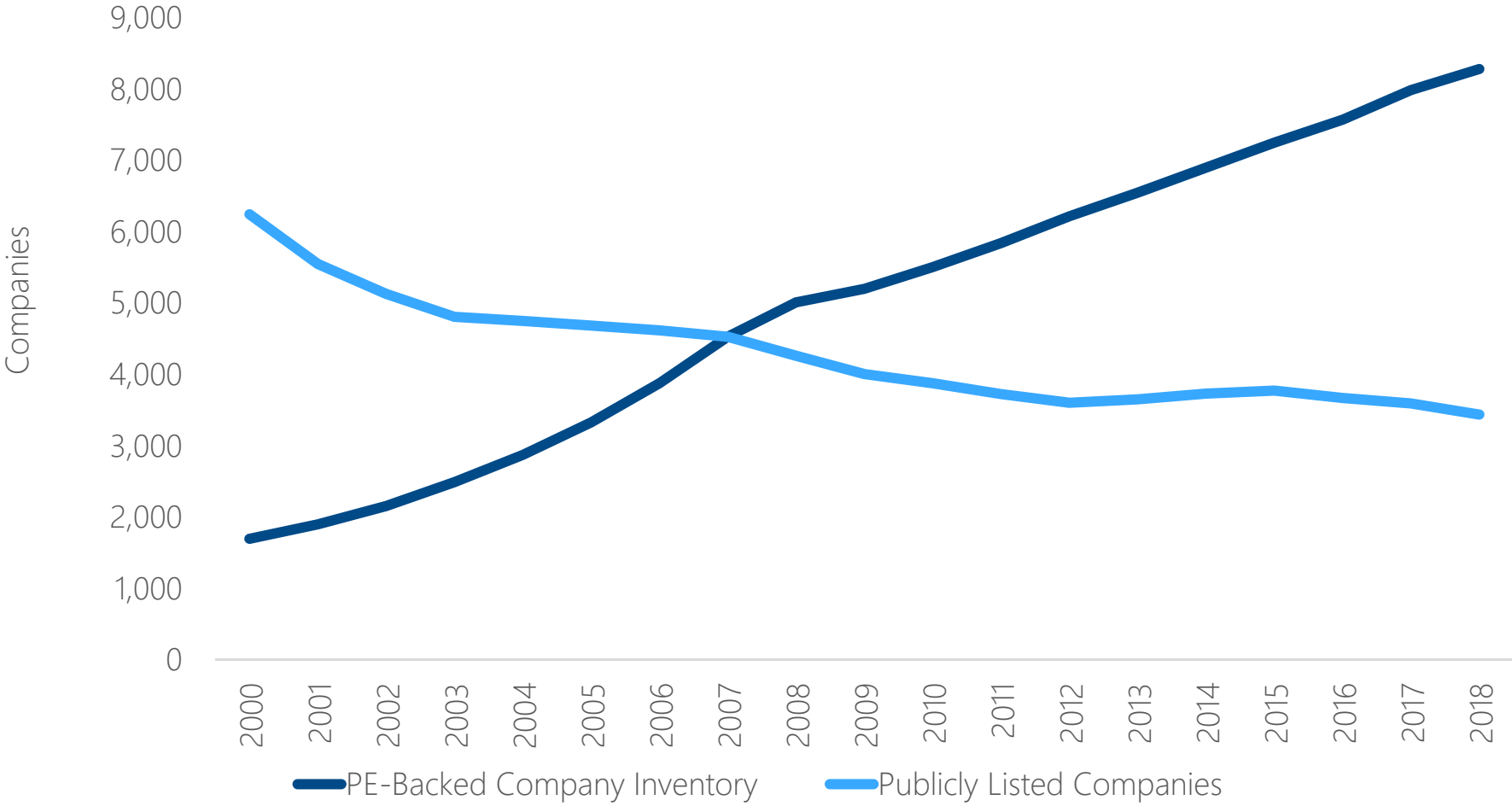
Carlyle data representative of all companies in the CPE portfolio from Q4 2015 to Q4 2018.

Source: Carlyle Analysis of Proprietary Portfolio Company Data, S&P Capital IQ, September 2019.

Please see "Important Information" for more information about the use of, & comparisons to, indexes. There is no assurance that this trend will continue

Growth in PE-Backed Companies Mirrors Fall in Public Listings

Companies increasingly looking to stay private longer and require private capital to grow

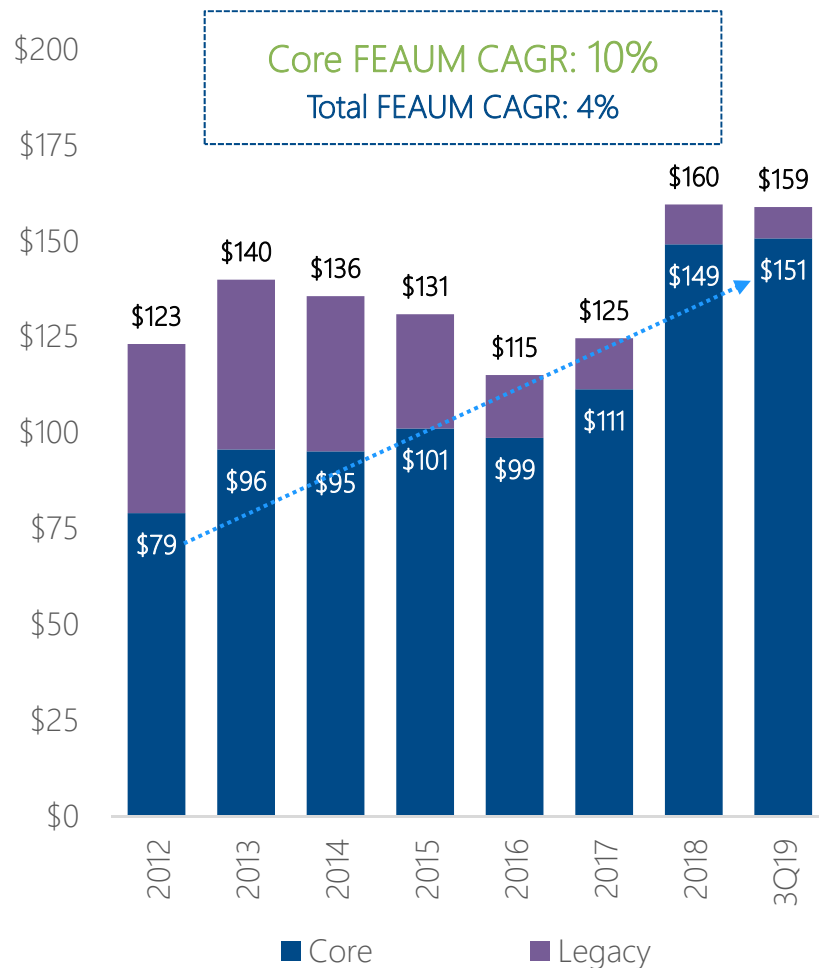


Source: PitchBook 3Q 2018 M&A Report; CRSP. There is no guarantee these trends will continue.

CARLYLE PLATFORM HAS STRONG
OPERATING MOMENTUM

Fee-earning AUM Has Accelerated With Significant Fundraising Success

FEE-EARNING AUM (\$BN)



- Fee-earning AUM of \$159 billion near record levels in CPE, Real Assets & Global Credit
- Recently surpassed multi-year \$100 billion fundraising target
- Strong Core Fee-earning AUM¹ CAGR of 10% since 2012
- 98% of Fee-earning AUM in locked up, long term fund structures not subject to quarterly redemption
- \$7.6 billion in Pending Fee-earning AUM will activate fees upon fund initiation or capital deployment²

Note: Data as of 9/30/2019. There is no guarantee these trends will continue.

1) Core excludes Legacy FEAUM which consists of Hedge Funds, Legacy Energy, and Legacy APG / PGGM FEAUM.

2) Pending Fee-earning AUM of \$7.6 billion as of 9/30/2019 includes approximately \$1.5 billion in fund commitments that will activate as new funds turn on fees. The remaining amount will generally become fee-earning as the commitments are invested.

Fee Related Earnings And Margins Moving Higher And We Expect The Trend To Continue

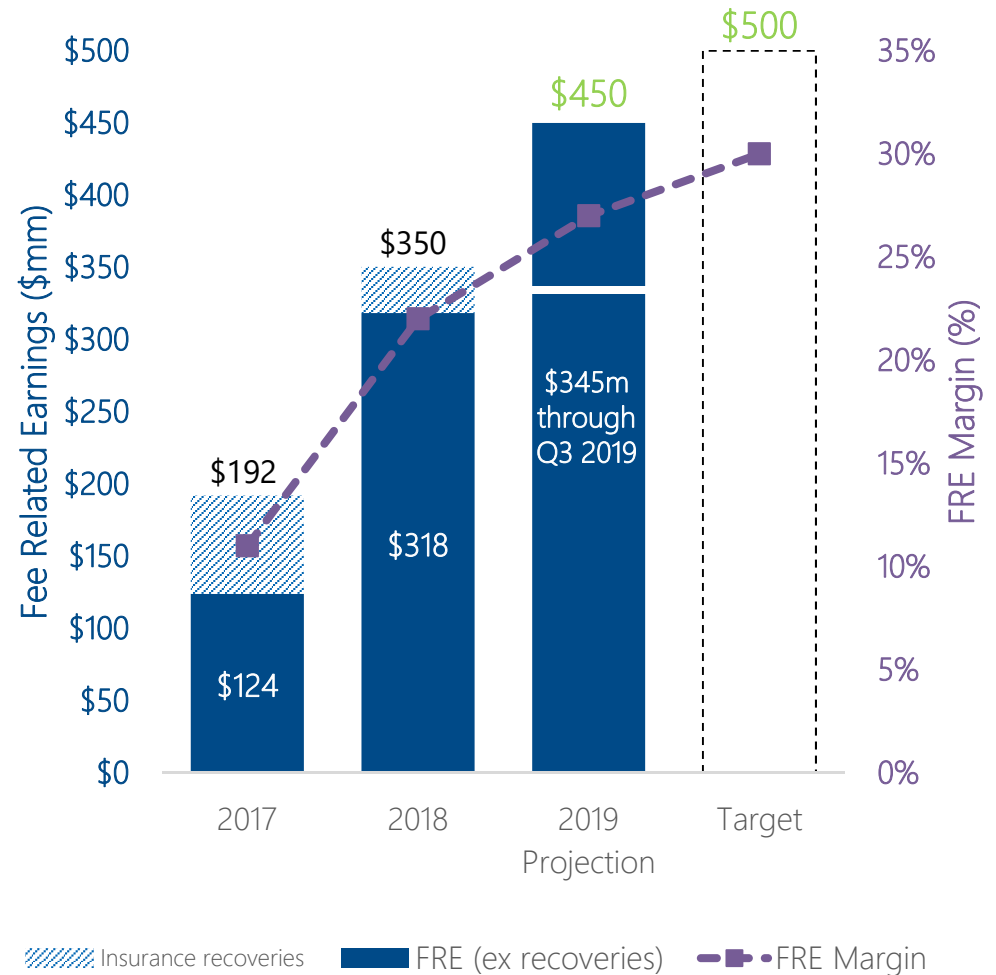
Fee Related Earnings growth accelerated over the last few years

FRE of \$345 million through Q3 2019 positions CG to generate approximately \$450 million for FY 2019 & we expect continued growth from here

FRE Margin was 28% through Q3 2019 benefiting from high incremental margin revenue, up substantially from the prior 2 years

We are targeting \$500 million in annual FRE over the next couple years and the expansion of pre-tax FRE margins to \geq 30% over the next several years

FRE & MARGIN TRENDS¹



Note: Data as of 9/30/2019. Reflects Management's views as of 12/2/2019. Please see "Important Information" slides for information about the use of and reliance on projections.

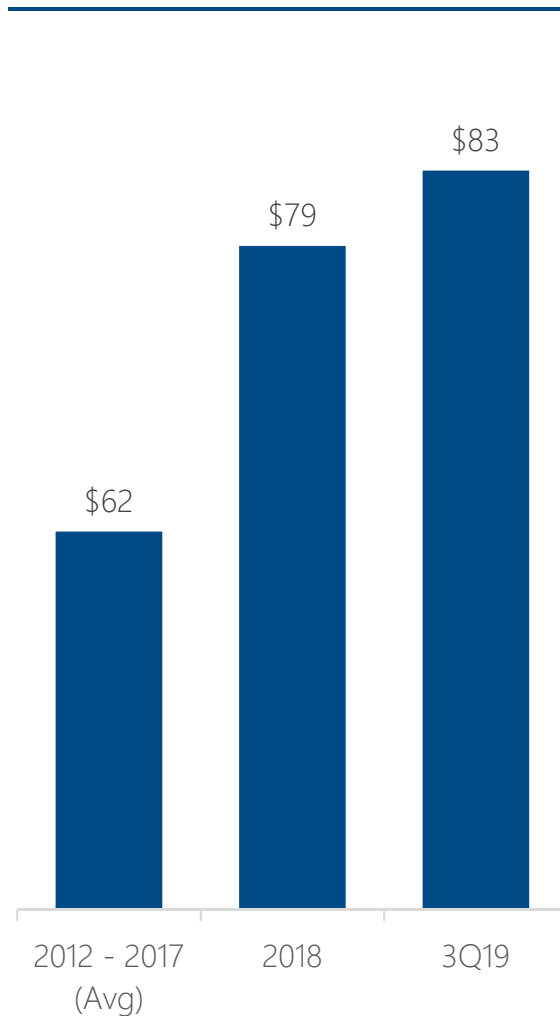
1) 2017 Fee Related Earnings were \$192 million, and \$124 million net of \$68 million in net insurance recoveries. 2018 Fee Related Earnings were \$350 million, and \$318 million net of \$32 million in insurance recoveries. FRE Margins are based on Fee Related Earnings excluding the impact of insurance recoveries.

Positioned to Grow Fee Related Earnings and Investment Platform

Growth Opportunity	Example / Data Point
Continue to scale current series of funds across all segments	Many recent new funds were 30-40%+ larger than predecessors
Launch scalable, new funds across geographies	Recent examples include Opportunistic Credit, Infrastructure, Renewables
Deploy capital in strategies where fees activate upon deployment	\$8 billion in pending Fee-Earning AUM as of Q3 2019
Continue to build out and further scale Global Credit	Credit related AUM has increased to \$48 billion from \$25 billion in 2015
Acquire new capabilities and fund teams through acquisition and inorganic strategies	Recent examples include Fortitude, Carlyle Aviation
Continue to be diligent on expense management and limit expense growth were possible	FRE margin has increased to 28% YTD from 16% (average 2013-2017)

Accelerating Remaining Fair Value and Net Accrued Performance Revenue Support Upcoming Recovery in Net Realized Performance Revenue

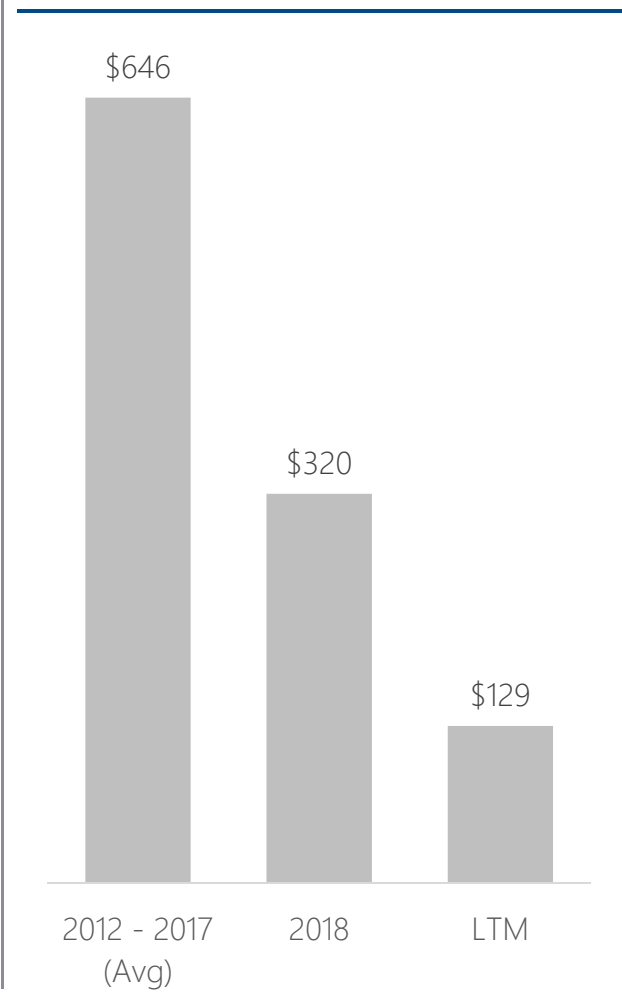
REMAINING FAIR VALUE OF CAPITAL
(\$BN, CPE/RA/GC CARRY FUNDS)



NET ACCRUED PERFORMANCE REVENUE
(\$BN)



NET REALIZED PERFORMANCE REVENUE
(\$ MM)



Note: Data as of 9/30/2019. There is no guarantee these trends will continue.

C-CORP CONVERSION WILL HELP
UNLOCK SHAREHOLDER VALUE

We Are Converting To A C-Corp From A Publicly Traded Partnership

- ❖ Carlyle will convert to a Corporation as of January 1, 2020
- ❖ Implementing a fixed \$1.00/share dividend for 2020 (current yield: ~3.5%)



SIMPLE
and
transparent
structure



**INDUSTRY
LEADING**
governance
rights



VALUABLE
recurring
fixed dividend



**FULLY
ALIGNED**
shareholder
economic rights



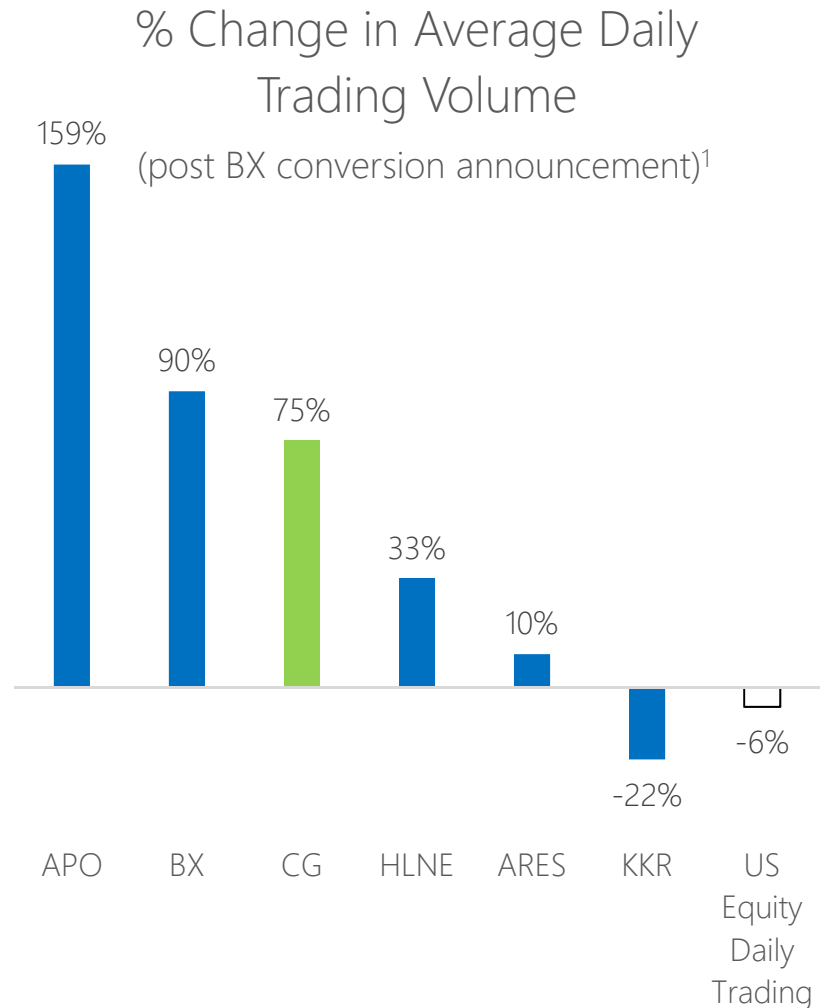
MAXIMIZES
index and
benchmark inclusion
opportunity with
improved trading
liquidity

Conversion to Full C-Corp (Effective January 2020) Will Help Unlock Shareholder Value and Trading Liquidity

Expect Significant Index Inclusion in 1H20

- CRSP Indices – 1Q 2020
- S&P TMI Indices – 1Q 2020
- MSCI Indices – 1Q or 2Q 2020
- Russell Indices – 2Q 2020
- S&P Indices – quarterly rebalance – CG best positioned for inclusion amongst peers, but no guarantee of inclusion

Alts Have Seen Significant Uptick in Volume

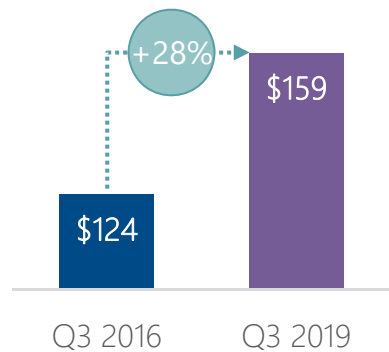


1. Measures average daily trading volume from April 18, 2019 compared to the YTD average until April 17, 2019. There is no guarantee these trends will continue. Note: There is no guarantee CG will be included in any index family. These views reflect management current expectations as of December 2, 2019 and may be subject to change at any time. Data as of November 22, 2019. Source: Factset, Nasdaq.

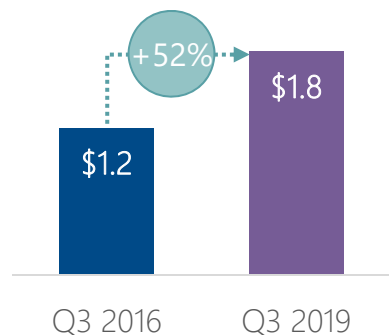
Carlyle Presents An Attractive Investment Opportunity

Platform Growth

FEE-EARNING AUM (\$BN)

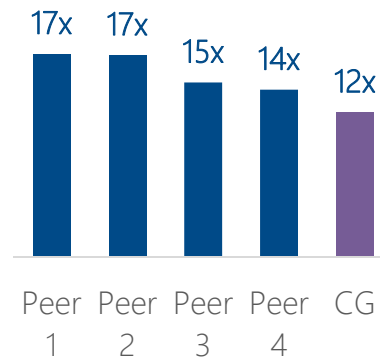


NET ACCRUED PERFORMANCE REVENUE (\$BN)

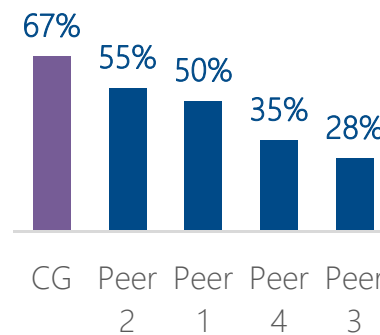


Value¹

PRICE TO 2020E



CONSENSUS EPS GROWTH (2019E – 2021E)



Technical Improvement

- Carlyle will convert to a Full C-Corp effective January 1, 2020
- Removal of K-1 reporting likely to improve relative attractiveness to investors
- CG inclusion into indices and benchmarks could drive significant active and passive buying demand

Note: Valuation data as of November 22, 2019. Source: Factset. Presented for illustrative purposes only. Please see "Important Information" slides for information about the use of and reliance on projections.
 1. Peers include Apollo, ARES, Blackstone, KKR. Consensus EPS growth is calculated as the total EPS growth from 2019E to 2021E.

We Are Performing Well And Positioned For Growth

- Carlyle is a global leader in the growing private capital industry
- We are committed to delivering strong results for all of our stakeholders (including fund investors, unitholders, employees and our communities)
- Continued margin expansion and growth initiatives driving further FRE growth
- Latest vintage of flagship investment funds generally tracking in line with predecessor funds, with \$1.8 billion of accrued performance revenues underpinning future net realized performance revenue growth
- Our full C-corp conversion expected to help unlock shareholder value

THE CARLYLE GROUP

APPENDIX

Key Metrics Summary

Quarterly Data								
	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
Total AUM(1) (\$ bn)	195.1	201.5	209.7	212.3	216.5	221.5	222.7	221.8
Corporate Private Equity	72.6	75.0	81.2	81.6	80.8	84.3	83.9	84.1
Real Assets	42.9	44.0	45.4	46.0	45.6	46.2	46.8	44.9
Global Credit	33.3	33.8	35.5	37.4	44.4	45.6	46.6	48.0
Investment Solutions	46.3	48.7	47.6	47.3	45.7	45.4	45.4	44.8
Fee-earning AUM(1) (\$ bn)	124.6	125.8	146.5	147.4	159.6	160.0	158.4	158.8
Corporate Private Equity	35.6	35.3	56.3	56.3	62.4	61.9	60.5	61.2
Real Assets	31.6	32.1	31.5	31.6	33.0	32.9	33.2	32.7
Global Credit	27.3	27.8	28.8	30.1	35.2	36.5	35.9	37.1
Investment Solutions	30.2	30.5	29.8	29.5	29.1	28.7	28.8	27.7
Fundraising(2)(3) (\$ bn)	24.7	7.7	12.3	6.0	7.1	6.9	3.5	5.7
Corporate Private Equity	19.1	3.9	8.8	1.8	2.4	3.6	0.5	1.9
Real Assets	3.2	1.3	0.7	1.1	2.6	0.6	1.6	0.6
Global Credit	1.7	0.8	2.0	2.0	1.4	1.5	1.0	2.8
Investment Solutions	0.7	1.7	0.7	1.2	0.6	1.2	0.4	0.4
Invested Capital(4) (\$ bn)	7.2	4.0	3.5	3.3	11.5	3.4	7.3	3.4
Corporate Private Equity	3.6	0.7	1.6	1.1	7.8	1.1	4.2	1.0
Real Assets	1.6	1.9	0.9	0.8	1.7	0.8	0.9	0.8
Global Credit	0.8	0.4	0.2	0.1	0.4	0.4	0.8	0.7
Investment Solutions	1.2	1.0	0.8	1.3	1.6	1.1	1.4	0.9
Realized Proceeds(4) (\$ bn)	8.0	5.6	7.0	6.4	4.9	4.7	4.4	5.7
Corporate Private Equity	3.4	2.7	2.9	1.5	1.7	0.9	1.6	1.1
Real Assets	1.3	1.1	1.4	1.7	0.9	1.6	0.6	1.7
Global Credit	0.3	0.2	0.3	0.1	0.2	0.4	0.3	1.0
Investment Solutions	2.9	1.7	2.4	3.1	2.2	1.8	1.9	1.9
Fund Appreciation(5)	5%	3%	5%	3%	(2%)	3%	2%	2%
Corporate Private Equity	8%	4%	3%	1%	(2%)	3%	1%	1%
Real Assets	4%	2%	7%	3%	(7%)	3%	0%	(0%)
Global Credit	1%	2%	3%	1%	(2%)	5%	1%	(2%)
Investment Solutions	3%	4%	8%	5%	2%	3%	4%	7%

Annual Data						
	2014	2015	2016	2017	2018	YTD 2019
Total AUM(1) (\$ bn)	194.5	182.6	157.6	195.1	216.5	221.8
Corporate Private Equity	64.7	63.1	50.9	72.6	80.8	84.1
Real Assets	42.3	38.0	34.3	42.9	45.6	44.9
Global Credit	36.7	35.3	29.4	33.3	44.4	48.0
Investment Solutions	50.8	46.2	43.1	46.3	45.7	44.8
Fee-earning AUM(1) (\$ bn)	135.6	131.0	115.0	124.6	159.6	158.8
Corporate Private Equity	40.2	40.9	36.3	35.6	62.4	61.2
Real Assets	28.4	30.9	27.5	31.6	33.0	32.7
Global Credit	33.9	31.0	24.1	27.3	35.2	37.1
Investment Solutions	33.1	28.2	27.1	30.2	29.1	27.7
Fundraising(2)(3) (\$ bn)	24.3	16.4	8.2	43.3	33.1	16.1
Corporate Private Equity	7.6	8.0	0.8	20.5	17.0	6.0
Real Assets	9.2	3.9	1.2	10.2	5.7	2.7
Global Credit	6.9	2.9	3.5	6.6	6.3	5.3
Investment Solutions	0.5	1.6	2.8	5.9	4.2	2.0
Invested Capital(4) (\$ bn)	14.8	14.0	17.9	22.0	22.4	14.2
Corporate Private Equity	6.8	5.3	7.9	11.1	11.3	6.3
Real Assets	2.5	3.1	5.1	4.4	5.2	2.6
Global Credit	0.6	0.6	0.7	2.1	1.2	1.9
Investment Solutions	5.0	5.0	4.3	4.4	4.7	3.5
Realized Proceeds(4) (\$ bn)	29.4	29.0	29.4	26.0	24.0	14.8
Corporate Private Equity	14.5	12.9	14.8	11.2	8.8	3.7
Real Assets	4.7	4.8	5.6	4.5	5.1	3.9
Global Credit	0.7	0.5	0.4	0.6	0.8	1.6
Investment Solutions	9.5	10.8	8.6	9.6	9.4	5.6
Fund Appreciation(5)	19%	12%	12%	20%	9%	7%
Corporate Private Equity	23%	13%	11%	32%	5%	5%
Real Assets	(2%)	(3%)	18%	19%	5%	3%
Global Credit	20%	(8%)	(11%)	11%	5%	2%
Investment Solutions	26%	23%	12%	10%	19%	14%

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. In early 2018, our Global Market Strategies business was renamed to Global Credit.

- 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 and separately managed accounts). Does not include hedge funds, mutual funds, structured credit funds, and NGP Predecessor 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) 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.

Summary Financial Results

Pre-tax Segment Measures (\$ millions)	Quarterly				Annual				
	4Q18	1Q19	2Q19	3Q19	2015	2016	2017	2018	YTD 2019
Segment Revenues									
Fund Management Fees	391	382	415	385	1,198	1,086	1,081	1,362	1,181
Portfolio Advisory Fees, net and Other	6	6	5	5	33	29	32	31	16
Transaction Fees, net	25	5	10	6	10	31	27	32	20
Total Segment Fee Revenues	422	392	429	396	1,240	1,146	1,140	1,425	1,217
Realized Performance Revenues	112	49	42	118	1,435	1,216	1,085	682	209
Realized Principal Investment Income (Loss)	5	4	74	7	(65)	45	(26)	48	85
Interest Income	7	6	6	7	5	10	17	30	18
Total Segment Revenues	545	451	551	528	2,615	2,417	2,216	2,186	1,529
Segment Expenses									
Cash-based Compensation and Benefits	193	202	207	194	650	601	658	741	604
Realized Performance Revenues Related Compensation	69	42	21	61	646	591	533	363	124
Total Compensation and Benefits	262	245	228	255	1,296	1,192	1,191	1,103	727
General, Administrative, and Other Indirect Expenses	44	76	80	81	313	484	259	299	237
Depreciation & Amortization Expense	10	10	10	12	26	29	31	35	32
Interest Expense	19	20	20	20	58	61	66	75	59
Total Segment Expenses	335	350	337	367	1,693	1,766	1,546	1,512	1,055
Distributable Earnings	\$ 211	\$ 101	\$ 213	\$ 161	\$ 923	\$ 652	\$ 670	\$ 674	\$ 475
(-) Realized Net Performance Revenues	43	7	21	58	789	625	553	320	86
(-) Realized Principal Investment Income (Loss)	5	4	74	7	(65)	45	(26)	48	85
(+) Net Interest	13	14	14	13	53	51	49	44	41
Fee Related Earnings	\$ 175	\$ 103	\$ 133	\$ 109	\$ 252	\$ 33	\$ 192	\$ 350	\$ 345
Per Unit Measures									
Distributable Earnings Per Common Unit (after-tax)	\$0.57	\$0.25	\$0.57	\$0.41	\$2.73	\$1.85	\$1.88	\$1.78	\$1.23
Distribution per Common Unit	\$0.43	\$0.19	\$0.43	\$0.31	\$2.07	\$1.55	\$1.41	\$1.34	\$0.93

Note: Data as of 9/30/2019.

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

Reconciliation of GAAP to Non-GAAP Financials

(\$ millions)	Quarterly					Annual				
	3Q18	4Q18	1Q19	2Q19	3Q19	2015	2016	2017	2018	YTD 2019
Income (loss) before provision for income taxes	\$ 61	\$ (79)	\$ 470	\$ 542	\$ 261	\$ 402	\$ 45	\$ 1,132	\$ 360	\$ 1,274
Adjustments:										
Net unrealized performance revenues	55	253	(156)	(82)	126	397	232	(625)	50	(112)
Unrealized principal investment income ⁽¹⁾	(7)	(23)	(239)	(235)	(199)	(42)	(5)	(73)	(49)	(672)
Adjusted unrealized principal investment income from investment in Fortitude Re	-	(12)	(27)	(40)	(68)	-	-	-	(12)	(135)
Equity-based compensation ⁽²⁾	52	44	39	38	39	381	343	365	252	117
Acquisition related charges, including amortization of intangibles and impairment	2	6	12	15	11	289	94	36	22	39
Other non-operating expense (income)	0	0	0	0	0	(7)	(11)	(71)	1	1
Tax (expense) benefit associated with performance revenues	(13)	10	(6)	4	(11)	(15)	(15)	(9)	(2)	(13)
Net (income) loss attributable to non-controlling interests in Consolidated entities	(15)	8	5	(40)	(11)	(538)	(41)	(73)	(34)	(46)
Reserve for litigation and contingencies	-	-	-	-	-	50	-	(25)	-	-
Lease assignment and termination costs	64	-	-	-	-	-	-	-	67	-
Debt extinguishment costs	8	-	0	-	-	-	-	-	8	0
Corporate conversion costs, severance and other adjustments	3	4	2	11	11	6	10	13	9	23
Distributable Earnings	\$ 210	\$ 211	\$ 101	\$ 213	\$ 161	\$ 923	\$ 652	\$ 670	\$ 674	\$ 475
(-) Realized Net Performance Revenues	124	43	7	21	58	789	625	553	320	86
(-) Realized Principal Investment Income (Loss)	7	5	4	74	7	(65)	45	(26)	48	85
(+) Net Interest	10	13	14	14	13	53	51	49	44	41
Fee Related Earnings	\$ 89	\$ 175	\$ 103	\$ 133	\$ 109	\$ 252	\$ 33	\$ 192	\$ 350	\$ 345

Note: Data as of 9/30/2019.

- 1) The three months ended September 30, 2019, June 30, 2019, March 31, 2019 and December 31, 2018 include \$214 million, \$231 million, \$229 million and \$46 million, respectively, in gains from changes in the fair value of embedded derivatives at Fortitude Re as a result of accounting principles related to derivatives and hedging.
- 2) Equity-based compensation for the three months ended September 30, 2019 includes \$3.4 million which is included in principal investment income and general, administrative and other expenses in our U.S. GAAP statement of operations, as well as \$0.1 million related to units issued in conjunction with a previous acquisition.