UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A
Amendment No. 2

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM __________ TO __________

Commission File Number: 001-35538

The Carlyle Group Inc.

(Exact name of registrant as specified in its charter)

Delaware	45-2832612
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1001 Pennsylvania Avenue, NW
Washington, DC, 20004-2505
(Address of principal executive offices) (Zip Code)

(202) 729-5626
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	CG	The Nasdaq Global Select Market
4.625% Subordinated Notes due 2061 of Carlyle Finance L.L.C.	CGABL	The Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common stock of the Registrant held by non-affiliates as of June 30, 2022 was $8,088,355,343.

The number of the Registrant's shares of common stock outstanding as of February 8, 2023 was 364,219,014.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement relating to its 2023 annual meeting of the shareholders (the "2023 Proxy Statement") are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The 2023 Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

EXPLANATORY NOTE

The Carlyle Group Inc., a Delaware corporation, together with its subsidiaries, where applicable, the "Company," which may also be referred to as "we," "us" or "our," filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2022 on February 9, 2023 (the "Original Form 10-K"), which was amended by Amendment No. 1 to the Original Form 10-K filed on March 22, 2023 ("Amendment No. 1" and, together with the Original Form 10-K, the "Form 10-K"). The Company is filing this Amendment No. 2 on Form 10-K/A ("Amendment No. 2") solely to amend Part II, Item 8, "Report of Independent Registered Public Accounting Firm" of the Form 10-K to correct a typographical error in the Edgarized version of Ernst & Young LLP's ("EY") financial statement audit opinion. The Edgarized version of the audit opinion inadvertently omitted the following statement in the description of how EY addressed the Critical Accounting Matter related to the measurement of principal equity method investments, including accrued performance allocations: "For some of the selected fund investments, we independently developed fair value estimates, with the support of valuation specialists, using investee and market information and compared them to the funds' fair value estimates."

Pursuant to Rule 12b-15 promulgated under the Securities Exchange Act, as amended (the "Exchange Act"), we have included the entire text of Item 8 of the Form 10-K in this Amendment No. 2. However, there have been no changes made to the text of such item other than the changes stated in the immediately preceding paragraph. As required by Rule 12b-15 under the Exchange Act, new certifications by our principal executive officer and principal financial officer are being filed as Exhibits 31.5, 31.6, 32.5 and 32.6 to this Amendment No. 2. A new consent of EY also is being filed as Exhibit 23.3.

Except as otherwise expressly noted, this Amendment No. 2 does not modify or update in any way (i) the consolidated financial position, the results of operations or cash flows of the Company, or (ii) the disclosures in or exhibits to the Form 10-K; nor does it reflect events occurring after the filing of the Form 10-K. Among other things, forward-looking statements made in the Form 10-K have not been revised to reflect events that occurred or facts that became known to us after the filing of the Form 10-K, and such forward-looking statements should be read in their historical context. Furthermore, this Amendment No. 2 should be read in conjunction with the Form 10-K and any subsequent filings with the U.S. Securities and Exchange Commission.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of The Carlyle Group Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of The Carlyle Group Inc. (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 9, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Measurement of principal equity method investments, including accrued performance allocations

Description of the matter	At December 31, 2022, the carrying value of the Company's investments totaled approximately $10.8 billion and included principal equity method investments in sponsored unconsolidated funds (collectively, the "funds" or each, a "fund") of approximately $3.7 billion and accrued performance allocations of approximately $7.1 billion. As discussed in Notes 3 and 6 to the consolidated financial statements, a significant input to the measurement of the Company's principal equity method investments in the funds, including accrued performance allocations, is management's estimate of the fair value of the investments held by each fund. Management estimates the fair value of the funds' investments, including investments in the equity of private operating companies, real estate properties and certain debt positions, by applying the methodologies outlined in Notes 3 and 6 and using significant unobservable inputs and assumptions. Auditing management's estimates of the fair value of the funds' investments, valued using significant unobservable inputs and assumptions, was complex and highly judgmental because these investments exhibit higher estimation uncertainty.
How we addressed the matter in our audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the funds' investment valuation process. This included management's review controls over the assessment of the methodologies, significant inputs and assumptions included in the fair value estimates, as well as management's review around the completeness, accuracy and reasonableness of the data used in these estimates. Our audit procedures related to valuations using significant unobservable inputs included, among others, assessing whether the valuation methodologies used were appropriate and testing the mathematical accuracy of the valuation models. For a sample of investments, we obtained management's valuation models and compared objective inputs used in the models to agreements or underlying source documents provided by the Company. We also assessed the appropriateness of the unobservable inputs and assumptions used in the fair value estimates by comparing them to underlying support or available market data and evaluating the appropriateness of any significant adjustments. Our procedures varied based on the nature of the fund investment selected for testing. For example, for certain investments in the equity of private operating companies, we assessed the appropriateness of management's determination of public market comparable companies and similar transactions. For these selected investments, we also evaluated significant adjustments applied to the selected earnings before interest, taxes, depreciation and amortization (EBITDA) multiple or discount rate derived from the comparable companies by considering investee specific and relevant market information. For some of the selected fund investments, we independently developed fair value estimates, with the support of valuation specialists, using investee and market information and compared them to the funds' fair value estimates. For a sample of investments that were sold during the year, we performed procedures to assess the historical reasonableness of management's estimates. We also reviewed management's assessment of subsequent events and transactions and considered whether they corroborated or contradicted the year-end estimates.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.
Tysons, VA

February 9, 2023

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of The Carlyle Group Inc.

Opinion on Internal Control over Financial Reporting

We have audited The Carlyle Group Inc.'s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, The Carlyle Group Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and our report dated February 9, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Tysons, VA
February 9, 2023

Consolidated Balance Sheets
(Dollars in millions)

	December 31, 2022	December 31, 2021
Assets		
Cash and cash equivalents	$ **1,360.7**	$ 2,469.5
Cash and cash equivalents held at Consolidated Funds	**209.0**	147.8
Restricted cash	**0.8**	5.6
Corporate treasury investments	**20.0**	—
Investments, including accrued performance allocations of $7,117.7 and $8,133.0 as of December 31, 2022 and 2021, respectively	**10,767.9**	10,832.0
Investments of Consolidated Funds	**6,894.4**	6,661.0
Due from affiliates and other receivables, net	**579.4**	379.6
Due from affiliates and other receivables of Consolidated Funds, net	**101.9**	138.8
Fixed assets, net	**139.9**	143.9
Lease right-of-use assets, net	**337.0**	361.1
Deposits and other	**78.4**	61.7
Intangible assets, net	**897.8**	34.9
Deferred tax assets	**15.8**	14.5
Total assets	$ **21,403.0**	$ 21,250.4
Liabilities and equity		
Debt obligations	$ **2,271.7**	$ 2,071.6
Loans payable of Consolidated Funds	**5,905.2**	5,890.0
Accounts payable, accrued expenses and other liabilities	**369.2**	379.7
Accrued compensation and benefits	**4,320.9**	4,955.0
Due to affiliates	**362.5**	388.1
Deferred revenue	**126.4**	120.8
Deferred tax liabilities	**402.7**	487.1
Other liabilities of Consolidated Funds	**279.3**	683.9
Lease liabilities	**502.9**	537.8
Accrued giveback obligations	**40.9**	30.2
Total liabilities	**14,581.7**	15,544.2
Commitments and contingencies		
Common stock, $0.01 par value, 100,000,000,000 shares authorized (362,298,650 and 355,367,876 shares issued and outstanding as of December 31, 2022 and December 31, 2021, respectively)	**3.6**	3.6
Additional paid-in capital	**3,138.5**	2,717.6
Retained earnings	**3,401.1**	2,805.3
Accumulated other comprehensive loss	**(322.2)**	(247.5)
Non-controlling interests in consolidated entities	**600.3**	427.2
Total equity	**6,821.3**	5,706.2
Total liabilities and equity	$ **21,403.0**	$ 21,250.4

See accompanying notes.

Consolidated Statements of Operations
(Dollars in millions, except share and per share data)

	Year Ended December 31,		
	2022	**2021**	**2020**
Revenues			
Fund management fees	**$ 2,030.1**	$ 1,667.5	$ 1,486.0
Incentive fees	**63.7**	48.8	37.0
Investment income			
Performance allocations	**1,327.5**	6,084.6	1,635.9
Principal investment income (loss)	**570.5**	637.3	(540.7)
Total investment income	**1,898.0**	6,721.9	1,095.2
Interest and other income	**135.9**	90.7	89.6
Interest and other income of Consolidated Funds	**311.0**	253.2	226.8
Total revenues	**4,438.7**	8,782.1	2,934.6
Expenses			
Compensation and benefits			
Cash-based compensation and benefits	**1,052.0**	908.0	849.6
Equity-based compensation	**154.0**	163.1	105.0
Performance allocations and incentive fee related compensation	**719.9**	2,961.0	779.1
Total compensation and benefits	**1,925.9**	4,032.1	1,733.7
General, administrative and other expenses	**575.8**	431.7	349.3
Interest	**110.4**	113.3	94.0
Interest and other expenses of Consolidated Funds	**211.6**	178.5	163.5
Other non-operating expenses (income)	**1.0**	1.5	(7.2)
Total expenses	**2,824.7**	4,757.1	2,333.3
Other income (loss)			
Net investment gains (losses) of Consolidated Funds	**(41.5)**	2.5	(21.3)
Income before provision for income taxes	**1,572.5**	4,027.5	580.0
Provision for income taxes	**287.8**	982.3	197.2
Net income	**1,284.7**	3,045.2	382.8
Net income attributable to non-controlling interests in consolidated entities	**59.7**	70.5	34.6
Net income attributable to The Carlyle Group Inc. Common Stockholders	**$ 1,225.0**	$ 2,974.7	$ 348.2
Net income attributable to The Carlyle Group Inc. per common share (see Note 14)			
Basic	**$ 3.39**	$ 8.37	$ 0.99
Diluted	**$ 3.35**	$ 8.20	$ 0.97
Weighted-average common shares			
Basic	**361,278,064**	355,241,653	350,464,315
Diluted	**365,707,722**	362,574,564	358,393,802

Substantially all revenue is earned from affiliates of the Company. See accompanying notes.

Consolidated Statements of Comprehensive Income
(Dollars in millions)

	Year Ended December 31,		
	2022	**2021**	**2020**
Net income	**$ 1,284.7**	$ 3,045.2	$ 382.8
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments, net of income tax (benefit) expense of $(16.0), $1.2 and $(33.5) for the years ended December 31, 2022, 2021 and 2020, respectively	**(107.8)**	(56.3)	49.6
Unrealized losses on Fortitude available-for-sale securities, net of income tax benefit of $(5.3) for the year ended December 31, 2020	**—**	—	(20.0)
Defined benefit plans, net			
Unrealized net income (loss) for the period, net of income tax (benefit) expense of $4.6, $2.9 and $(2.3) for the years ended December 31, 2022, 2021 and 2020, respectively	**14.5**	9.5	(9.0)
Less: reclassification adjustment for unrecognized gain during the period included in base compensation expense, net of income tax (benefit) expense of $0.3, $0.7 and $0.6 for the years ended December 31, 2022, 2021 and 2020, respectively	**1.0**	2.1	1.8
Other comprehensive income (loss)	**(92.3)**	(44.7)	22.4
Comprehensive income	**1,192.4**	3,000.5	405.2
Comprehensive income attributable to non-controlling interests in consolidated entities	**42.1**	64.6	37.6
Comprehensive income attributable to The Carlyle Group Inc.	**$ 1,150.3**	$ 2,935.9	$ 367.6

See accompanying notes.

Consolidated Statements of Changes in Equity
(Dollars and shares in millions)

	Common Units	Common Shares	Partners' Capital	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests in Consolidated Entities	Non-controlling Interests in Carlyle Holdings	Total Equity
Balance at December 31, 2019	117.8	—	$ 703.8	$ —	$ —	$ —	$ (85.2)	$ 333.5	$ 2,017.5	$ 2,969.6
Reclassification resulting from Conversion - Partners' Capital	(117.8)	117.8	(703.8)	1.2	702.6	—	—	—	—	—
Reclassification resulting from Conversion - Non-controlling Interest in Carlyle Holdings	—	229.4	—	2.3	2,180.9	—	(165.7)	—	(2,017.5)	—
Shares repurchased	—	(1.1)	—	—	(26.4)	—	—	—	—	(26.4)
Tax effects resulting from Conversion	—	—	—	—	(62.9)	—	22.8	—	—	(40.1)
Equity-based compensation	—	—	—	—	113.4	—	—	—	—	113.4
Shares issued for equity-based awards	—	7.4	—	—	—	—	—	—	—	—
Contributions	—	—	—	—	—	—	—	210.0		210.0
Distributions	—	—	—	—	(351.3)	—	—	(77.8)	—	(429.1)
Net income	—	—	—	—	—	348.2	—	34.6	—	382.8
Deconsolidation of Consolidated Entities	—	—	—	—	(10.1)	—	—	(262.3)	—	(272.4)
Currency translation adjustments	—	—	—	—	—	—	46.6	3.0	—	49.6
Unrealized loss on Fortitude available-for-sale securities	—	—	—	—	—	—	(20.0)	—	—	(20.0)
Defined benefit plans, net	—	—	—	—	—	—	(7.2)	—	—	(7.2)
Balance at December 31, 2020	**—**	**353.5**	**$ —**	**$ 3.5**	**$ 2,546.2**	**$ 348.2**	**$ (208.7)**	**$ 241.0**	**$ —**	**$ 2,930.2**

Consolidated Statements of Changes in Equity
(Dollars and shares in millions)

	Common Shares	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests in Consolidated Entities	Total Equity
Balance at December 31, 2020	353.5	$ 3.5	$ 2,546.2	$ 348.2	$ (208.7)	$ 241.0	$ 2,930.2
Shares repurchased	(3.2)	—	—	(161.8)	—	—	(161.8)
Equity-based compensation	—	0.1	166.6	—	—	—	166.7
Shares issued for equity-based awards	5.0	—	—	—	—	—	—
Shares issued for performance allocations	0.1	—	4.8	—	—	—	4.8
Contributions	—	—	—	—	—	216.2	216.2
Distributions	—	—	—	(355.8)	—	(94.6)	(450.4)
Net income	—	—	—	2,974.7	—	70.5	3,045.2
Currency translation adjustments	—	—	—	—	(50.4)	(5.9)	(56.3)
Defined benefit plans, net	—	—	—	—	11.6	—	11.6
Balance at December 31, 2021	355.4	$ 3.6	$ 2,717.6	$ 2,805.3	$ (247.5)	$ 427.2	$ 5,706.2
Shares repurchased	(5.0)	$ —	$ —	$ (185.6)	$ —	$ —	$ (185.6)
Equity-based compensation	—	—	162.5	—	—	—	162.5
Shares issued for equity-based awards	6.2	—	—	—	—	—	—
Shares issued for performance allocations	0.9	—	38.9	—	—	—	38.9
Shares issued related to the acquisition of CBAM	4.2	—	194.5	—	—	—	194.5
Shares issued related to the acquisition of Abingworth	0.6	—	25.0	—	—	—	25.0
Contributions	—	—	—	—	—	391.2	391.2
Distributions	—	—	—	(443.6)	—	(216.8)	(660.4)
Net income	—	—	—	1,225.0	—	59.7	1,284.7
Deconsolidation of a Consolidated Entity	—	—	—	—	—	(47.6)	(47.6)
Non-controlling interests related to the acquisition of Abingworth	—	—	—	—	—	4.2	4.2
Currency translation adjustments	—	—	—	—	(90.2)	(17.6)	(107.8)
Defined benefit plans, net	—	—	—	—	15.5	—	15.5
Balance at December 31, 2022	362.3	$ 3.6	$ 3,138.5	$ 3,401.1	$ (322.2)	$ 600.3	$ 6,821.3

See accompanying notes.

The Carlyle Group Inc.
Consolidated Statements of Cash Flows
(Dollars in millions)

	Year Ended December 31,		
	2022	2021	2020
Cash flows from operating activities			
Net income	$ 1,284.7	$ 3,045.2	$ 382.8
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation and amortization	147.4	52.0	52.1
Right-of-use asset impairment, net of broker fees	—	24.8	—
Equity-based compensation	154.0	163.1	105.0
Non-cash performance allocations and incentive fees, net	393.6	(1,670.7)	(631.8)
Non-cash principal investment (income) loss	(553.4)	(618.5)	534.4
Other non-cash amounts	(10.3)	29.1	(2.9)
Consolidated Funds related:			
Realized/unrealized (gain) loss on investments of Consolidated Funds	408.1	(76.6)	29.1
Realized/unrealized (gain) loss from loans payable of Consolidated Funds	(366.6)	74.1	(7.8)
Purchases of investments by Consolidated Funds	(3,826.2)	(5,407.0)	(3,140.0)
Proceeds from sale and settlements of investments by Consolidated Funds	2,860.4	4,888.7	2,013.8
Non-cash interest income, net	(12.1)	(11.8)	(8.1)
Change in cash and cash equivalents held at Consolidated Funds	(61.0)	30.3	13.9
Change in other receivables held at Consolidated Funds	19.3	(45.7)	(5.4)
Change in other liabilities held at Consolidated Funds	(336.8)	115.6	220.9
Other non-cash amounts of Consolidated Funds	0.1	—	0.5
Purchases of investments	(629.9)	(276.7)	(271.3)
Purchase of investment in Fortitude Re	—	—	(79.6)
Proceeds from the sale of investments	474.9	668.4	307.5
Payments of contingent consideration	(5.7)	(48.0)	—
Changes in deferred taxes, net	(73.2)	508.4	134.5
Change in due from affiliates and other receivables	(82.5)	(25.7)	1.9
Change in deposits and other	(11.8)	(12.5)	(2.0)
Change in accounts payable, accrued expenses and other liabilities	(14.3)	105.7	(4.0)
Change in accrued compensation and benefits	(135.4)	239.0	210.1
Change in due to affiliates	1.7	0.2	(29.2)
Change in lease right-of-use assets and lease liabilities	(8.8)	4.5	(9.8)
Change in deferred revenue	4.5	35.1	16.2
Net cash (used in) provided by operating activities	(379.3)	1,791.0	(169.2)
Cash flows from investing activities			
Purchases of corporate treasury investments	(69.6)	—	—
Proceeds from corporate treasury investments	50.0	—	—
Purchases of fixed assets, net	(40.6)	(41.4)	(61.2)
Purchase of Abingworth, net of cash acquired	(150.2)	—	—
Purchase of CBAM intangibles and investments	(618.4)	—	—
Proceeds from sale of MRE, net of cash sold	—	5.9	—
Proceeds from sale of Brazil management entity, net of cash sold	—	3.3	—
Net cash used in investing activities	(828.8)	(32.2)	(61.2)
Cash flows from financing activities			
Borrowings under credit facilities	—	70.0	294.1
Repayments under credit facilities	—	(70.0)	(329.9)
Issuance of 4.625% subordinated notes due 2061, net of financing costs	—	484.1	—
Repurchase of 3.875% senior notes due 2023	—	(259.9)	—
Proceeds from CLO borrowings, net of financing costs	73.2	111.7	20.5
Payments on CLO borrowings	(16.7)	(232.5)	(3.8)
Net borrowings on loans payable of Consolidated Funds	624.2	182.9	704.1
Payments of contingent consideration	—	(0.1)	(0.3)
Dividends to common stockholders	(443.6)	(355.8)	(351.3)
Payment of deferred consideration for Carlyle Holdings units	(68.8)	(68.8)	(68.8)
Contributions from non-controlling interest holders	391.2	216.2	210.0
Distributions to non-controlling interest holders	(216.8)	(94.6)	(77.8)
Common shares issued for performance allocations	38.9	4.8	—
Common shares repurchased	(185.6)	(161.8)	(26.4)
Change in due to/from affiliates financing activities	(81.2)	(68.7)	0.7
Change in due to/from affiliates and other receivables of Consolidated Funds	—	—	(0.8)
Net cash provided by (used in) financing activities	114.8	(242.5)	370.3
Effect of foreign exchange rate changes	(20.3)	(30.8)	21.7
(Decrease) increase in cash, cash equivalents and restricted cash	(1,113.6)	1,485.5	161.6
Cash, cash equivalents and restricted cash, beginning of period	2,475.1	989.6	828.0
Cash, cash equivalents and restricted cash, end of period	$ 1,361.5	$ 2,475.1	$ 989.6
Supplemental cash disclosures			
Cash paid for interest	$ 91.5	$ 92.7	$ 80.1
Cash paid for income taxes	$ 402.1	$ 402.6	$ 35.4
Supplemental non-cash disclosures			
Issuance of common shares related to the acquisition of CBAM and Abingworth	$ 219.5	$ —	$ —
Tax effects from the conversion to a Corporation recorded in equity	$ —	$ —	$ 40.1
Net asset impact of deconsolidation of Consolidated Funds	$ (47.7)	$ (34.4)	$ (253.6)
Reconciliation of cash, cash equivalents and restricted cash, end of period:			
Cash and cash equivalents	$ 1,360.7	$ 2,469.5	$ 987.6
Restricted cash	0.8	5.6	2.0
Total cash, cash equivalents and restricted cash, end of period	$ 1,361.5	$ 2,475.1	$ 989.6
Cash and cash equivalents held at Consolidated Funds	$ 209.0	$ 147.8	$ 148.6

See accompanying notes.

1. Organization and Basis of Presentation

Carlyle is one of the world's largest global investment firms that deploys private capital across its business through three reportable segments: Global Private Equity, Global Credit and Global Investment Solutions (see Note 17). In the Global Private Equity segment, Carlyle advises buyout, growth, real estate, infrastructure and natural resources funds. The primary areas of focus for the Global Credit segment are liquid credit, illiquid credit, real assets credit, and other credit such as insurance solutions, loan syndication and capital markets. The Global Investment Solutions segment provides investment opportunities and resources for investors and clients through secondary purchases and financing of existing portfolios, managed co-investment programs and primary fund investments. Carlyle typically serves as the general partner, investment manager or collateral manager, making day-to-day investment decisions concerning the assets of these products.

Basis of Presentation

The accompanying financial statements include the accounts of the Company and its consolidated subsidiaries. In addition, certain Carlyle-affiliated funds, related co-investment entities and certain CLOs managed by the Company (collectively the "Consolidated Funds") have been consolidated in the accompanying financial statements pursuant to accounting principles generally accepted in the United States ("U.S. GAAP"), as described in Note 3. The consolidation of the Consolidated Funds generally has a gross-up effect on assets, liabilities and cash flows, and generally has no effect on the net income attributable to the Company. The economic ownership interests of the other investors in the Consolidated Funds are reflected as non-controlling interests in consolidated entities in the accompanying consolidated financial statements (see Note 3).

2. Recent Transactions

During the year ended December 31, 2022, the Company completed several transactions as outlined below.

Acquisition of Abingworth LLP (See Note 4)

On August 1, 2022, the Company acquired Abingworth LLP ("Abingworth"), a life sciences investment firm for a base purchase price of $186.2 million, of which $25.0 million was settled in newly-issued shares of the Company's common stock. Consideration for Abingworth also includes up to $130 million in future incentive payments on the achievement of certain performance targets. The acquisition includes the rights to 15% of performance allocations generated by Abingworth's two most recent active investment funds, Abingworth Bioventures 8 LP and Abingworth Clinical Co-Development Fund 2 LP.

Fortitude Capital Raise and Strategic Advisory Services Agreement (See Note 6)

In March 2022, the Company raised $2.0 billion in third-party equity capital from certain investors in Carlyle FRL and T&D and committed $100 million from the Company to Carlyle FRL for additional equity capital in Fortitude. In May 2022, Fortitude called $1.1 billion of the capital raise, with the remaining capital expected to be called in 2023. In connection with the capital raise and subsequent funding, the Company's indirect ownership of Fortitude decreased from 19.9% to 13.5% and is expected to further decrease to 10.5% upon funding the remainder of the capital raise.

On April 1, 2022, the Company entered into a new strategic advisory services agreement with certain subsidiaries of Fortitude through a newly-formed investment advisor, Carlyle Insurance Solutions Management L.L.C. ("CISM"). Under the agreement, CISM provides Fortitude with certain services, including business development and growth, transaction origination and execution, and capital management services in exchange for a recurring management fee based on Fortitude's general account assets, which adjusts within an agreed range based on Fortitude's overall profitability.

Acquisition of CLO Management Contracts from CBAM Partners LLC (See Note 4)

On March 21, 2022, the Company acquired the management contracts related to a portfolio of assets primarily comprised of U.S. and European CLOs as well as other assets across private credit from CBAM Partners LLC ("CBAM") for a purchase price of $812.9 million, of which $194.5 million was settled in newly-issued shares of the Company's common stock. In connection with the acquisition of the CLO management contracts, the Company acquired CLO senior and subordinated notes of $175.9 million, a portion of which is financed through term loans and other financing arrangements.

Acquisition of iStar Triple Net Lease Portfolio (See Note 6)

In March 2022, Carlyle Net Leasing Income, L.P., a Carlyle-affiliated investment fund, acquired a diversified portfolio of triple net leases for an enterprise value of $3 billion, which was funded using $2 billion in debt and $1 billion in equity. The investment fund is not consolidated by the Company and the debt is non-recourse to the Company. Carlyle, as general partner of the investment fund, contributed $200 million as a minority interest balance sheet investment, which is included in the Company's Global Credit principal equity method investments.

3. Summary of Significant Accounting Policies

Principles of Consolidation

The Company consolidates all entities that it controls either through a majority voting interest or as the primary beneficiary of variable interest entities ("VIEs").

The Company evaluates (1) whether it holds a variable interest in an entity, (2) whether the entity is a VIE, and (3) whether the Company's involvement would make it the primary beneficiary. In evaluating whether the Company holds a variable interest, fees (including management fees, incentive fees and performance allocations) that are customary and commensurate with the level of services provided, and where the Company does not hold other economic interests in the entity that would absorb more than an insignificant amount of the expected losses or returns of the entity, are not considered variable interests. The Company considers all economic interests, including indirect interests, to determine if a fee is considered a variable interest.

For those entities where the Company holds a variable interest, the Company determines whether each of these entities qualifies as a VIE and, if so, whether or not the Company is the primary beneficiary. The assessment of whether the entity is a VIE is generally performed qualitatively, which requires judgment. These judgments include: (a) determining whether the equity investment at risk is sufficient to permit the entity to finance its activities without additional subordinated financial support, (b) evaluating whether the equity holders, as a group, can make decisions that have a significant effect on the economic performance of the entity, (c) determining whether two or more parties' equity interests should be aggregated, and (d) determining whether the equity investors have proportionate voting rights to their obligations to absorb losses or rights to receive returns from an entity.

For entities that are determined to be VIEs, the Company consolidates those entities where it has concluded it is the primary beneficiary. The primary beneficiary is defined as the variable interest holder with (a) the power to direct the activities of a VIE that most significantly impact the entity's economic performance and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. In evaluating whether the Company is the primary beneficiary, the Company evaluates its economic interests in the entity held either directly or indirectly by the Company.

As of December 31, 2022, assets and liabilities of the consolidated VIEs reflected in the consolidated balance sheets were $7.2 billion and $6.2 billion, respectively. As of December 31, 2021, assets and liabilities of the consolidated VIEs reflected in the consolidated balance sheets were $6.9 billion and $6.6 billion, respectively. Except to the extent of the consolidated assets of the VIEs, the holders of the consolidated VIEs' liabilities generally do not have recourse to the Company.

The Company's Consolidated Funds are primarily CLOs, which are VIEs that issue loans payable that are backed by diversified collateral asset portfolios consisting primarily of loans or structured debt. In exchange for managing the collateral for the CLOs, the Company earns investment management fees, including in some cases subordinated management fees and contingent incentive fees. In cases where the Company consolidates the CLOs (primarily because of a retained interest that is significant to the CLO), those management fees and contingent incentive fees have been eliminated as intercompany transactions. As of December 31, 2022, the Company held $110.6 million of investments in these CLOs which represents its maximum risk of loss. The Company's investments in these CLOs are generally subordinated to other interests in the entities and entitle the Company to receive a pro rata portion of the residual cash flows, if any, from the entities. Investors in the CLOs have no recourse against the Company for any losses sustained in the CLO structure. The Company's Consolidated Funds also include certain investment funds in our Global Private Equity segment that are actively fundraising and are accounted for as consolidated VIEs due to the Company providing financing to bridge investment purchases. As of December 31, 2022, the Company held $374.6 million of notes receivable, including accrued interest, from these investment funds which represents its maximum risk of loss.

Entities that do not qualify as VIEs are generally assessed for consolidation as voting interest entities. Under the voting interest entity model, the Company consolidates those entities it controls through a majority voting interest.

All significant inter-entity transactions and balances of entities consolidated have been eliminated.

Investments in Unconsolidated Variable Interest Entities

The Company holds variable interests in certain VIEs that are not consolidated because the Company is not the primary beneficiary, including its investments in certain CLOs and certain AlpInvest vehicles, as well as its strategic investment in NGP Management Company, L.L.C. ("NGP Management" and, together with its affiliates, "NGP"). Refer to Note 6 for information on the strategic investment in NGP. The Company's involvement with such entities is in the form of direct or indirect equity interests and fee arrangements. The maximum exposure to loss represents the loss of assets recognized by the Company relating to its variable interests in these unconsolidated entities. The assets recognized in the Company's consolidated balance sheets related to the Company's variable interests in these non-consolidated VIEs were as follows:

	As of December 31,	
	2022	**2021**
	(Dollars in millions)	
Investments	$ **1,124.0**	$ 901.9
Accrued performance allocations	**406.0**	368.7
Management fee receivables	**49.6**	27.2
Total	$ **1,579.6**	$ 1,297.8

These amounts represent the Company's maximum exposure to loss related to the unconsolidated VIEs as of December 31, 2022 and 2021.

Basis of Accounting

The accompanying financial statements are prepared in accordance with U.S. GAAP. Management has determined that the Company's Funds are investment companies under U.S. GAAP for the purposes of financial reporting. U.S. GAAP for an investment company requires investments to be recorded at estimated fair value and the unrealized gains and/or losses in an investment's fair value are recognized on a current basis in the statements of operations. Additionally, the Funds do not consolidate their majority-owned and controlled investments (the "Portfolio Companies"). In the preparation of these consolidated financial statements, the Company has retained the specialized accounting for the Funds.

All of the investments held and notes issued by the Consolidated Funds are presented at their estimated fair values in the Company's consolidated balance sheets. Interest and other income of the Consolidated Funds, interest expense and other expenses of the Consolidated Funds, and net investment gains (losses) of Consolidated Funds are included in the Company's consolidated statements of operations.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management's estimates are based on historical experiences and other factors, including expectations of future events that management believes to be reasonable under the circumstances. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Assumptions and estimates regarding the valuation of investments and their resulting impact on performance allocations and incentive fees involve a higher degree of judgment and complexity and these assumptions and estimates may be significant to the consolidated financial statements and the resulting impact on performance allocations and incentive fees. Actual results could differ from these estimates and such differences could be material.

Business Combinations

The Company accounts for business combinations using the acquisition method of accounting, under which the purchase price of the acquisition is allocated to the assets acquired and liabilities assumed using the fair values determined by management as of the acquisition date. Contingent consideration obligations that are elements of consideration transferred are recognized as of the acquisition date as part of the fair value transferred in exchange for the acquired business. Acquisition-related costs incurred in connection with a business combination are expensed as incurred.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. Revenue is recognized when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services. ASC 606 includes a five-step framework that requires an entity to: (i) identify the contract(s) with a customer, which includes assessing the collectability of the consideration to which it will be entitled in exchange for the goods or services transferred to the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when the entity satisfies a performance obligation.

The Company accounts for performance allocations that represent a performance-based capital allocation from fund limited partners to the Company (commonly known as “carried interest”), as earnings from financial assets within the scope of ASC 323, *Investments – Equity Method and Joint Ventures*, and therefore are not in the scope of ASC 606. In accordance with ASC 323, the Company records equity method income (losses) as a component of investment income based on the change in its proportionate claim on net assets of the investment fund, including performance allocations, assuming the investment fund was liquidated as of each reporting date pursuant to each fund’s governing agreements. See Note 6 for additional information on the components of investments and investment income. Performance fees that do not meet the definition of performance-based capital allocations are in the scope of ASC 606 and are included in incentive fees in the consolidated statements of operations. The calculation of unrealized performance revenues utilizes investment valuations of the funds’ underlying investments, which are derived using the policies, methodologies and templates prepared by the Company’s valuation group, as described in Note 5, Fair Value Measurement.

While the determination of who is the customer in a contractual arrangement will be made on a contract-by-contract basis, the customer will generally be the investment fund for the Company’s significant management and advisory contracts. The customer determination impacts the Company’s analysis of the accounting for contract costs.

Fund Management Fees

The Company provides management services to funds in which it holds a general partner interest or to funds or certain portfolio companies with which it has an investment advisory or investment management agreement. The Company considers the performance obligations in its contracts with its funds to be the promise to provide (or to arrange for third parties to provide) investment management services related to the management, policies and operations of the funds.

As it relates to the Company’s performance obligation to provide investment management services, the Company typically satisfies this performance obligation over time as the services are rendered, since the funds simultaneously receive and consume the benefits provided as the Company performs the service. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised services to the funds. Management fees earned from each investment management contract over the contract life represent variable consideration because the consideration the Company is entitled to varies based on fluctuations in the basis for the management fee, for example fund net asset value (“NAV”) or assets under management (“AUM”). Given that the management fee basis is susceptible to market factors outside of the Company’s influence, management fees are constrained and, therefore, estimates of future period management fees are generally not included in the transaction price. Revenue recognized for the investment management services provided is generally the amount determined at the end of the period because that is when the uncertainty for that period is resolved.

For closed-end carry funds in the Global Private Equity and Global Credit segments, management fees generally range from 1.0% to 2.0% of commitments during the fund’s investment period based on limited partners’ capital commitments to the funds. Following the expiration or termination of the investment period, management fees generally are based on the lower of cost or fair value of invested capital and the rate charged may also be reduced. These terms may vary for separately managed accounts, longer-dated carry funds, and other closed-end funds. The Company will receive management fees during a specified period of time, which is generally ten years from the initial closing date, or, in some instances, from the final closing date, but such termination date may be earlier in certain limited circumstances or later if extended for successive one year periods, typically up to a maximum of two years. Depending upon the contracted terms of investment advisory or investment management and related agreements, these fees are generally called semi-annually in advance and are recognized as earned over the subsequent six month period. For certain longer-dated carry funds and certain other closed-end funds, management fees are called quarterly over the life of the funds.

Within the Global Credit segment, for CLOs and other structured products, management fees generally range from 0.4% to 0.5% based on the total par amount of assets or the aggregate principal amount of the notes in the CLO and are due quarterly in arrears based on the terms and recognized over the respective period. Management fees for the CLOs and other structured products are governed by indentures and collateral management agreements. The Company will receive management fees for the CLOs until redemption of the securities issued by the CLOs, which is generally five to ten years after issuance. Management fees for the business development companies are due quarterly in arrears at annual rates that range from 1.0% of capital under management to 1.5% of gross assets, excluding cash and cash equivalents. Management fees for the Interval Fund are due monthly in arrears at the annual rate of 1.0% of the month-end value of the Interval Fund's net assets. Carlyle Aviation Partners' funds have varying management fee arrangements depending on the strategy of the particular fund. Under the strategic advisory services agreement with Fortitude, the Company earns a recurring management fee based on Fortitude's general account assets, which adjusts within an agreed range based on Fortitude's overall profitability and which is due quarterly in arrears.

Management fees for the Company's carry fund vehicles in the Global Investment Solutions segment generally range from 0.25% to 1.0% of the vehicle's capital commitments during the commitment fee period of the relevant fund. Following the expiration of the commitment fee period, the management fees generally range from 0.25% to 1.0% on (i) the net invested capital; (ii) the lower of cost or net asset value of the capital invested, or (iii) the net asset value for unrealized investments. Management fees for the Global Investment Solutions carry fund vehicles are generally due quarterly in advance and recognized over the related quarter.

As of December 31, 2022 and 2021, management fee receivables, net of allowances for credit losses, were $236.9 million and $164.5 million, respectively, and are included in due from affiliates and other receivables, net, in the consolidated balance sheets.

The Company also provides transaction advisory and portfolio advisory services to the portfolio companies, and where covered by separate contractual agreements, recognizes fees for these services when the performance obligation has been satisfied and collection is reasonably assured. The Company also recognizes underwriting fees from the Company's loan syndication and capital markets business, Carlyle Global Capital Markets. Fund management fees includes transaction and portfolio advisory fees, as well as capital markets fees, of $106.2 million, $90.7 million and $50.8 million for the years ended December 31, 2022, 2021 and 2020, respectively, net of any offsets as defined in the respective partnership agreements.

Fund management fees exclude the reimbursement of any partnership expenses paid by the Company on behalf of the Carlyle funds pursuant to the limited partnership agreements, including amounts related to the pursuit of actual, proposed, or unconsummated investments, professional fees, expenses associated with the acquisition, holding and disposition of investments, and other fund administrative expenses. For the professional fees that the Company arranges for the investment funds, the Company concluded that the nature of its promise is to arrange for the services to be provided and it does not control the services provided by third parties before they are transferred to the customer. Therefore, the Company concluded it is acting in the capacity of an agent. Accordingly, the reimbursement for these professional fees paid on behalf of the investment funds is presented on a net basis in general, administrative and other expenses in the consolidated statements of operations.

The Company also incurs certain costs, primarily employee travel and entertainment costs, employee compensation and systems costs, for which it receives reimbursement from the investment funds in connection with its performance obligation to provide investment and management services. For reimbursable travel, compensation and systems costs, the Company concluded it controls the services provided by its employees and the resources used to develop applicable systems before they are transferred to the customer and therefore is a principal. Accordingly, the reimbursement for these costs incurred by the Company to manage the fund limited partnerships are presented on a gross basis in interest and other income in the consolidated statements of operations and the expense in general, administrative and other expenses or cash-based compensation and benefits expenses in the consolidated statements of operations.

Incentive Fees

In connection with management contracts from certain of its Global Credit funds, the Company is also entitled to receive performance-based incentive fees when the return on assets under management exceeds certain benchmark returns or other performance targets. In such arrangements, incentive fees are recognized when the performance benchmark has been achieved. Incentive fees are variable consideration because they are contingent upon the investment vehicle achieving stipulated investment return hurdles. Investment returns are highly susceptible to market factors outside of the Company's influence. Accordingly, incentive fees are constrained until all uncertainty is resolved. Estimates of future period incentive fees are generally not included in the transaction price because these estimates are constrained. The transaction price for incentive fees is generally the amount determined at the end of each accounting period to which they relate because that is when the uncertainty for that period is resolved, as these fees are not subject to clawback.

Investment Income (Loss), including Performance Allocations

Investment income (loss) represents the unrealized and realized gains and losses resulting from the Company's equity method investments, including any associated general partner performance allocations, and other principal investments, including CLOs.

General partner performance allocations consist of the allocation of profits from certain of the funds to which the Company is entitled (commonly known as carried interest). For closed-end carry funds in the Global Private Equity and Global Credit segments, the Company is generally entitled to a 20% allocation (or approximately 2% to 12.5% for most of the Global Investment Solutions segment carry fund vehicles) of the net realized income or gain as a carried interest after returning the invested capital, the allocation of preferred returns of generally 7% to 9% and return of certain fund costs (generally subject to catch-up provisions as set forth in the fund limited partnership agreement). These terms may vary on longer-dated funds, certain credit funds, and external co-investment vehicles. Carried interest is recognized upon appreciation of the funds' investment values above certain return hurdles set forth in each respective partnership agreement. The Company recognizes revenues attributable to performance allocations based upon the amount that would be due pursuant to the fund partnership agreement at each period end as if the funds were terminated at that date. Accordingly, the amount recognized as investment income for performance allocations reflects the Company's share of the gains and losses of the associated funds' underlying investments measured at their then-current fair values relative to the fair values as of the end of the prior period. Because of the inherent uncertainty, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and it is reasonably possible that the difference could be material.

Carried interest is ultimately realized when: (i) an underlying investment is profitably disposed of, (ii) certain costs borne by the limited partner investors have been reimbursed, (iii) the fund's cumulative returns are in excess of the preferred return and (iv) the Company has decided to collect carry rather than return additional capital to limited partner investors. Realized carried interest may be required to be returned by the Company in future periods if the fund's investment values decline below certain levels. When the fair value of a fund's investments remains constant or falls below certain return hurdles, previously recognized performance allocations are reversed. In all cases, each fund is considered separately in this regard, and for a given fund, performance allocations can never be negative over the life of a fund. If upon a hypothetical liquidation of a fund's investments at their then current fair values, previously recognized and distributed carried interest would be required to be returned, a liability is established for the potential giveback obligation. As of December 31, 2022 and 2021, the Company has accrued $40.9 million and $30.2 million, respectively, for giveback obligations.

Principal investment income (loss) is realized when the Company redeems all or a portion of its investment or when the Company receives or is due cash income, such as dividends or distributions. Unrealized principal investment income (loss) results from the Company's proportionate share of the investee's unrealized earnings, including changes in the fair value of the underlying investment, as well as the reversal of unrealized gain (loss) at the time an investment is realized. Principal investment income (loss) also includes the Company's allocation of earnings from its investment in Fortitude through June 2, 2020 (see Note 6). As it relates to the Company's investments in NGP (see Note 6), principal investment income includes the related amortization of the basis difference between the Company's carrying value of its investment and the Company's share of underlying net assets of the investee, as well as the compensation expense associated with compensatory arrangements provided by the Company to employees of its equity method investee.

Interest Income

Interest income is recognized when earned. For debt securities representing non-investment grade beneficial interests in securitizations, the effective yield is determined based on the estimated cash flows of the security. Changes in the effective yield of these securities due to changes in estimated cash flows are recognized on a prospective basis as adjustments to interest income in future periods. Interest income earned by the Company is included in interest and other income in the accompanying consolidated statements of operations. Interest income of the Consolidated Funds was $282.3 million, $231.3 million and

$211.6 million for the years ended December 31, 2022, 2021 and 2020, respectively, and is included in interest and other income of Consolidated Funds in the accompanying consolidated statements of operations.

Credit Losses

Under ASU 2016-13, the Company is required to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The Company assesses the collection risk characteristics of the outstanding amounts in its due from affiliates balance into the following pools of receivables:

- Reimbursable fund expenses receivables,
- Management fee receivables,
- Incentive fee receivables,
- Transaction fee receivables,
- Portfolio fee receivables, and
- Notes receivable.

The Company generally utilizes either historical credit loss information or discounted cash flows to calculate expected credit losses for each pool. The Company's receivables are predominantly with its investment funds, which have low risk of credit loss based on the Company's historical experience. Historical credit loss data may be adjusted for current conditions and reasonable and supportable forecasts, including the Company's expectation of near-term realization based on the liquidity of the affiliated investment funds.

Compensation and Benefits

Cash-based Compensation and Benefits – Cash-based compensation and benefits includes salaries, bonuses (discretionary awards and guaranteed amounts), performance payment arrangements and benefits paid and payable to Carlyle employees. Bonuses are accrued over the service period to which they relate.

Equity-Based Compensation – Compensation expense relating to the issuance of equity-based awards is measured at fair value on the grant date. The compensation expense for awards that vest over a future service period is recognized over the relevant service period on a straight-line basis. The compensation expense for awards that do not require future service is recognized immediately. Cash settled equity-based awards are classified as liabilities and are re-measured at the end of each reporting period. The compensation expense for awards that contain performance conditions is recognized when it is probable that the performance conditions will be achieved; in certain instances, such compensation expense may be recognized prior to the grant date of the award. The compensation expense for awards that contain market conditions is based on a grant-date fair value that factors in the probability that the market conditions will be achieved and is recognized over the requisite service period on a straight-line basis.

Equity-based awards issued to non-employees are generally recognized as general, administrative and other expenses, except to the extent they are recognized as part of the Company's equity method earnings because they are issued to employees of equity method investees.

The Company recognizes equity-based award forfeitures in the period they occur as a reversal of previously recognized compensation expense. The reduction in compensation expense is determined based on the specific awards forfeited during that period. Furthermore, the Company recognizes all excess tax benefits and deficiencies as income tax benefit or expense in the consolidated statements of operations.

Performance Allocations and Incentive Fee Related Compensation – A portion of the performance allocations and incentive fees earned is due to employees and advisors of the Company. These amounts are accounted for as compensation expense in conjunction with the recognition of the related performance allocations and incentive fee revenue and, until paid, are recognized as a component of the accrued compensation and benefits liability. Accordingly, upon a reversal of performance allocations or incentive fee revenue, the related compensation expense, if any, is also reversed. As of December 31, 2022 and 2021, the Company had recorded a liability of $3.6 billion and $4.1 billion, respectively, related to the portion of accrued performance allocations and incentive fees due to employees and advisors, respectively, which was included in accrued compensation and benefits in the accompanying consolidated balance sheets.

In October 2021, the Company commenced a program under which, at the Company's discretion, up to 20% of the realized performance allocation related compensation over a threshold amount may be distributed in fully vested newly issued shares of the Company's common stock. Shares issued under the program are accounted for as performance allocations and incentive fee related compensation and do not result in incremental compensation expense. The Company has determined to pause the issuance of shares pursuant to this program.

Income Taxes

The Carlyle Group Inc. is a corporation for U.S. federal income tax purposes and thus is subject to U.S. federal, state and local corporate income taxes. Prior to the Conversion, The Carlyle Group L.P. was generally organized as a series of pass-through entities and therefore generally not subject to U.S. federal income taxes, with the exception of certain wholly-owned subsidiaries which were subject to federal, state, local and foreign corporate income taxes at the entity level. Tax positions taken by the Company are subject to periodic audit by U.S. federal, state, local and foreign taxing authorities.

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement reporting and the tax basis of assets and liabilities using enacted tax rates in effect for the period in which the difference is expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period of the change in the provision for income taxes. Further, deferred tax assets are recognized for the expected realization of available net operating loss and tax credit carry forwards. A valuation allowance is recorded on the Company's gross deferred tax assets when it is "more likely than not" that such asset will not be realized. When evaluating the realizability of the Company's deferred tax assets, all evidence, both positive and negative, is evaluated. Items considered in this analysis include the ability to carry back losses, the reversal of temporary differences, tax planning strategies, and expectations of future earnings. The Company accounts for the valuation allowance assessment on its deferred tax assets and without regard to the Company's potential future corporate alternative minimum tax ("CAMT") status. Lastly, the Company accounts for the tax on global intangible low-taxed income ("GILTI") as incurred and therefore has not recorded deferred taxes related to GILTI on its foreign subsidiaries.

Under U.S. GAAP for income taxes, the amount of tax benefit to be recognized is the amount of benefit that is "more likely than not" to be sustained upon examination. The Company analyzes its tax filing positions in all of the U.S. federal, state, local and foreign tax jurisdictions where it is required to file income tax returns, as well as for all open tax years in these jurisdictions. If, based on this analysis, the Company determines that uncertainties in tax positions exist, a liability is established, which is included in accounts payable, accrued expenses and other liabilities in the consolidated financial statements. The Company recognizes accrued interest and penalties related to unrecognized tax positions in the provision for income taxes. If recognized, the entire amount of unrecognized tax positions would be recorded as a reduction in the provision for income taxes.

Non-controlling Interests

Non-controlling interests in consolidated entities represent the component of equity in consolidated entities held by third-party investors. These interests are adjusted for general partner allocations which occur during the reporting period. Any change in ownership of a subsidiary while the controlling financial interest is retained is accounted for as an equity transaction between the controlling and non-controlling interests. Transaction costs incurred in connection with such changes in ownership of a subsidiary are recorded as a direct charge to equity.

Earnings Per Common Share

The Company computes earnings per common share in accordance with ASC 260, *Earnings Per Share*. Basic earnings per common share is calculated by dividing net income (loss) attributable to the common shares of the Company by the weighted-average number of common shares outstanding for the period. Diluted earnings per common share reflects the assumed conversion of all dilutive securities. The Company applies the treasury stock method to determine the dilutive weighted-average common shares outstanding for certain equity-based compensation awards. For certain equity-based compensation awards that contain performance or market conditions, the number of contingently issuable common shares is included in diluted earnings per common share based on the number of common shares, if any, that would be issuable under the terms of the awards if the end of the reporting period were the end of the contingency period, if the result is dilutive.

Fair Value of Financial Instruments

The underlying entities that the Company manages and invests in (and in certain cases, consolidates) are primarily investment companies which account for their investments at estimated fair value.

The fair value measurement accounting guidance under ASC Topic 820, *Fair Value Measurement* ("ASC 820"), establishes a hierarchical disclosure framework which ranks the observability of market price inputs used in measuring financial instruments at fair value. The observability of inputs is impacted by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices, or for which fair value can be measured from quoted prices in active markets, will generally have a higher degree of market price observability and a lesser degree of judgment applied in determining fair value.

Financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair values, as follows:

Level I – inputs to the valuation methodology are quoted prices available in active markets for identical instruments as of the reporting date. The type of financial instruments in this category include unrestricted securities, such as equities and derivatives, listed in active markets. The Company does not adjust the quoted price for these instruments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.

Level II – inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. The types of financial instruments in this category include less liquid and restricted securities listed in active markets, securities traded in other than active markets, government and agency securities, and certain over-the-counter derivatives where the fair value is based on observable inputs.

Level III – inputs to the valuation methodology are unobservable and significant to overall fair value measurement. The inputs into the determination of fair value require significant management judgment or estimation. The types of financial instruments in this category include investments in privately-held entities, non-investment grade residual interests in securitizations, collateralized loan obligations, and certain over-the-counter derivatives where the fair value is based on unobservable inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given financial instrument is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

In certain cases, debt and equity securities (including corporate treasury investments) are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices, market transactions in comparable investments and various relationships between investments.

In the absence of observable market prices, the Company values its investments and its funds' investments using valuation methodologies applied on a consistent basis. For some investments little market activity may exist. Management's determination of fair value is then based on the best information available in the circumstances and may incorporate management's own assumptions and involve a significant degree of judgment, taking into consideration a combination of internal and external factors, including the appropriate risk adjustments for non-performance and liquidity risks. Investments for which market prices are not observable include private investments in the equity and debt of operating companies and real assets, CLO investments and CLO loans payable and fund investments. The valuation technique for each of these investments is described below:

Investments in Operating Companies and Real Assets – The fair values of private investments in operating companies and real assets are generally determined by reference to the income approach (including the discounted cash flow method and the income capitalization method) and the market approach (including the comparable publicly traded company method and the comparable transaction method). Valuations under these approaches are typically derived by reference to investment-specific inputs (such as projected cash flows, earnings before interest, taxes, depreciation and amortization (“EBITDA”), and net operating income) combined with market-based inputs (such as discount rates, EBITDA multiples and capitalization rates). In many cases the investment-specific inputs are unaudited at the time received. Management may also adjust the market-based inputs to account for differences between the subject investment and the companies, asset or investments used to derive the market-based inputs. Adjustments to observable valuation measures are frequently made upon the initial investment to calibrate the initial investment valuation to industry observable inputs. Such adjustments are made to align the investment to observable industry inputs for differences in size, profitability, projected growth rates, geography, capital structure, and other factors as applicable. The adjustments are then reviewed with each subsequent valuation to assess how the investment has evolved relative to the observable inputs. Additionally, the investment may be subject to certain specific risks and/or development milestones which are also taken into account in the valuation assessment. Option pricing models and similar tools may also be considered but do not currently drive a significant portion of operating company or real asset valuations and are used primarily to value warrants, derivatives, certain restrictions and other atypical investment instruments.

Credit-Oriented Investments – The fair values of credit-oriented investments (including corporate treasury investments) are generally determined on the basis of prices between market participants provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices, market transactions in comparable investments and various relationships between investments. Specifically, for investments in distressed debt and corporate loans and bonds, the fair values are generally determined by valuations of comparable investments. In some instances, the Company may utilize other valuation techniques, including the discounted cash flow method.

CLO Investments and CLO Loans Payable – The Company measures the financial liabilities of its consolidated CLOs based on the fair value of the financial assets of its consolidated CLOs, as the Company believes the fair value of the financial assets are more observable. The fair values of the CLO loan and bond assets are primarily based on quotations from reputable dealers or relevant pricing services. In situations where valuation quotations are unavailable, the assets are valued based on similar securities, market index changes, and other factors. The Company performs certain procedures to ensure the reliability of the quotations from pricing services for its CLO assets and CLO structured asset positions, which generally includes corroborating prices with a discounted cash flow analysis. Generally, the loan and bond assets of the CLOs are not publicly traded and are classified as Level III. The fair values of the CLO structured asset positions are determined based on both discounted cash flow analyses and third party quotes. Those analyses consider the position size, liquidity, current financial condition of the CLOs, the third party financing environment, reinvestment rates, recovery lags, discount rates and default forecasts and are compared to broker quotations from market makers and third party dealers.

The Company measures the CLO loan payables held by third party beneficial interest holders on the basis of the fair value of the financial assets of the CLO and the beneficial interests held by the Company. The Company continues to measure the CLO loans payable that it holds at fair value based on relevant pricing services or discounted cash flow analyses, as described above.

Fund Investments – The Company’s primary and secondary investments in external funds are valued based on its proportionate share of the net assets provided by the third party general partners of the underlying fund partnerships based on the most recent available information which typically has a lag of up to 90 days. The terms of the investments generally preclude the ability to redeem the investment. Distributions from these investments will be received as the underlying assets in the funds are liquidated, the timing of which cannot be readily determined.

Investment professionals with responsibility for the underlying investments are responsible for preparing the investment valuations pursuant to the policies, methodologies and templates prepared by the Company’s valuation group, which is a team made up of dedicated valuation professionals reporting to the Company’s chief accounting officer. The valuation group is responsible for maintaining the Company’s valuation policy and related guidance, templates and systems that are designed to be consistent with the guidance found in ASC 820. These valuations, inputs and preliminary conclusions are reviewed by the fund accounting teams. The valuations are then reviewed and approved by the respective fund valuation subcommittees, which include the respective fund head(s), segment head, chief financial officer and chief accounting officer, as well as members of the valuation group. The valuation group compiles the aggregate results and significant matters and presents them for review and approval by the global valuation committee, which includes the Company’s chief executive officer, chief risk officer, chief financial officer, chief accounting officer, and the business segment heads, and observed by the chief compliance officer, the director of internal audit, the Company's audit committee and others. Additionally, each quarter a sample of valuations are reviewed by external valuation firms. Valuations of the funds' investments are used in the calculation of accrued performance allocations, or "carried interest."

Investments, at Fair Value

Investments include (i) the Company's ownership interests (typically general partner interests) in the Funds, (ii) strategic investments in Fortitude and NGP made by the Company (both of which are accounted for as equity method investments), (iii) the investments held by the Consolidated Funds (which are presented at fair value in the Company's consolidated financial statements), and (iv) certain credit-oriented investments, including investments in the CLOs and the preferred securities of Carlyle Secured Lending, Inc. ("CSL," formerly known as "TCG BDC, Inc.," the preferred securities of which are referred to as the "BDC Preferred Shares") (which are accounted for as trading securities).

Upon the sale of a security or other investment, the realized net gain or loss is computed on a weighted average cost basis, with the exception of the investments held by the CLOs, which compute the realized net gain or loss on a first in, first out basis. Securities transactions are recorded on a trade date basis.

Equity Method Investments

The Company accounts for all investments in which it has or is otherwise presumed to have significant influence, including investments in the unconsolidated Funds and strategic investments, using the equity method of accounting. The carrying value of equity method investments is determined based on amounts invested by the Company, adjusted for the equity in earnings or losses of the investee (including performance allocations) allocated based on the respective partnership agreement, less distributions received. The Company evaluates its equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable.

Cash and Cash Equivalents

Cash and cash equivalents include cash held at banks and cash held for distributions, including investments with original maturities of less than three months when purchased.

Cash and Cash Equivalents Held at Consolidated Funds

Cash and cash equivalents held at Consolidated Funds consists of cash and cash equivalents held by the Consolidated Funds, which, although not legally restricted, is not available to fund the general liquidity needs of the Company.

Restricted Cash

Restricted cash primarily represents cash held by the Company's foreign subsidiaries due to certain government regulatory capital requirements as well as certain amounts held on behalf of Carlyle funds.

Corporate Treasury Investments

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. These investments are accounted for as trading securities in which changes in the fair value of each investment are recorded through investment income (loss). Any interest earned on debt investments is recorded through interest and other income.

Derivative Instruments

The Company uses derivative instruments primarily to reduce its exposure to changes in foreign currency exchange rates. Derivative instruments are recognized at fair value in the consolidated balance sheets with changes in fair value recognized in the consolidated statements of operations for all derivatives not designated as hedging instruments.

Securities Sold Under Agreements to Repurchase

As it relates to certain European CLOs sponsored by the Company, securities sold under agreements to repurchase ("repurchase agreements") are accounted for as collateralized financing transactions. The Company provides securities to counterparties to collateralize amounts borrowed under repurchase agreements on terms that permit the counterparties to repledge or resell the securities to others. As of December 31, 2022, $284.4 million of securities were transferred to counterparties under repurchase agreements and are included within investments in the consolidated balance sheets. Cash received under repurchase agreements is recognized as a liability within debt obligations in the consolidated balance sheets. See Note 8 for additional information.

Fixed Assets

Fixed assets consist of furniture, fixtures and equipment, leasehold improvements, and computer hardware and software and are stated at cost, less accumulated depreciation and amortization. Depreciation is recognized on a straight-line method over the assets' estimated useful lives, which for leasehold improvements are the lesser of the lease terms or the life of the asset, and three to seven years for other fixed assets. Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Leases

The Company accounts for its leases in accordance with ASU 2016-2, *Leases (Topic 842)*, and recognizes a lease liability and right-of-use asset in the consolidated balance sheet for contracts that it determines are leases or contain a lease. The Company's leases primarily consist of operating leases for office space in various countries around the world. The Company also has operating leases for office equipment and vehicles, which are not significant. The Company does not separate non-lease components from lease components for its office space and equipment operating leases and instead accounts for each separate lease component and its associated non-lease component as a single lease component. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the leases. The Company's right-of-use assets and lease liabilities are recognized at lease commencement based on the present value of lease payments over the lease term. Lease right-of-use assets include initial direct costs incurred by the Company and are presented net of deferred rent and lease incentives. Absent an implicit interest rate in the lease, the Company uses its incremental borrowing rate, adjusted for the effects of collateralization, based on the information available at commencement in determining the present value of lease payments. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise those options. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The Company does not recognize a lease liability or right-of-use asset on the balance sheet for short-term leases. Instead, the Company recognizes short-term lease payments as an expense on a straight-line basis over the lease term. A short-term lease is defined as a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. When determining whether a lease qualifies as a short-term lease, the Company evaluates the lease term and the purchase option in the same manner as all other leases.

Intangible Assets and Goodwill

The Company's intangible assets consist of acquired contractual rights to earn future fee income, including management and advisory fees, customer relationships, and acquired trademarks. Finite-lived intangible assets are amortized over their estimated useful lives, which range from four to eight years, and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Goodwill represents the excess of cost over the identifiable net assets of businesses acquired and is recorded in the functional currency of the acquired entity. Goodwill is recognized as an asset and is reviewed for impairment annually as of October 1 and between annual tests when events and circumstances indicate that impairment may have occurred.

Deferred Revenue

Deferred revenue represents management fees and other revenue received prior to the balance sheet date, which has not yet been earned. Deferred revenue also includes transaction and portfolio advisory fees received by the Company that are required to offset fund management fees pursuant to the related fund agreements. As of December 31, 2022 and 2021, the balance was primarily comprised of transaction and portfolio advisory fees required to offset fund management fees.

Accumulated Other Comprehensive Income (Loss)

The Company's accumulated other comprehensive income (loss) is comprised of foreign currency translation adjustments and gains and losses on defined benefit plans sponsored by AlpInvest. The components of accumulated other comprehensive income (loss) as of December 31, 2022 and 2021 were as follows:

	As of December 31,	
	2022	2021
	(Dollars in millions)	
Currency translation adjustments	**$ (322.0)**	$ (231.8)
Unrealized losses on defined benefit plans	**(0.2)**	(15.7)
Total	**$ (322.2)**	$ (247.5)

Foreign Currency Translation

Non-U.S. dollar denominated assets and liabilities are translated at period-end rates of exchange, and the consolidated statements of operations are translated at rates of exchange in effect throughout the period. Foreign currency gains (losses) resulting from transactions outside of the functional currency of an entity of $25.2 million, $(13.5) million and $8.4 million for the years ended December 31, 2022, 2021 and 2020, respectively, are included in general, administrative and other expenses in the consolidated statements of operations.

Recent Accounting Pronouncements

The Company considers the applicability and impact of all accounting standard updates ("ASU") issued by the Financial Accounting Standards Board ("FASB"). ASUs not listed below were assessed and either determined to be not applicable or expected to have minimal impact on the Company's consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this update provide optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in this update apply only to contracts, hedging relationships, and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. In January 2021, the FASB issued ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope*, to clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivative instruments that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of reference rate reform. An entity may elect to adopt the amendments in ASU 2020-04 and ASU 2021-01 at any time after March 12, 2020 but no later than December 31, 2022. The expedients and exceptions provided by the amendments do not apply to contract modifications and hedging relationships entered into or evaluated after December 31, 2022, except for hedging transactions as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. The Company does not expect this guidance to impact its consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which modifies ASC 805 to require an acquiring entity in a business combination to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. At the acquisition date, an acquirer should account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. Under current GAAP, an acquirer generally recognizes such items at fair value on the acquisition date. This guidance is effective for annual and interim periods beginning after December 15, 2022, with early adoption permitted. The Company adopted this guidance on July 1, 2022, and applied the guidance prospectively to business combinations that occurred after this date. The adoption of this guidance did not have a material effect on the Company's consolidated financial statements.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The amendments in this update clarify the guidance in Topic 820 when measuring the fair value of an equity security subject to contractual sale restrictions and introduce new disclosure requirements related to such equity securities. The amendments are effective for fiscal years beginning after December 15, 2023, with early adoption permitted. The Company does not expect the impact of this guidance to be material to its consolidated financial statements.

4. Acquisitions

Abingworth Acquisition

On August 1, 2022, the Company acquired 100% of the equity interests in Abingworth, a London-based life sciences investment firm. Abingworth has $2 billion in assets under management and is included in the Company's Global Private Equity business segment. The purchase price consisted of $161.2 million in cash and approximately 0.6 million newly issued, fully vested common shares ($25.0 million based on the value of the shares at closing). The transaction also included an earn-out of up to $130.0 million that is payable upon the achievement of certain revenue and earnings performance targets during 2023 through 2028, which will be accounted for as compensation expense. The Company consolidated the financial position and results of operations of Abingworth effective August 1, 2022 and accounted for this transaction as a business combination. In connection with this transaction, the Company incurred approximately $7.7 million of acquisition costs that are reflected in general, administrative and other expenses in the consolidated statements of operations for the year ended December 31, 2022.

The acquisition-date fair value of the consideration transferred and the estimated fair values of the assets acquired and liabilities assumed at the acquisition date are as follows (Dollars in millions):

Acquisition-date fair value of consideration transferred		
Cash	$	161.2
Shares of common stock (see Note 15)		25.0
Total consideration transferred	$	186.2
Estimated fair value of assets acquired and liabilities assumed		
Cash and receivables	$	11.0
Investments in Abingworth funds		3.8
Lease right-of-use assets, fixed assets, and other assets, net		3.7
Deferred tax assets		6.4
Finite-lived intangible assets		88.0
Goodwill		91.1
Lease liabilities		(2.7)
Accrued expenses, accrued compensation and benefits, and other liabilities		(10.9)
Non-controlling interests in Abingworth entities[(1)]		(4.2)
Total	$	186.2

(1) Represents assets held by Abingworth entities which are consolidated VIEs. These assets are attributable to employees and are therefore reflected as non-controlling interests, and include investments in funds in which the Company did not acquire direct economic interests, which are presented as investments in Abingworth funds above.

The finite-lived intangible assets, which related to management contracts and customer relationships, are amortized using the straight-line method over a period ranging from five to eight years.

The amount of revenue and earnings of Abingworth since the acquisition date and the pro forma impact to the Company's consolidated financial results for the year ended December 31, 2021 as if the acquisition had been consummated as of January 1, 2021, was not significant.

Acquisition of CLO Management Contracts from CBAM Partners LLC

On March 21, 2022, the Company acquired the management contracts related to a portfolio of assets primarily comprised of U.S. and European CLOs as well as other assets across private credit from CBAM Partners LLC ("CBAM"). The purchase price of $812.9 million consisted of a combination of $618.4 million in cash, including approximately $3.4 million of acquisition costs incurred by the Company in connection with the transaction, and approximately 4.2 million newly issued, fully vested common shares ($194.5 million based on the value of the shares at closing).

In connection with the acquisition of the CLO management contracts, the Company acquired CLO senior and subordinated notes of $175.9 million. A portion of these CLO investments is financed through term loans and other financing arrangements with financial institutions, which are secured by the Company's investments in the respective CLO, have a general unsecured interest in the Carlyle entity that manages the CLO, and generally do not have recourse to any other Carlyle entity (see Note 8).

This transaction was accounted for as an asset acquisition and the acquired contractual rights of $794.3 million are finite-lived intangible assets. The finite-lived intangible assets are amortized using the straight-line method over a period of primarily seven years, which reflects the Company's assumptions regarding resets of the CLOs and extension of the CLO management contracts.

The acquisition-date fair value of the consideration transferred and the allocation of cost to the assets acquired and liabilities assumed at the acquisition date are as follows (Dollars in millions):

Acquisition-date fair value of consideration transferred		
Cash	$	618.4
Shares of common stock (see Note 15)		194.5
Total consideration transferred	$	812.9
Allocation of cost to assets acquired and liabilities assumed		
Acquired contractual rights	$	794.3
Acquired CLO senior and subordinated notes		175.9
Assumed CLO borrowings outstanding (see Note 8)		(157.3)
Total cost of assets acquired, net of liabilities assumed	$	812.9

5. Fair Value Measurement

The following table summarizes the Company's assets and liabilities measured at fair value on a recurring basis by the fair value hierarchy levels disclosed in Note 3 as of December 31, 2022:

	Level I	Level II	Level III	Total
Assets		(Dollars in millions)		
Investments of Consolidated Funds:				
Equity securities[(1)]	$ —	$ —	$ 430.6	$ 430.6
Bonds	—	—	594.9	594.9
Loans	—	—	5,352.9	5,352.9
	—	—	6,378.4	6,378.4
Investments in CLOs	—	—	526.1	526.1
Other investments[(2)]	1.6	41.6	79.4	122.6
Corporate treasury investments:				
Commercial paper and other	—	20.0	—	20.0
	—	20.0	—	20.0
Foreign currency forward contracts	—	2.2	—	2.2
Subtotal	$ 1.6	$ 63.8	$ 6,983.9	$ 7,049.3
Investments measured at net asset value[(3)]				528.5
Total				$ 7,577.8
Liabilities				
Loans payable of Consolidated Funds[(4)]	$ —	$ —	$ 5,491.6	$ 5,491.6
Foreign currency forward contracts	—	3.2	—	3.2
Total[(5)]	$ —	$ 3.2	$ 5,491.6	$ 5,494.8

(1) This balance includes $377.4 million related to investments that have been bridged by the Company to investment funds that are actively fundraising and are accounted for as consolidated VIEs as of December 31, 2022.

(2) The Level III balance excludes $58.2 million related to two corporate investments in equity securities which the Company has elected to account for under the measurement alternative for equity securities without readily determinable fair values pursuant to ASC 321, *Investments – Equity Securities*. As a non-recurring fair value measurement, the fair value of these equity securities is excluded from the tabular Level III rollforward disclosures.

(3) Balance represents Fund Investments that the Company reports based on the most recent available information which typically has a lag of up to 90 days, of which $516.0 million relates to investments of Consolidated Funds.

(4) Senior and subordinated notes issued by CLO vehicles are valued based on the more observable fair value of the CLO financial assets, less (i) the fair value of any beneficial interest held by the Company and (ii) the carrying value of any beneficial interests that represent compensation for services.

(5) Total liabilities balance excludes $235.6 million of senior notes measured at amortized cost and a $178.0 million revolving credit balance, both related to loans payable of Consolidated Funds.

The following table summarizes the Company's assets and liabilities measured at fair value on a recurring basis by the above fair value hierarchy levels as of December 31, 2021:

	Level I	Level II	Level III	Total
Assets	(Dollars in millions)			
Investments of Consolidated Funds:				
Equity securities	$ —	$ —	$ 17.9	$ 17.9
Bonds	—	—	599.5	599.5
Loans	—	—	5,898.1	5,898.1
	—	—	6,515.5	6,515.5
Investments in CLOs	—	—	361.1	361.1
Other investments(1)	1.5	45.6	78.7	125.8
Foreign currency forward contracts	—	1.4	—	1.4
Subtotal	$ 1.5	$ 47.0	$ 6,955.3	$ 7,003.8
Investments measured at net asset value(2)				161.7
Total				$ 7,165.5
Liabilities				
Loans payable of Consolidated Funds(3)	$ —	$ —	$ 5,811.0	$ 5,811.0
Foreign currency forward contracts	—	0.7	—	0.7
Total(4)	$ —	$ 0.7	$ 5,811.0	$ 5,811.7

(1) The Level III balance excludes a corporate investment in equity securities which the Company has elected to account for under the measurement alternative for equity securities without readily determinable fair values pursuant to ASC 321, *Investments – Equity Securities*. In December 2021, the Company remeasured this investment to a fair value of $54.9 million due to an observable price change. As a non-recurring fair value measurement, the fair value of these equity securities is excluded from the tabular Level III rollforward disclosures.

(2) Balance represents Fund Investments that the Company reports based on the most recent available information which typically has a lag of up to 90 days, of which $145.5 million relates to investments of Consolidated Funds.

(3) Senior and subordinated notes issued by CLO vehicles are valued based on the more observable fair value of the CLO financial assets, less (i) the fair value of any beneficial interests held by the Company and (ii) the carrying value of any beneficial interests that represent compensation for services.

(4) Total liabilities balance excludes a $79.0 million revolving credit balance related to loans payable of Consolidated Funds.

The changes in financial instruments measured at fair value for which the Company has used Level III inputs to determine fair value are as follows (Dollars in millions):

	Financial Assets Year Ended December 31, 2022					
	Investments of Consolidated Funds					
	Equity securities	Bonds	Loans	Investments in CLOs	Other investments	Total
Balance, beginning of period	$ 17.9	$ 599.5	$ 5,898.1	$ 361.1	$ 78.7	$ 6,955.3
Deconsolidation/consolidation of funds (1)	(47.7)	—	—	—	—	(47.7)
Purchases	486.5	515.4	2,485.0	263.4	0.9	3,751.2
Sales and distributions	(14.5)	(419.6)	(1,738.7)	(41.9)	(4.7)	(2,219.4)
Settlements	—	(1.6)	(649.8)	—	—	(651.4)
Realized and unrealized gains (losses), net						
Included in earnings	(10.9)	(60.5)	(392.7)	(25.6)	4.5	(485.2)
Included in other comprehensive income	(0.7)	(38.3)	(249.0)	(30.9)	—	(318.9)
Balance, end of period	$ 430.6	$ 594.9	$ 5,352.9	$ 526.1	$ 79.4	$ 6,983.9
Changes in unrealized gains (losses) included in earnings related to financial assets still held at the reporting date	$ (16.4)	$ (56.9)	$ (380.6)	$ (25.6)	$ 1.0	$ (478.5)
Changes in unrealized gains (losses) included in other comprehensive income related to financial assets still held at the reporting date	$ (0.6)	$ (16.5)	$ (162.5)	$ (30.9)	$ —	$ (210.5)

	Financial Assets Year Ended December 31, 2021					
	Investments of Consolidated Funds					
	Equity securities	Bonds	Loans	Investments in CLOs	Other investments	Total
Balance, beginning of period	$ 9.4	$ 550.4	$ 5,497.1	$ 489.4	$ 81.4	$ 6,627.7
Deconsolidation/consolidation of funds(2)	5.7	—	314.2	23.1	—	343.0
Purchases	0.5	729.6	4,530.6	102.4	0.7	5,363.8
Sales and distributions	(4.0)	(629.1)	(2,903.5)	(250.9)	(17.8)	(3,805.3)
Settlements	—	(3.8)	(1,346.8)	—	—	(1,350.6)
Realized and unrealized gains (losses), net						
Included in earnings	7.0	(7.5)	88.0	(0.8)	14.4	101.1
Included in other comprehensive	(0.7)	(40.1)	(281.5)	(2.1)	—	(324.4)
Balance, end of period	$ 17.9	$ 599.5	$ 5,898.1	$ 361.1	$ 78.7	$ 6,955.3
Changes in unrealized gains (losses) included in earnings related to financial assets still held at the reporting date	$ 4.4	$ (0.9)	$ 30.1	$ (1.2)	$ 14.6	$ 47.0
Changes in unrealized gains (losses) included in other comprehensive income related to financial assets still held at the reporting date	$ (0.4)	$ (13.9)	$ (155.7)	$ (2.1)	$ —	$ (172.1)

(1) As a result of the deconsolidation of one fund during the year ended December 31, 2022.

(2) As a result of the consolidation of two CLOs during the year ended December 31, 2021, the investments that the Company held in these CLOs are now eliminated in consolidation and no longer included in investments in CLOs. As a result of the deconsolidation of one CLO during the year ended December 31, 2021, the investment that the Company held in that CLO is no longer eliminated in consolidation and is now included in investments in CLOs.

	Financial Liabilities Loans Payable of Consolidated Funds Year Ended December 31,	
	2022	2021
Balance, beginning of period	$ 5,811.0	$ 5,563.0
Deconsolidation/consolidation of funds	—	360.8
Borrowings	1,603.1	3,197.9
Paydowns	(421.0)	(2,223.2)
Sales	(892.4)	(870.9)
Realized and unrealized (gains) losses, net		
Included in earnings	(366.6)	74.1
Included in other comprehensive income	(242.5)	(290.7)
Balance, end of period	$ 5,491.6	$ 5,811.0
Changes in unrealized (gains) losses included in earnings related to financial liabilities still held at the reporting date	$ (364.2)	$ 66.7
Changes in unrealized (gains) losses included in other comprehensive income related to financial liabilities still held at the reporting date	$ (239.6)	$ (270.6)

Realized and unrealized gains and losses included in earnings for Level III investments for investments in CLOs and other investments are included in investment income (loss), and such gains and losses for investments of Consolidated Funds and loans payable of the Consolidated Funds are included in net investment gains (losses) of Consolidated Funds in the consolidated statements of operations.

Gains and losses included in other comprehensive income for all Level III financial asset and liabilities are included in accumulated other comprehensive loss and non-controlling interests in consolidated entities.

The following table summarizes quantitative information about the Company's Level III inputs as of December 31, 2022:

(Dollars in millions)	Fair Value at December 31, 2022	Valuation Technique(s)	Unobservable Input(s)	Range (Weighted Average)
Assets				
Investments of Consolidated Funds:				
Equity securities	$ 3.1	Consensus Pricing	Indicative Quotes ($ per share)	0.00 - 4.73 (0.18)
	363.5	Discounted Cash Flow	Discount Rates	10% - 10% (10%)
			Terminal Growth Rate	0% - 7% ((5%))
		Comparable Multiple	EBITDA Multiple	12.7x - 12.7x (12.7x)
			TCF Multiple	23.8x - 23.8x (23.8x)
	64.0	Other[1]	N/A	N/A
Bonds	594.9	Consensus Pricing	Indicative Quotes (% of Par)	46 - 105 (88)
Loans	5,043.4	Consensus Pricing	Indicative Quotes (% of Par)	0 - 100 (91)
	11.8	Discounted Cash Flow	Discount Rates	0% - 9% (1%)
	248.7	Discounted Cash Flow	Discount Rates	7% - 10% (8%)
	37.4	Consensus Pricing	Indicative Quotes (% of Par)	97% - 98% (97%)
	11.1	Consensus Pricing	Indicative Quotes (% of Par)	91% - 91% (91%)
	0.5	Other[1]	N/A	N/A
	6,378.4			
Investments in CLOs and other				
Senior secured notes	462.1	Discounted Cash Flow with Consensus Pricing	Indicative Quotes (% of Par)	67 - 100 (93)
			Discount Margins (Basis Points)	170 - 1,800 (386)
			Default Rates	2% - 3% (2%)
			Recovery Rates	50% - 70% (60%)
Subordinated notes and preferred shares	64.0	Discounted Cash Flow with Consensus Pricing	Indicative Quotes (% of Par)	0 - 82 (40)
			Discount Rate	15% - 25% (20%)
			Default Rates	2% - 3% (2%)
			Recovery Rates	50% - 70% (60%)
Other investments:				
BDC preferred shares	76.9	Market Yield Analysis	Market Yields	11% - 11% (11%)
Aviation subordinated notes	2.5	Discounted Cash Flow	Discount Rates	21% - 21% (21%)
Total	$ 6,983.9			
Liabilities				
Loans payable of Consolidated Funds:				
Senior secured notes	$ 5,303.3	Other[2]	N/A	N/A
Subordinated notes and preferred shares	188.3	Discounted Cash Flow with Consensus Pricing	Indicative Quotes (% of Par)	21 - 96 (38)
			Discount Rates	15% - 25% (20%)
			Default Rates	2% - 3% (3%)
			Recovery Rates	50% - 70% (60%)
Total	$ 5,491.6			

(1) Fair value approximates transaction price that was in close proximity to the reporting date.
(2) Senior and subordinated notes issued by CLO vehicles are classified based on the more observable fair value of the CLO financial assets, less (i) the fair value of any beneficial interests held by the Company and (ii) the carrying value of any beneficial interests that represent compensation for services.

The following table summarizes quantitative information about the Company's Level III inputs as of December 31, 2021:

(Dollars in millions)		Fair Value at December 31, 2021	Valuation Technique(s)	Unobservable Input(s)	Range (Weighted Average)
Assets					
Investments of Consolidated Funds:					
Equity securities	$	17.9	Consensus Pricing	Indicative Quotes ($ per share)	0.00 - 84.22 (0.63)
Bonds		599.5	Consensus Pricing	Indicative Quotes (% of Par)	93 - 107 (99)
Loans		5,766.0	Consensus Pricing	Indicative Quotes (% of Par)	35 - 106 (98)
		65.1	Discounted Cash Flow	Discount Rates	4% - 8% (5%)
		67.0	Market Yield Analysis	Market Yields	3% - 8% (5%)
		6,515.5			
Investments in CLOs and other					
Senior secured notes		289.7	Discounted Cash Flow with Consensus Pricing	Indicative Quotes (% of Par)	86 - 101 (99)
				Discount Margins (Basis Points)	50 - 1,330 (245)
				Default Rates	1% - 2% (1%)
				Recovery Rates	50% - 70% (60%)
Subordinated notes and preferred shares		71.5	Discounted Cash Flow with Consensus Pricing	Indicative Quotes (% of Par)	46 - 97 (63)
				Discount Rates	14% - 22% (19%)
				Default Rates	1% - 2% (1%)
				Recovery Rates	50% - 70% (60%)
BDC preferred shares		72.5	Market Yield Analysis	Market Yields	7% - 7% (7%)
Aviation subordinated notes		6.1	Discounted Cash Flow	Discount Rates	18% - 18% (18%)
Total	$	6,955.3			
Liabilities					
Loans payable of Consolidated Funds:					
Senior secured notes	$	5,561.1	Other(1)	N/A	N/A
Subordinated notes and preferred shares		249.9	Discounted Cash Flow with Consensus Pricing	Indicative Quotes (% of Par)	40 - 97 (61)
				Discount Rates	14% - 22% (19%)
				Default Rates	1% - 2% (1%)
				Recovery Rates	50% - 70% (60%)
Total	$	5,811.0			

(1) Senior and subordinated notes issued by CLO vehicles are classified based on the more observable fair value of the CLO financial assets, less (i) the fair value of any beneficial interests held by the Company and (ii) the carrying value of any beneficial interests that represent compensation for services.

The significant unobservable inputs used in the fair value measurement of investments of the Company's consolidated funds are indicative quotes. Significant decreases in indicative quotes in isolation would result in a significantly lower fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Company's investments in CLOs and other investments include indicative quotes, discount margins, discount rates, default rates, and recovery rates. Significant decreases in recovery rates or indicative quotes in isolation would result in a significantly lower fair value measurement. Significant increases in discount margins, discount rates or default rates in isolation would result in a significantly lower fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Company's loans payable of Consolidated Funds are discount rates, default rates, recovery rates and indicative quotes. Significant increases in discount rates or default rates in isolation would result in a significantly lower fair value measurement. Significant decreases in recovery rates or indicative quotes in isolation would result in a significantly lower fair value measurement.

6. Investments

Investments consist of the following:

	As of December 31, 2022	As of December 31, 2021
	(Dollars in millions)	
Accrued performance allocations	**$ 7,117.7**	$ 8,133.0
Principal equity method investments, excluding performance allocations	**2,922.0**	2,128.6
Principal investments in CLOs	**526.1**	361.1
Other investments	**202.1**	209.3
Total investments	**$ 10,767.9**	$ 10,832.0

Accrued Performance Allocations

The components of accrued performance allocations are as follows:

	As of December 31, 2022	As of December 31, 2021
	(Dollars in millions)	
Global Private Equity	**$ 5,577.1**	$ 6,412.8
Global Credit	**193.9**	300.3
Global Investment Solutions(1)	**1,346.7**	1,419.9
Total	**$ 7,117.7**	$ 8,133.0

(1) The Company's primary and secondary investments in external funds are generally valued based on its proportionate share of the net assets provided by the third party general partners of the underlying fund partnerships based on the most recent available information which typically has a lag of up to 90 days. As a result, amounts presented may not include the impact of economic activity in the current quarter.

Approximately 13% of accrued performance allocations at December 31, 2022 are related to Carlyle Partners VI, L.P., one of the Company's Global Private Equity funds.

Approximately 25% of accrued performance allocations at December 31, 2021 are related to Carlyle Partners VI, L.P., one of the Company's Global Private Equity funds.

Accrued performance allocations are shown gross of the Company's accrued performance allocations and incentive fee-related compensation (see Note 9), and accrued giveback obligations, which are separately presented in the consolidated balance sheets. The components of the accrued giveback obligations are as follows:

	As of December 31,	
	2022	2021
	(Dollars in millions)	
Global Private Equity	**$ (18.4)**	$ (18.4)
Global Credit	**(22.5)**	(11.8)
Total	**$ (40.9)**	$ (30.2)

Principal Equity-Method Investments, Excluding Performance Allocations

The Company's principal equity method investments (excluding performance allocations) include its fund investments in Global Private Equity, Global Credit, and Global Investment Solutions typically as general partner interests, and its strategic investments in Fortitude and iStar through Carlyle-affiliated funds (included within Global Credit) and NGP (included within Global Private Equity), which are not consolidated. Principal investments are related to the following segments:

	As of December 31,	
	2022	2021
	(Dollars in millions)	
Global Private Equity(1)	**$ 1,853.5**	$ 1,231.2
Global Credit(2)	**974.2**	819.7
Global Investment Solutions	**94.3**	77.7
Total	**$ 2,922.0**	$ 2,128.6

(1) The balance includes $1,015.7 million and $436.9 million as of December 31, 2022 and 2021, respectively, related to the Company's equity method investments in NGP.

(2) As of December 31, 2022, the balance includes $646.0 million and $176.6 million related to the Company's strategic investments in Fortitude and iStar, respectively, through Carlyle-affiliated investment funds. As of December 31, 2021, the balance includes $715.7 million related to the Company's strategic investment in Fortitude.

The summarized financial information of the Company's equity method investees from the date of initial investment is as follows (Dollars in millions):

	Global Private Equity			Global Credit			Global Investment Solutions			Aggregate Totals		
	For the Year Ended December 31,			For the Year Ended December 31,			For the Year Ended December 31,			For the Year Ended December 31,		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Statement of operations information												
Investment income	**$ 3,129.1**	$ 1,736.4	$ 652.7	**$ 1,803.9**	$ 2,000.5	$ 1,012.2	**$ 115.2**	$ 107.2	$ 50.5	**$ 5,048.2**	$ 3,844.1	$ 1,715.4
Expenses	**2,151.6**	1,511.4	1,702.2	**591.8**	448.5	240.7	**1,139.2**	1,524.2	965.2	**3,882.6**	3,484.1	2,908.1
Net investment income (loss)	**977.5**	225.0	(1,049.5)	**1,212.1**	1,552.0	771.5	**(1,024.0)**	(1,417.0)	(914.7)	**1,165.6**	360.0	(1,192.7)
Net realized and unrealized gain (loss)	**10,643.7**	26,875.3	7,889.4	**(1.9)**	918.1	(682.5)	**2,876.1**	10,593.0	4,039.7	**13,517.9**	38,386.4	11,246.6
Net income (loss)	**$ 11,621.2**	$ 27,100.3	$ 6,839.9	**$ 1,210.2**	$ 2,470.1	$ 89.0	**$ 1,852.1**	$ 9,176.0	$ 3,125.0	**$ 14,683.5**	$ 38,746.4	$ 10,053.9

	Global Private Equity		Global Credit		Global Investment Solutions		Aggregate Totals	
	As of December 31,		As of December 31,		As of December 31,		As of December 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Balance sheet information								
Investments	**$ 115,130.1**	$ 96,269.1	**$ 24,555.6**	$ 19,745.8	**$ 32,326.2**	$ 30,545.9	**$ 172,011.9**	$ 146,560.8
Total assets	**$ 118,731.6**	$ 103,063.3	**$ 25,476.7**	$ 21,135.4	**$ 32,294.5**	$ 30,517.0	**$ 176,502.8**	$ 154,715.7
Debt	**$ 15,924.8**	$ 10,552.6	**$ 5,150.3**	$ 5,186.6	**$ 2,261.2**	$ 1,841.1	**$ 23,336.3**	$ 17,580.3
Other liabilities	**$ 1,338.3**	$ 1,199.8	**$ 418.0**	$ 282.4	**$ 825.6**	$ 402.2	**$ 2,581.9**	$ 1,884.4
Total liabilities	**$ 17,263.1**	$ 11,752.4	**$ 5,568.3**	$ 5,469.0	**$ 3,086.8**	$ 2,243.3	**$ 25,918.2**	$ 19,464.7
Partners' capital	**$ 101,468.5**	$ 91,310.9	**$ 19,908.4**	$ 15,666.4	**$ 29,207.7**	$ 28,273.7	**$ 150,584.6**	$ 135,251.0

Strategic Investment in Fortitude

On November 13, 2018, the Company acquired a 19.9% interest in Fortitude Group Holdings, LLC ("Fortitude Holdings"), a wholly owned subsidiary of American International Group, Inc. ("AIG") ("the Minority Transaction"), pursuant to a Membership Interest Purchase Agreement by and among the Company, AIG and Fortitude Holdings, dated as of July 31, 2018 (the "2018 MIPA"). Fortitude Holdings owns 100% of the outstanding common shares of Fortitude Reinsurance Company Ltd., a Bermuda domiciled reinsurer ("Fortitude Re," f/k/a "DSA Re") established to reinsure a portfolio of AIG's legacy life, annuity and property and casualty liabilities.

The Company paid $381 million in cash at closing of the Minority Transaction (the "Initial Purchase Price") and expects to pay up to $95 million in additional deferred consideration following December 31, 2023. In May 2020, the Initial Purchase Price was adjusted upward by $99.5 million in accordance with the 2018 MIPA as Fortitude Holdings chose not to distribute a planned non-pro rata dividend to AIG prior to May 13, 2020. The Company paid $79.6 million of such adjustment in May 2020 and will pay the remaining $19.9 million following December 31, 2023.

On June 2, 2020, Carlyle FRL, L.P. ("Carlyle FRL"), a Carlyle-affiliated investment fund, acquired a 51.6% ownership interest in Fortitude Holdings from AIG (the "Control Transaction") and T&D United Capital Co., Ltd. ("T&D"), a subsidiary of T&D Holdings, Inc., purchased a 25.0% ownership interest as a strategic third-party investor pursuant to a Membership Interest Purchase Agreement by and among the Company, AIG, Carlyle FRL, and T&D, dated as of November 25, 2019 (the "2019 MIPA"). At closing, the Company contributed its existing 19.9% interest in Fortitude Holdings to Carlyle FRL, such that Carlyle FRL held a 71.5% interest in Fortitude Holdings. Taken together, Carlyle FRL and T&D had 96.5% ownership of Fortitude Holdings. On October 1, 2021, Carlyle FRL, T&D and AIG effected a restructuring of the ownership of Fortitude Holdings that interposed FGH Parent, L.P. ("FGH Parent"), as the direct parent company of Fortitude Holdings (the "Restructuring"). Each of Carlyle FRL, T&D and AIG contributed the entirety of their interest in Fortitude Holdings to FGH Parent in exchange for an equivalent ownership interest in FGH Parent. References to "Fortitude" prior to the Restructuring refer to Fortitude Holdings. For periods subsequent to the Restructuring, references to "Fortitude" refer to FGH Parent.

In March 2022, the Company raised $2.0 billion in third-party equity capital from certain investors in Carlyle FRL and T&D, and committed $100 million from the Company for additional equity capital in Fortitude. In May 2022, Fortitude called $1.1 billion of the capital raise, with the remaining capital expected to be called in 2023. In connection with the capital raise and subsequent funding, the Company's indirect ownership of Fortitude decreased from 19.9% to 13.5%. As a result of the dilution, the Company recorded a reduction in the carrying value of its equity method investment and corresponding loss of $176.9 million. At the time the remaining capital is called by Fortitude, the Company's indirect ownership is expected to further decrease to 10.5%, and the Company expects to record an additional reduction in the carrying value of its equity method investment and corresponding loss of approximately $121 million, based on the carrying value as of December 31, 2022, subject to change based on the timing of the dilution and changes in the carrying value of the investment. As of December 31, 2022, the carrying value of the Company's investment in Carlyle FRL, which is an investment company that accounts for its investment in Fortitude at fair value, was $646.0 million, relative to its cost of $389.4 million.

The Company has a strategic asset management relationship with Fortitude pursuant to which Fortitude committed to allocate assets in asset management strategies and vehicles of the Company and its affiliates. As of December 31, 2022, Fortitude Holdings and certain Fortitude reinsurance counterparties have committed approximately $9.2 billion of capital to-date to various Carlyle strategies. On April 1, 2022, the Company entered into a new strategic advisory services agreement with certain subsidiaries of Fortitude through a newly-formed investment advisor, Carlyle Insurance Solutions Management L.L.C. (“CISM”). Under the agreement, CISM provides Fortitude with certain services, including business development and growth, transaction origination and execution, and capital management services in exchange for a recurring management fee based on Fortitude’s general account assets, which adjusts within an agreed range based on Fortitude’s overall profitability. Third party investors who participated in the March 2022 capital raise also made a minority investment in CISM, which is reflected as a non-controlling interest in consolidated entities in the condensed consolidated financial statements.

Strategic Investment in NGP

The Company has equity interests in NGP Management Company, L.L.C. (“NGP Management”), the general partners of certain carry funds advised by NGP, and principal investments in certain NGP funds. The Company does not control NGP and accounts for its investments in NGP under the equity method of accounting, and includes these investments in the Global Private Equity segment. These interests entitle the Company to an allocation of income equal to 55.0% of the management fee-related revenues of NGP Management which serves as the investment advisor to certain NGP funds as well as 47.5% of the performance allocations received by certain current and future NGP fund general partners.

The Company’s investments in NGP as of December 31, 2022 and 2021 are as follows:

	As of December 31,	
	2022	**2021**
	(Dollars in millions)	
Investment in NGP Management	**$ 369.7**	$ 371.8
Investments in NGP general partners - accrued performance allocations	**564.5**	3.8
Principal investments in NGP funds	**81.5**	61.3
Total investments in NGP	**$ 1,015.7**	$ 436.9

Investment in NGP Management. The Company’s equity interests in NGP Management entitle the Company to an allocation of income equal to 55.0% of the management fee-related revenues of NGP Management, which serves as the investment advisor to the NGP Energy Funds. Management fees are generally calculated as 1.0% to 2.0% of the limited partners’ commitments during the fund’s investment period, and 0.5% to 2.0% based on the lower of cost or fair market value of invested capital following the expiration or termination of the investment period. Management fee-related revenues from NGP Management are primarily driven by NGP XII, NGP XI and NGP X during the years ended December 31, 2022, 2021 and 2020.

The Company records investment income (loss) for its equity income allocation from NGP management fee-related revenues and also records its share of any allocated expenses from NGP Management, expenses associated with the compensatory elements of the strategic investment, and the amortization of the basis differences related to the definite-lived identifiable intangible assets of NGP Management. The net investment income (loss) recognized in the Company’s consolidated statements of operations for the years ended December 31, 2022, 2021 and 2020 were as follows:

	Year Ended December 31,		
	2022	**2021**	**2020**
	(Dollars in millions)		
Management fee-related revenues from NGP Management	**$ 71.0**	$ 72.9	$ 73.9
Expenses related to the investment in NGP Management	**(11.5)**	(10.8)	(11.0)
Amortization of basis differences from the investment in NGP Management	**(1.4)**	(2.9)	(4.3)
Net investment income from NGP Management	**$ 58.1**	$ 59.2	$ 58.6

The difference between the Company’s remaining carrying value of its investment and its share of the underlying net assets of the investee was $1.4 million and $4.2 million as of December 31, 2021 and 2020, respectively; these differences were amortized over a period of 10 years from the initial investment date and were fully amortized as of December 31, 2022. The Company assesses the remaining carrying value of its equity method investment for impairment whenever events or circumstances indicate that the carrying value may not be recoverable, and considers factors including, but not limited to, expected cash flows from its interest in future management fees and NGP's ability to raise new funds.

Investment in the General Partners of NGP Carry Funds. The Company's investment in the general partners of the NGP Carry Funds entitle it to 47.5% of the performance allocations received by certain current and future NGP fund general partners. The Company records its equity income allocation from NGP performance allocations in principal investment income (loss) from equity method investments rather than performance allocations in its consolidated statements of operations. The Company recognized net investment earnings (losses) related to these performance allocations in its consolidated statements of operations of $560.7 million and $3.8 million for years ended December 31, 2022 and December 31, 2021. There were no net investment earnings (losses) related to these performance allocations for the year ended December 31, 2020.

Principal Investments in NGP Funds. The Company also holds principal investments in the NGP Carry Funds. The Company recognized net investment earnings (losses) related to principal investment income in its consolidated statements of operations of $44.5 million, $20.1 million and $(12.0) million for the years ended December 31, 2022, 2021 and 2020, respectively.

Principal Investments in CLOs and Other Investments

Principal investments in CLOs as of December 31, 2022 and 2021were $526.1 million and $361.1 million, respectively, and consisted of investments in CLO senior and subordinated notes. In connection with the acquisition of the CBAM CLO management contracts in March 2022, the Company acquired investments in CLO senior and subordinated notes of $175.9 million (see Note 4). A portion of the Company's principal investments in CLOs is collateral to CLO term loans (see Note 8). As of December 31, 2022 and December 31, 2021, other investments includes the Company's investment in the BDC Preferred Shares at fair value of $76.9 million and $72.5 million, respectively (see Note 11).

Investment Income (Loss)

The components of investment income (loss) are as follows:

	Year Ended December 31,		
	2022	**2021**	**2020**
	(Dollars in millions)		
Performance allocations			
Realized	**$ 2,048.8**	$ 2,956.7	$ 591.1
Unrealized	**(721.3)**	3,127.9	1,044.8
	1,327.5	6,084.6	1,635.9
Principal investment income (loss) from equity method investments (excluding performance allocations)			
Realized	**73.1**	266.2	135.5
Unrealized	**546.4**	290.8	(679.3)
	619.5	557.0	(543.8)
Principal investment income (loss) from investments in CLOs and other investments			
Realized	**5.0**	1.9	0.3
Unrealized(1)	**(54.0)**	78.4	2.8
	(49.0)	80.3	3.1
Total	**$ 1,898.0**	$ 6,721.9	$ 1,095.2

(1) The year ended December 31, 2021 includes investment income of $49.8 million associated with the remeasurement of a corporate investment, which was previously carried at cost, resulting from observable price changes pursuant to ASC 321, *Investments - Equity Securities*.

The performance allocations included in revenues are derived from the following segments:

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Global Private Equity	**$ 1,098.3**	$ 5,223.2	$ 1,440.5
Global Credit	**24.0**	156.6	21.5
Global Investment Solutions	**205.2**	704.8	173.9
Total	**$ 1,327.5**	$ 6,084.6	$ 1,635.9

Approximately 19%, or $245.8 million, of performance allocations for the year ended December 31, 2022 are related to the following funds along with total revenue recognized (total revenue includes performance allocations, fund management fees, and principal investment income):

- Carlyle Realty Partners VIII, L.P. (Global Private Equity segment) – $260.8 million,
- Carlyle Europe Partners V, L.P. (Global Private Equity segment) – $259.3 million,
- Carlyle Power Partners II, L.P. (Global Private Equity segment) – $203.3 million,
- Carlyle Europe Technology Partners IV, L.P. (Global Private Equity segment) – $179.8 million,
- Carlyle Partners VI, L.P. (Global Private Equity segment) – $(436.9) million

Approximately 34%, or $2,045.3 million, of performance allocations for the year ended December 31, 2021 are related to the following funds along with total revenue recognized (total revenue includes performance allocations, fund management fees, and principal investment income):

- Carlyle Partners VI, L.P. (Global Private Equity segment) – $1,453.1 million,
- Carlyle Partners VII, L.P. (Global Private Equity segment) – $988.4 million

Approximately 89%, or $1,455.3 million, of performance allocations for the year ended December 31, 2020 are related to the following funds along with total revenue recognized (total revenue includes performance allocations, fund management fees, and principal investment income):

- Carlyle Partners VI, L.P. (Global Private Equity segment) – $1,251.5 million,
- Carlyle Asia Partners IV, L.P. (Global Private Equity segment) – $374.1 million

Carlyle's investment income (loss) from its principal equity method investments consists of:

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Global Private Equity	**$ 744.8**	$ 346.7	$ 137.1
Global Credit	**(134.8)**	183.4	(690.4)
Global Investment Solutions	**9.5**	26.9	9.5
Total	**$ 619.5**	$ 557.0	$ (543.8)

Principal investment loss for Global Credit for the year ended December 31, 2022 includes an investment loss of $176.9 million on the Company's equity method investment in Carlyle FRL related to the dilution of the Company's indirect ownership in Fortitude from 19.9% to 13.5%. Principal investment loss for Global Credit for the year ended December 31, 2020 includes a loss of $620.7 million related to the contribution of the Company's investment in Fortitude Holdings to Carlyle FRL, as discussed above in "Strategic Investment in Fortitude."

Investments of Consolidated Funds

The Company consolidates the financial positions and results of operations of certain CLOs in which it is the primary beneficiary. During the year ended December 31, 2022, the Company did not form any new CLOs for which the Company is the primary beneficiary. Investments in Consolidated Funds as of December 31, 2022 also include $377.4 million related to investments that have been bridged by the Company to investment funds that are actively fundraising and are accounted for as consolidated VIEs. During the fourth quarter of 2022, the Company purchased $61.0 million of certain third-party interests in a Global Investment Solutions fund. The fund is consolidated in the Company's consolidated financial statements as of December 31, 2022.

The following table presents a summary of the investments held by the Consolidated Funds. Investments held by the Consolidated Funds do not represent the investments of all Carlyle sponsored funds.

Geographic Region/Instrument Type/ Industry Description or Investment Strategy	Fair Value December 31, 2022	Fair Value December 31, 2021	Percentage of Investments of Consolidated Funds December 31, 2022	Percentage of Investments of Consolidated Funds December 31, 2021
	(Dollars in millions)			
United States				
Equity securities:				
Infrastructure	**$ 413.4**	—	**6.00 %**	— %
Other	**13.9**	—	**0.20 %**	— %
Total equity securities (cost of $436.0 and $— at December 31, 2022 and 2021, respectively)	**427.3**	—	**6.20 %**	— %
Partnership and LLC interests:				
Fund Investments	**$ 515.9**	$ 120.5	**7.48 %**	1.81 %
Total Partnership and LLC interests (cost of $504.2 and $120.8 at December 31, 2022 and 2021, respectively)	**515.9**	120.5	**7.48 %**	1.81 %
Loans:				
Aerospace & Defense	**$ 10.9**	$ 79.8	**0.16 %**	1.20 %
Collateralized Debt Obligation	**11.6**	—	**0.17 %**	— %
Environmental Industries	**0.9**	0.9	**0.01 %**	0.01 %
Investment Company	**—**	51.3	**— %**	0.77 %
Other	**—**	25.0	**— %**	0.38 %
Total loans (cost of $26.4 and $157.1 at December 31, 2022 and 2021, respectively)	**23.4**	157.0	**0.34 %**	2.36 %
Assets of the CLOs:				
Bonds	**$ 57.5**	$ 40.2	**0.83 %**	0.60 %
Equity	**1.3**	8.5	**0.02 %**	0.13 %
Loans	**2,717.9**	2,629.4	**39.42 %**	39.47 %
Total assets of the CLOs (cost of $2,974.2 and $2,697.9 at December 31, 2022 and 2021, respectively)	**2,776.7**	2,678.1	**40.27 %**	40.20 %
Total United States	**$ 3,743.3**	$ 2,955.6	**54.29 %**	44.37 %
Europe				
Assets of the CLOs:				
Bonds	**$ 533.5**	$ 557.6	**7.74 %**	
Equity	**2.1**	9.4	**0.03 %**	
Loans	**2,527.2**	3,058.8	**36.66 %**	[illegible]
Total assets of the CLOs (cost of $3,334.0 and $3,649.0 at December 31, 2022 and 2021, respectively)	**3,062.8**	3,625.8	**44.43 %**	[illegible]
Total Europe	**$ 3,062.8**	$ 3,625.8	**44.43 %**	[illegible]
Global				
Assets of the CLOs:				
Bonds	**$ 3.9**	$ 1.7	**0.06 %**	
Loans	**84.4**	77.9	**1.22 %**	
Total assets of the CLOs (cost of $96.7 and $80.5 at December 31, 2022 and 2021, respectively)	**88.3**	79.6	**1.28 %**	
Total Global	**$ 88.3**	$ 79.6	**1.28 %**	
Total investments of Consolidated Funds (cost of $7,371.5 and $6,705.3 at December 31, 2022 and 2021, respectively)	**$ 6,894.4**	$ 6,661.0	**100.00 %**	[illegible]

There were no individual investments with a fair value greater than five percent of the Company's total assets for any period presented.

Interest and Other Income of Consolidated Funds

The components of interest and other income of Consolidated Funds are as follows:

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Interest income from investments	**$ 282.3**	$ 231.3	$ 211.6
Other income	**28.7**	21.9	15.2
Total	**$ 311.0**	$ 253.2	$ 226.8

Net Investment Gains (Losses) of Consolidated Funds

Net investment gains (losses) of Consolidated Funds include net realized gains (losses) from sales of investments and unrealized gains (losses) resulting from changes in fair value of the Consolidated Funds' investments. The components of net investment gains (losses) of Consolidated Funds are as follows:

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Gains (losses) from investments of Consolidated Funds	**$ (408.1)**	$ 76.6	$ (29.1)
Gains (losses) from liabilities of CLOs	**366.6**	(74.1)	7.8
Total	**$ (41.5)**	$ 2.5	$ (21.3)

The following table presents realized and unrealized gains (losses) earned from investments of the Consolidated Funds:

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Realized gains (losses)	**$ (29.6)**	$ 9.6	$ (91.3)
Net change in unrealized gains (losses)	**(378.5)**	67.0	62.2
Total	**$ (408.1)**	$ 76.6	$ (29.1)

7. Intangible Assets and Goodwill

The following table summarizes the carrying amount of intangible assets as of December 31, 2022 and 2021:

	As of December 31,	
	2022	2021
	(Dollars in millions)	
Acquired contractual rights	**$ 920.2**	$ 48.0
Accumulated amortization	**(126.3)**	(26.4)
Finite-lived intangible assets, net	**793.9**	21.6
Goodwill	**103.9**	13.3
Intangible assets, net	**$ 897.8**	$ 34.9

As of December 31, 2022, goodwill included $91.1 million related to the Company's Global Private Equity segment in connection with the acquisition of Abingworth. The remaining balance as of December 31, 2022 and 2021 consisted of $5.5

million and $5.5 million associated with the Company's Global Credit segment, respectively, and $7.3 million and $7.8 million associated with the Company's Global Investment Solutions segment, respectively.

As discussed in Note 3, the Company reviews its intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. During the year ended December 31, 2022, the Company recorded an impairment charge of $4.0 million on certain acquired contractual rights related to Carlyle Aviation Partners as a result of impaired income streams from aircraft under lease in Russia. No impairment losses were recorded during the years ended December 31, 2021 and 2020.

Intangible asset amortization expense was $103.9 million, $10.2 million and $14.6 million for the years ended December 31, 2022, 2021 and 2020, respectively, and is included in general, administrative, and other expenses in the consolidated statements of operations.

The following table summarizes the expected amortization expense for 2023 through 2027 and thereafter (Dollars in millions):

2023	$	131.2
2024		131.3
2025		131.2
2026		131.1
2027		121.0
Thereafter		148.1
	$	793.9

8. Borrowings

The Company borrows and enters into credit agreements for its general operating and investment purposes. The Company's debt obligations consist of the following:

	As of December 31,			
	2022		2021	
	Borrowing Outstanding	Carrying Value	Borrowing Outstanding	Carrying Value
	(Dollars in millions)			
CLO Borrowings (See below)	**$ 421.7**	**$ 418.1**	$ 222.6	$ 219.0
5.625% Senior Notes Due 3/30/2043	**600.0**	**600.6**	600.0	600.6
5.650% Senior Notes Due 9/15/2048	**350.0**	**346.3**	350.0	346.1
3.500% Senior Notes Due 9/19/2029	**425.0**	**422.0**	425.0	421.6
4.625% Subordinated Notes Due 5/15/2061	**500.0**	**484.7**	500.0	484.3
Total debt obligations	**$ 2,296.7**	**$ 2,271.7**	$ 2,097.6	$ 2,071.6

Senior Credit Facility

As of December 31, 2022, the senior credit facility, which was amended on April 29, 2022, included $1.0 billion in a revolving credit facility. The revolving credit facility is scheduled to mature on April 29, 2027, and principal amounts outstanding under the revolving credit facility accrue interest, at the option of the borrowers, either (a) at an alternate base rate plus an applicable margin not to exceed 0.50%, or (b) at SOFR (or similar benchmark for non-U.S. dollar borrowings) plus a 0.10% adjustment and an applicable margin not to exceed 1.50% (at December 31, 2022, the interest rate was 5.46%). Prior to the April 2022 amendment, the size of the revolving credit facility was $775.0 million, which was scheduled to mature February 11, 2024, and accrued interest either (a) at an alternate base rate plus an applicable margin not to exceed 0.50%, or (b) at LIBOR plus an applicable margin not to exceed 1.50%. There was no amount outstanding under the revolving credit facility as of December 31, 2022. The Company made no borrowings under the revolving credit facility during the years ended December 31, 2022 and 2021. During the year ended December 31, 2020, the Company borrowed and repaid in full

$250.0 million under the revolving credit facility. Interest expense under the senior credit facility was not significant for the years ended December 31, 2022, 2021 and 2020.

Global Credit Revolving Credit Facility

On December 17, 2018, certain subsidiaries of the Company established a revolving line of credit, primarily intended to support certain lending activities within the Global Credit segment. The credit facility, which was amended in December 2020 and September 2021, is scheduled to mature in September 2024, and has a capacity of $250.0 million. Principal amounts outstanding under the facility accrue interest, at the option of the borrowers, either (a) at an alternate base rate plus an applicable margin not to exceed 1.00%, or (b) at the Eurocurrency rate plus an applicable margin, not to exceed 2.00%.

During the year ended December 31, 2022, the Company made no borrowings under the credit facility and there was no balance outstanding as of December 31, 2022. During the year ended December 31, 2021, the Company borrowed $70.0 million and repaid $70.0 million under the credit facility, and there was no borrowing outstanding under this facility as of December 31, 2021. During the year ended December 31, 2020, the Company borrowed $44.1 million and repaid $79.9 million under the credit facility, and there was no borrowing outstanding under this facility as of December 31, 2020. Interest expense was not significant for the years ended December 31, 2022, 2021 and 2020.

CLO Borrowings

For certain of the Company's CLOs, the Company finances a portion of its investment in the CLOs through the proceeds received from term loans and other financing arrangements with financial institutions. The Company's outstanding CLO borrowings consist of the following (Dollars in millions):

Formation Date	Borrowing Outstanding December 31, 2022	Borrowing Outstanding December 31, 2021	Maturity Date[(1)]	Interest Rate as of December 31, 2022	
February 28, 2017	**$ 38.7**	$ 51.3	November 17, 2031	2.40%	(2)
June 29, 2017	**54.8**	—	July 20, 2030	5.89%	(4),(6)
December 6, 2017	**43.8**	—	January 15, 2031	5.45%	(5),(6)
March 15, 2019	**1.8**	1.9	March 15, 2032	10.15%	(3)
August 20, 2019	**3.9**	4.1	August 15, 2032	6.53%	(3)
September 15, 2020	**19.1**	20.3	April 15, 2033	2.96%	(3)
January 8, 2021	**19.9**	21.3	January 15, 2034	3.87%	(3)
March 9, 2021	**19.1**	20.3	August 15, 2030	3.17%	(3)
March 30, 2021	**18.0**	19.1	March 15, 2032	3.75%	(3)
April 21, 2021	**3.4**	3.7	April 15, 2033	7.23%	(3)
May 21, 2021	**15.0**	15.9	November 17, 2031	3.16%	(3)
June 4, 2021	**20.0**	21.3	January 16, 2034	3.66%	(3)
June 10, 2021	**1.3**	1.4	November 17, 2031	4.65%	(3)
July 15, 2021	**15.0**	—	July 15, 2034	3.67%	(3),(6)
July 20, 2021	**20.0**	—	July 20, 2031	3.73%	(3),(6)
August 4, 2021	**16.2**	17.2	August 15, 2032	3.54%	(3)
October 27, 2021	**23.3**	24.8	October 15, 2035	3.78%	(3)
November 5, 2021	**13.8**	—	January 14, 2034	3.46%	(3),(6)
January 6, 2022	**20.1**	—	February 15, 2035	4.18%	(3)
February 22, 2022	**20.1**	—	November 10, 2035	4.24%	(3)
July 13, 2022	**16.9**	—	January 13, 2035	3.61%	(3)
October 25, 2022	**17.5**	—	October 25, 2035	5.62%	(3)
	$ 421.7	$ 222.6			

(1) Maturity date is earlier of date indicated or the date that the CLO is dissolved.
(2) Outstanding borrowing of €36.1 million; incurs interest at EURIBOR plus applicable margins as defined in the agreement.
(3) Incurs interest at the average effective interest rate of each class of purchased securities plus 0.50% spread percentage.
(4) Incurs interest at LIBOR plus 1.65%.
(5) Incurs interest at LIBOR plus 1.37%.
(6) The respective CLO assets were purchased in connection with the asset acquisition from CBAM in March 2022 (see Note 4). The formation date listed is the original formation date of the related CLO.

The CLO term loans are secured by the Company’s investments in the respective CLO, have a general unsecured interest in the Carlyle entity that manages the CLO, and generally do not have recourse to any other Carlyle entity. Interest expense for the years ended December 31, 2022, 2021 and 2020 was $10.7 million, $5.6 million, and $8.5 million, respectively. The fair value of the outstanding balance of the CLO term loans at December 31, 2022 and 2021 approximated par value based on current market rates for similar debt instruments. These CLO term loans are classified as Level III within the fair value hierarchy.

European CLO Financing - February 28, 2017

On February 28, 2017, a subsidiary of the Company entered into a financing agreement with several financial institutions under which these financial institutions provided a €36.1 million term loan ($38.7 million at December 31, 2022) to the Company. This term loan is secured by the Company’s investments in the retained notes in certain European CLOs that were formed in 2014 and 2015. This term loan will mature on the earlier of November 17, 2031 or the date that the certain European CLO retained notes have been redeemed. The Company may prepay the term loan in whole or in part at any time. Interest on this term loan accrues at EURIBOR plus applicable margins (2.40% at December 31, 2022).

Master Credit Agreement - Term Loans

In January 2017, the Company entered into a master credit agreement with a financial institution under which the financial institution provided term loans to the Company for the purchase of eligible interests in CLOs. Term loans issued under this master credit agreement were secured by the Company’s investment in the respective CLO as well as any senior management fee and subordinated management fee payable by each CLO. Term loans bear interest at LIBOR plus a weighted average spread over LIBOR on the CLO notes and an applicable margin, which is due quarterly. CLO Indentures for the respective CLO borrowings entered on November 30, 2017 and after provide for an alternative rate framework determined at the Company’s discretion upon a trigger event of LIBOR. This agreement terminated in January 2020. All outstanding CLO term loans under this agreement were fully repaid in 2021.

The Company assumed liabilities under master credit agreements previously entered into by CBAM under which a financial institution provided term loans to CBAM for the purchase of eligible interests in CLOs (see Note 4). Term loans issued under these master credit agreements are secured by the Company’s investment in the respective CLO as well as any senior management fee and subordinated management fee payable by each CLO. Term loans bear interest at LIBOR plus a weighted average spread over LIBOR on the CLO notes, which is due quarterly. As of December 31, 2022, term loans under these agreements had $98.6 million outstanding. The master credit agreements mature in July 2030 and January 2031, respectively.

CLO Repurchase Agreements

On February 5, 2019, the Company entered into a master credit facility agreement (the “Carlyle CLO Financing Facility”) to finance a portion of the risk retention investments in certain European CLOs managed by the Company. The initial maximum facility amount is €100.0 million, which has been, and may further be, expanded on such terms agreed upon by the Company and the counterparty subject to the terms and conditions of the Carlyle CLO Financing Facility. Each transaction entered into under the Carlyle CLO Financing Facility will bear interest at a rate based on the weighted average effective interest rate of each class of securities that have been sold plus a spread to be agreed upon by the parties. As of December 31, 2022, €203.6 million ($218.0 million) was outstanding under the Carlyle CLO Financing Facility.

The Company assumed liabilities under a master credit facility agreement previously entered into by CBAM (the “CBAM CLO Financing Facility,” together with the Carlyle CLO Financing Facility, the “CLO Financing Facilities”) to finance a portion of the risk retention investments in certain European CLOs managed by CBAM (see Note 4). The maximum facility amount is €100.0 million, but may be expanded on such terms agreed upon by the Company and the counterparty subject to the terms and conditions of the CBAM CLO Financing Facility. Each transaction entered into under the CBAM CLO Financing Facility will bear interest at a rate based on the weighted average effective interest rate of each class of securities that have been sold plus a spread to be agreed upon by the parties. As of December 31, 2022, €61.9 million ($66.3 million) was outstanding under the CBAM CLO Financing Facility.

Each transaction entered into under the CLO Financing Facility provides for payment netting and, in the case of a default or similar event with respect to the counterparty to the CLO Financing Facility, provides for netting across transactions. Generally, upon a counterparty default, the Company can terminate all transactions under the CLO Financing Facility and offset amounts it owes in respect of any one transaction against collateral, if any, or other amounts it has received in respect of any other transactions under the CLO Financing Facility; provided, however, that in the case of certain defaults, the Company may only be able to terminate and offset solely with respect to the transaction affected by the default. During the term of a transaction entered into under the CLO Financing Facility, the Company will deliver cash or additional securities acceptable to the counterparty if the securities sold are in default. Upon termination of a transaction, the Company will repurchase the previously sold securities from the counterparty at a previously determined repurchase price. The CLO Financing Facility may be terminated at any time upon certain defaults or circumstances agreed upon by the parties.

The repurchase agreements may result in credit exposure in the event the counterparty to the transaction is unable to fulfill its contractual obligations. The Company minimizes the credit risk associated with these activities by monitoring counterparty credit exposure and collateral values. Other than margin requirements, the Company is not subject to additional terms or contingencies which would expose the Company to additional obligations based upon the performance of the securities pledged as collateral.

Senior Notes

Certain indirect subsidiaries of the Company have issued long term borrowings in the form of senior notes, on which interest is payable semi-annually in arrears. The following table provides information regarding these senior notes (Dollars in millions):

				Interest Expense		
		Fair Value[1] As of December 31,		For The Years Ended December 31,		
	Aggregate Principal Amount	2022	2021	2022	2021	2020
3.875% Senior Notes Due 2/1/2023 [2]	$ —	$ —	$ —	$ —	$ 8.9	$ 9.9
5.625% Senior Notes Due 3/30/2043 [3]	600.0	545.8	795.5	33.7	33.7	33.8
5.650% Senior Notes Due 9/15/2048 [4]	350.0	322.2	484.7	19.9	19.9	19.9
3.500% Senior Notes Due 9/19/2029 [5]	425.0	364.1	457.4	15.3	15.3	15.3
				$ 68.9	$ 77.8	$ 78.9

(1) Including accrued interest. Fair value is based on indicative quotes and the notes are classified as Level II within the fair value hierarchy.
(2) Issued in January 2013 at 99.966% of par. In November 2021, the Company completed the redemption of these notes, as discussed below.
(3) Issued $400.0 million in aggregate principal at 99.583% of par in March 2013. An additional $200.0 million in aggregate principal was issued at 104.315% of par in March 2014, and is treated as a single class with the outstanding $400.0 million in senior notes previously issued.
(4) Issued in September 2018 at 99.914% of par.
(5) Issued in September 2019 at 99.841% of par.

The issuers may redeem the senior notes, in whole at any time or in part from time to time, at a price equal to the greater of (i) 100% of the principal amount of the notes being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on any notes being redeemed discounted to the redemption date on a semiannual basis at the Treasury Rate plus 40 basis points (30 basis points in the case of the 3.875% and 3.500% senior notes), plus in each case accrued and unpaid interest on the principal amounts being redeemed. In November 2021, the Company redeemed the remaining aggregate principal amount of $250.0 million in 3.875% Senior Notes at the make-whole redemption price as set forth in the notes, and recognized $10.1 million of costs in interest expense upon early extinguishment of the debt.

Subordinated Notes

In May 2021, an indirect subsidiary of the Company issued $435.0 million aggregate principal amount of 4.625% Subordinated Notes due May 15, 2061 (the “Subordinated Notes”), on which interest is payable quarterly accruing from May 11, 2021. In June 2021, an additional $65.0 million aggregate principal amount of these Subordinated Notes were issued and are treated as a single series with the already outstanding $435.0 million aggregate principal amount. The Subordinated Notes are unsecured and subordinated obligations of the issuer, and are fully and unconditionally guaranteed (the “Guarantees”), jointly and severally, on a subordinated basis, by the Company, each of the Carlyle Holdings partnerships, and CG Subsidiary Holdings L.L.C., an indirect subsidiary of the Company (collectively, the “Guarantors”). The Consolidated Funds are not guarantors, and as such, the assets of the Consolidated Funds are not available to service the Subordinated Notes under the Guarantee. The Subordinated Notes may be redeemed at the issuer’s option in whole at any time or in part from time to time on or after June 15, 2026 at a redemption price equal to their principal amount plus any accrued and unpaid interest to, but excluding, the date of redemption. If interest due on the Subordinated Notes is deemed no longer to be deductible in the U.S., a “Tax Redemption Event,” the Subordinated Notes may be redeemed, in whole, but not in part, within 120 days of the occurrence of such event at a redemption price equal to their principal amount plus accrued and unpaid interest to, but excluding, the date of redemption. In addition, the Subordinated Notes may be redeemed, in whole, but not in part, at any time prior to May 15, 2026, within 90 days of the rating agencies determining that the Subordinated Notes should no longer receive partial equity treatment pursuant to the rating agency’s criteria, a “rating agency event,” at a redemption price equal to 102% of their principal amount plus any accrued and unpaid interest to, but excluding, the date of redemption.

As of December 31, 2022 and December 31, 2021, the fair value of the Subordinated Notes was $323.8 million and $506.0 million, respectively. Fair value is based on active market quotes and the notes are classified as Level I within the fair value hierarchy. For the year ended December 31, 2022, the Company incurred $23.5 million of interest expense on the Subordinated Notes. For the period from May 11, 2021 through December 31, 2021, the Company incurred $14.8 million of interest expense on the Subordinated Notes.

Debt Covenants

The Company is subject to various financial covenants under its loan agreements including, among other items, maintenance of a minimum amount of management fee-earning assets. The Company is also subject to various non-financial covenants under its loan agreements and the indentures governing its senior notes. The Company was in compliance with all financial and non-financial covenants under its various loan agreements as of December 31, 2022.

Loans Payable of Consolidated Funds

Loans payable of Consolidated Funds primarily represent amounts due to holders of debt securities issued by the CLOs. As of December 31, 2022 and 2021, the following borrowings were outstanding (Dollars in millions):

	As of December 31, 2022			
	Borrowing Outstanding	Fair Value	Weighted Average Interest Rate	Weighted Average Remaining Maturity in Years
Senior secured notes [1]	$ 5,849.2	$ 5,303.3	3.97 %	9.48
Subordinated notes	234.0	188.3	N/A (2)	9.69
Total	$ 6,083.2	$ 5,491.6		

	As of December 31, 2021			
	Borrowing Outstanding	Fair Value	Weighted Average Interest Rate	Weighted Average Remaining Maturity in Years
Senior secured notes	$ 5,585.4	$ 5,561.1	1.68 %	10.25
Subordinated notes	317.6	249.9	N/A (2)	10.41
Total	$ 5,903.0	$ 5,811.0		

(1) Borrowing Outstanding as of December 31, 2022 includes $235.6 million of senior secured notes that are carried at par value. The fair value of these senior secured notes at December 31, 2022 approximated par value based on current market rates for similar debt instruments. These senior secured notes are classified as Level III within the fair value hierarchy.
(2) The subordinated notes do not have contractual interest rates, but instead receive distributions from the excess cash flows of the CLOs.

Loans payable of the CLOs are collateralized by the assets held by the CLOs and the assets of one CLO may not be used to satisfy the liabilities of another. This collateral consisted of cash and cash equivalents, corporate loans, corporate bonds and other securities. As of December 31, 2022 and 2021, the fair value of the CLO assets was $6.2 billion and $6.7 billion, respectively.

9. Accrued Compensation and Benefits

Accrued compensation and benefits consist of the following:

	As of December 31,	
	2022	**2021**
	(Dollars in millions)	
Accrued performance allocations and incentive fee-related compensation	**$ 3,625.3**	$ 4,087.8
Accrued bonuses	**466.6**	521.4
Employment-based contingent cash consideration[1]	**76.5**	6.3
Accrued pension liability	**9.5**	27.4
Other[2]	**143.0**	312.1
Total	**$ 4,320.9**	$ 4,955.0

(1) The acquisition of the Carlyle Aviation Partners, Ltd. ("Carlyle Aviation Partners," formerly known as Apollo Aviation Group) in December 2018 included an earn-out of up to $150.0 million that is payable upon the achievement of certain revenue and earnings performance targets during 2020 through 2025, which is accounted for as compensation expense. See Note 3 to the consolidated financial statements included in the Company's 2018 Annual Report on Form 10-K for additional information on the Carlyle Aviation Partners acquisition. The Abingworth acquisition included an earn-out of up to $130.0 million. See Note 4 for additional information.

(2) Includes $26.7 million and $207.0 million of realized performance allocations and incentive fee-related compensation not yet paid to participants as of December 31, 2022 and 2021, respectively.

The following table presents realized and unrealized performance allocations and incentive fee related compensation:

	Year Ended December 31,		
	2022	**2021**	**2020**
	(Dollars in millions)		
Realized	**$ 1,026.4**	$ 1,414.5	$ 337.2
Unrealized	**(306.5)**	1,546.5	441.9
Total	**$ 719.9**	$ 2,961.0	$ 779.1

Certain employees of AlpInvest are covered by defined benefit pension plans sponsored by AlpInvest. As of December 31, 2022 and 2021, the benefit obligation of those pension plans totaled approximately $60.6 million and $96.3 million, respectively. As of December 31, 2022 and 2021, the fair value of the plans' assets was approximately $51.1 million and $68.9 million, respectively. At December 31, 2022 and 2021, the Company recognized a liability of $9.5 million and $27.4 million, respectively, representing the funded status of the plans, which was included in accrued compensation and benefits in the accompanying consolidated financial statements. For the years ended December 31, 2022, 2021 and 2020, the net periodic benefit cost recognized was $4.1 million, $6.1 million and $5.5 million, respectively, which is included in cash-based compensation and benefits expense (for the service cost component) and other non-operating expenses (for non-service cost components) in the accompanying consolidated financial statements. No other employees of the Company are covered by defined benefit pension plans.

10. Commitments and Contingencies

Capital Commitments

The Company and its unconsolidated affiliates have unfunded commitments to entities within the following segments as of December 31, 2022 (Dollars in millions):

	Unfunded Commitments
Global Private Equity	$ 3,300.0
Global Credit	389.0
Global Investment Solutions	260.9
Total	$ 3,949.9

Of the $3.9 billion of unfunded commitments, approximately $3.2 billion is subscribed individually by senior Carlyle professionals, advisors and other professionals, with the balance funded directly by the Company. In addition to these unfunded commitments, the Company may from time to time exercise its right to purchase additional interests in its investment funds that become available in the ordinary course of their operations.

Under the Carlyle Global Capital Markets platform, certain subsidiaries of the Company may act as an underwriter, syndicator or placement agent for security offerings and loan originations. The Company earns fees in connection with these activities and bears the risk of the sale of such securities and placement of such loans, which may be longer dated. As of December 31, 2022, certain subsidiaries of the Company had €20.0 million ($21.4 million) in commitments related to the origination and syndication of loans and securities under the Carlyle Global Capital Markets platform, which were extinguished in January 2023.

Guaranteed Loans

From time to time, the Company or its subsidiaries may enter into agreements to guarantee certain obligations of the investment funds related to, for example, credit facilities or equity commitments. Certain consolidated subsidiaries of the Company are the guarantors of revolving credit facilities for certain funds in the Global Investment Solutions segment. The guarantee is limited to the lesser of the total amount drawn under the credit facilities or the net asset value of the guarantor subsidiaries, which was approximately $4.5 million as of December 31, 2022. The outstanding balances are secured by uncalled capital commitments from the underlying funds and the Company believes the likelihood of any material funding under this guarantee to be remote.

Contingent Obligations (Giveback)

A liability for potential repayment of previously received performance allocations of $40.9 million at December 31, 2022, is shown as accrued giveback obligations in the consolidated balance sheets, representing the giveback obligation that would need to be paid if the funds were liquidated at their current fair values at December 31, 2022. However, the ultimate giveback obligation, if any, generally is not paid until the end of a fund's life or earlier if the giveback becomes fixed and early payment is agreed upon by the fund's partners (see Note 3). The Company has $10.4 million unbilled receivables from former and current employees and senior Carlyle professionals as of December 31, 2022 related to giveback obligations. There were no such amounts receivable as of December 31, 2021. Any such receivables are collateralized by investments made by individual senior Carlyle professionals and employees in Carlyle-sponsored funds. In addition, $135.9 million and $153.3 million have been withheld from distributions of carried interest to senior Carlyle professionals and employees for potential giveback obligations as of December 31, 2022 and 2021, respectively. Such amounts are held on behalf of the respective current and former Carlyle employees to satisfy any givebacks they may owe and are held by entities not included in the accompanying consolidated balance sheets. Current and former senior Carlyle professionals and employees are personally responsible for their giveback obligations. As of December 31, 2022, approximately $18.9 million of the Company's accrued giveback obligation is the responsibility of various current and former senior Carlyle professionals and other former limited partners of the Carlyle Holdings partnerships, and the net accrued giveback obligation attributable to the Company is $22.0 million.

If, at December 31, 2022, all of the investments held by the Company's Funds were deemed worthless, a possibility that management views as remote, the amount of realized and distributed carried interest subject to potential giveback would be

$1.5 billion, on an after-tax basis where applicable, of which approximately $0.7 billion would be the responsibility of current and former senior Carlyle professionals.

Leases

The Company's leases primarily consist of operating leases for office space in various countries around the world, including its largest offices in Washington, D.C., New York City, London and Hong Kong. These leases have remaining lease terms of one year to 14 years, some of which include options to extend for up to 5 years and some of which include an option to terminate the leases within one year. The Company also has operating leases for office equipment and vehicles, which are not significant.

The Company assesses its lease right-of-use assets for impairment consistent with its impairment assessment of other long-lived assets. In connection with the April 1, 2021 sale of Metropolitan Real Estate, the Company entered into a sublease agreement for a portion of its existing office space in New York. As a result of the sublease transaction, the Company recorded a lease impairment charge of $26.8 million during the year ended December 31, 2021, which was the excess of the carrying value of the associated lease right-of-use asset over its estimated fair value. The Company estimated the fair value using discounted cash flows from the estimated net sublease rental income. The impairment charge is included in general, administrative, and other expenses in the consolidated statements of operations.

The following table summarizes the Company's lease cost, cash flows and other supplemental information related to its operating leases (Dollars in millions):

	Year Ended December 31,	
	2022	2021
Operating lease cost	$ 56.3	$ 55.5
Sublease income	(6.0)	(3.5)
Total operating lease cost	$ 50.3	$ 52.0
Cash paid for amounts included in the measurement of operating lease liabilities	$ 64.1	$ 50.8
Weighted-average remaining lease term	10.8	12.0
Weighted-average discount rate	4.2 %	4.1 %

Maturities of lease liabilities related to operating leases were as follows (Dollars in millions):

Year ending December 31,	
2023	$ 68.1
2024	64.5
2025	60.5
2026	58.3
2027	59.0
Thereafter	339.2
Total lease payments	$ 649.6
Less payments for leases that have not yet commenced	(28.4)
Less imputed interest	(118.3)
Total lease liabilities	$ 502.9

Rent expense was approximately $56.3 million, $55.5 million and $47.8 million for the years ended December 31, 2022, 2021 and 2020, respectively, and is included in general, administrative and other expenses in the consolidated statements of operations.

Legal Matters

In the ordinary course of business, the Company is a party to litigation, investigations, inquiries, employment-related matters, disputes and other potential claims. Certain of these matters are described below. The Company is not currently able to estimate the reasonably possible amount of loss or range of loss, in excess of amounts accrued, for the matters that have not been resolved. The Company does not believe it is probable that the outcome of any existing litigation, investigations, disputes or other potential claims will materially affect the Company or these financial statements in excess of amounts accrued. The Company believes that the claims alleged against it in the matters described below are without merit.

The Authentix Matter

Authentix, Inc. ("Authentix") was a majority-owned portfolio company in one of the Company's investment funds, Carlyle U.S. Growth Fund III, L.P. ("CGF III"). When Authentix was owned by CGF III, two of the Company's employees served on Authentix's board of directors. After a lengthy sale process, Authentix was sold for an aggregate sale price of $87.5 million. On August 7, 2020, certain of the former minority shareholders in Authentix filed suit in Delaware Chancery Court, alleging that the Authentix board of directors, CGF III, and the Company breached various fiduciary duties by agreeing to a sale of Authentix at an inopportune time and at a price that was too low. Plaintiffs seek damages for a portion of the lost profits from the sale—the difference between the actual sale price and the purported maximum amount for which Authentix could have sold, multiplied by Plaintiff's ownership percentage. Plaintiffs also seek disgorgement of any profits received by the Company stemming from the sale. A trial is scheduled to begin in Delaware in October 2023. The former directors of Authentix are covered by indemnification from Authentix and an Authentix insurance policy. The defendants intend to contest the claims vigorously.

The Tax Receivable Agreement Matter

The Company came into existence on January 1, 2020, when its predecessor, The Carlyle Group, L.P. (the "PTP"), converted from a partnership into a corporation (the "Conversion"). On July 29, 2022, an alleged stockholder of the Company, the City of Pittsburgh Comprehensive Municipal Trust Fund (the "Plaintiff"), filed suit in the Delaware Court of Chancery, alleging a direct claim against the Company for breach of its certificate of incorporation and a derivative claim on behalf of the Company against certain current and former officers and directors of the Company. Plaintiff challenges the receipt, by certain officers of the PTP and certain directors of the general partner of the PTP, of a right to cash payments associated with the elimination of a tax receivable agreement in connection with the Conversion. Plaintiff is seeking monetary damages, restitution, and an injunction preventing the Company from making any future cash payments for the elimination of the tax receivable agreement in connection with the Conversion. By virtue of the derivative nature of the primary claims (i.e., that the claims are aimed primarily at certain officers and directors), it is remote that the Company itself will pay material damage awards based on the Plaintiff's claims, although the Company is expected to incur legal defense fees to the extent not covered by insurance. The defendants filed a motion to dismiss the complaint on October 28, 2022. The Plaintiff amended its complaint on January 31, 2023. The officer and director defendants intend to contest the claims vigorously.

SEC Investigation

As part of a sweep investigation of financial services and investment advisory firms, in October 2022, the Company received from the SEC a request for information related to the preservation of certain types of electronic business communications (e.g., text messages and messages on WhatsApp, WeChat, and similar applications). The Company intends to cooperate fully with the SEC's inquiry.

The Company currently is and expects to continue to be, from time to time, subject to examinations, formal and informal inquiries and investigations by various U.S. and non-U.S. governmental and regulatory agencies, including but not limited to, the SEC, Department of Justice, state attorneys general, FINRA, National Futures Association and the U.K. Financial Conduct Authority. The Company routinely cooperates with such examinations, inquiries and investigations, and they may result in the commencement of civil, criminal, or administrative or other proceedings against the Company or its personnel.

It is not possible to predict the ultimate outcome of all pending investigations and legal proceedings and employment-related matters, and some of the matters discussed above involve claims for potentially large and/or indeterminate amounts of damages. Based on information known by management, management does not believe that as of the date of this filing the final resolutions of the matters above will have a material effect upon the Company's consolidated financial statements. However, given the potentially large and/or indeterminate amounts of damages sought in certain of these matters and the inherent unpredictability of investigations and litigations, it is possible that an adverse outcome in certain matters could, from time to time, have a material effect on the Company's financial results in any particular period.

The Company accrues an estimated loss contingency liability when it is probable that such a liability has been incurred and the amount of the loss can be reasonably estimated. As of December 31, 2022, the Company had recorded liabilities aggregating to approximately $35 million for litigation-related contingencies, regulatory examinations and inquiries, and other matters. The Company evaluates its outstanding legal and regulatory proceedings and other matters each quarter to assess its loss contingency accruals, and makes adjustments in such accruals, upward or downward, as appropriate, based on management's best judgment after consultation with counsel. There is no assurance that the Company's accruals for loss contingencies will not need to be adjusted in the future or that, in light of the uncertainties involved in such matters, the ultimate resolution of these matters will not significantly exceed the accruals that the Company has recorded.

Indemnifications

In the normal course of business, the Company and its subsidiaries enter into contracts that contain a variety of representations and warranties and provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company believes the risk of material loss to be remote.

In connection with the sale of the Company's interest in its local Brazilian management entity in August 2021, the Company provided a guarantee to the acquiring company of up to BRL 100.0 million ($18.9 million as of December 31, 2022) for liabilities arising from tax-related indemnifications. This guarantee, which will expire in August 2027, would only come into effect after all alternative remedies have been exhausted. The Company believes the likelihood of any material funding under this guarantee to be remote.

Risks and Uncertainties

Carlyle's funds seek investment opportunities that offer the possibility of attaining substantial capital appreciation. Certain events particular to each industry in which the underlying investees conduct their operations, as well as general economic, political, regulatory and public health conditions, may have a significant negative impact on the Company's investments and profitability. The funds managed by the Company may also experience a slowdown in the deployment of capital, which could adversely affect the Company's ability to raise capital for new or successor funds and could also impact the management fees the Company earns on its carry funds and managed accounts. Such events are beyond the Company's control, and the likelihood that they may occur and the effect on the Company cannot be predicted.

Furthermore, certain of the funds' investments are made in private companies and there are generally no public markets for the underlying securities at the current time. The funds' ability to liquidate their publicly-traded investments are often subject to limitations, including discounts that may be required to be taken on quoted prices due to the number of shares being sold. The funds' ability to liquidate their investments and realize value is subject to significant limitations and uncertainties, including among others currency fluctuations and natural disasters.

The Company and the funds make investments outside of the United States. Investments outside the United States may be subject to less developed bankruptcy, corporate, partnership and other laws (which may have the effect of disregarding or otherwise circumventing the limited liability structures potentially causing the actions or liabilities of one fund or a portfolio company to adversely impact the Company or an unrelated fund or portfolio company). Non-U.S. investments are subject to the same risks associated with the Company's U.S. investments as well as additional risks, such as fluctuations in foreign currency exchange rates, unexpected changes in regulatory requirements, heightened risk of political and economic instability, difficulties in managing non-U.S. investments, potentially adverse tax consequences and the burden of complying with a wide variety of foreign laws.

Furthermore, Carlyle is exposed to economic risk concentrations related to certain large investments as well as concentrations of investments in certain industries and geographies.

Additionally, the Company encounters credit risk. Credit risk is the risk of default by a counterparty in the Company's investments in debt securities, loans, leases and derivatives that result from a borrower's, lessee's or derivative counterparty's inability or unwillingness to make required or expected payments.

The Company considers cash, cash equivalents, securities, receivables, principal equity method investments, accounts payable, accrued expenses, other liabilities, loans, senior notes, assets and liabilities of Consolidated Funds and contingent and other consideration for acquisitions to be its financial instruments. Except for the senior notes and subordinated notes, the carrying amounts reported in the consolidated balance sheets for these financial instruments equal or closely approximate their fair values. The fair value of the senior and subordinated notes is disclosed in Note 8.

11. Related Party Transactions

Due from Affiliates and Other Receivables, Net

The Company had the following due from affiliates and other receivables at December 31, 2022 and 2021:

	As of December 31,	
	2022	2021
	(Dollars in millions)	
Accrued incentive fees	$ **16.4**	$ 12.2
Unbilled receivable for giveback obligations from current and former employees	**10.4**	—
Notes receivable and accrued interest from affiliates	**41.5**	25.3
Management fee, reimbursable expenses and other receivables from unconsolidated funds and affiliates, net	**511.1**	342.1
Total	$ **579.4**	$ 379.6

Reimbursable expenses and other receivables from certain of the unconsolidated funds and portfolio companies relate to management fees receivable from limited partners, advisory fees receivable and expenses paid on behalf of these entities. These costs represent costs related to the pursuit of actual or proposed investments, professional fees and expenses associated with the acquisition, holding and disposition of the investments. The affiliates are obligated at the discretion of the Company to reimburse the expenses. Based on management's determination, the Company accrues and charges interest on amounts due from affiliate accounts at interest rates ranging up to 7.02% as of December 31, 2022. The accrued and charged interest to the affiliates was not significant for any period presented.

Notes receivable includes loans that the Company has provided to certain unconsolidated funds to meet short-term obligations to purchase investments. Notes receivable as of December 31, 2022 and December 31, 2021 also include interest-bearing loans of $23.2 million and $18.2 million, respectively, to certain eligible Carlyle employees, which excludes Section 16 officers and other members of senior management, to finance their investments in certain Carlyle sponsored funds. These advances accrue interest at the WSJ Prime Rate minus 1.00% floating with a floor rate of 3.50% (6.50% as of December 31, 2022) and are collateralized by each borrower's interest in the Carlyle sponsored funds.

These receivables are assessed regularly for collectability and amounts determined to be uncollectible are charged directly to general, administrative and other expenses in the consolidated statements of operations. A corresponding allowance for doubtful accounts is recorded and such amounts were not significant for any period presented.

Due to Affiliates

The Company had the following due to affiliates balances at December 31, 2022 and 2021:

	As of December 31,	
	2022	2021
	(Dollars in millions)	
Due to affiliates of Consolidated Funds	$ **16.4**	$ —
Due to non-consolidated affiliates	**87.1**	60.5
Amounts owed under the tax receivable agreement	**100.0**	101.9
Deferred consideration for Carlyle Holdings units	**134.4**	200.5
Other	**24.6**	25.2
Total	$ **362.5**	$ 388.1

The Company has recorded obligations for amounts due to certain of its affiliates. The Company periodically offsets expenses it has paid on behalf of its affiliates against these obligations.

Deferred consideration for Carlyle Holdings units relates to the remaining obligation to the holders of Carlyle Holdings partnership units who will receive cash payments aggregating to $1.50 per Carlyle Holdings partnership unit exchanged in connection with the Conversion, payable in five annual installments of $0.30. The first four annual installment payments occurred in January in each of 2020, 2021, 2022 and 2023. The obligation was initially recorded at fair value, net of a discount of $11.3 million and measured using Level III inputs in the fair value hierarchy.

In connection with the Company's initial public offering, the Company entered into a tax receivable agreement with the limited partners of the Carlyle Holdings partnerships whereby certain subsidiaries of the Partnership agreed to pay to the limited partners of the Carlyle Holdings partnerships involved in any exchange transaction 85% of the amount of cash tax savings, if any, in U.S. federal, state and local income tax realized as a result of increases in tax basis resulting from exchanges of Carlyle Holdings Partnership units for common units of The Carlyle Group L.P.

Other Related Party Transactions

In the normal course of business, the Company has made use of aircraft owned by entities controlled by senior Carlyle professionals. The senior Carlyle professionals paid for their purchases of the aircraft and bear all operating, personnel and maintenance costs associated with their operation for personal use. Payment by the Company for the business use of these aircraft by senior Carlyle professionals and other employees was made at market rates throughout the year based on budgeted business usage. When actual business use exceeded budgeted aircraft use, the Company made additional payments to the aircraft owner and/or the aircraft management company, as appropriate. Similarly, when the aggregate amount paid for budgeted aircraft use exceeded the calculated costs of actual business use, or results in rates which exceed market aircraft charter rates, the Company receives reimbursement of such excess payments from the aircraft owner and/or the aircraft management company, as appropriate. These adjustments were calculated annually and payments or reimbursements were generally made after year-end. During the years ended December 31, 2022, 2021 and 2020 the Company made net payments of $0.7 million, received net reimbursements of $1.1 million and made net payments of $4.8 million, respectively, related to these aircraft lease agreements. The accrual of aircraft fees is included in general, administrative, and other expenses in the consolidated statements of operations. During the year ended December 31, 2022, the Company terminated its remaining aircraft lease agreement, and as of December 31, 2022, the Company had no active aircraft lease agreements. As of December 31, 2022, the Company had a reimbursement receivable of $0.4 million related to actual business usage and market rate adjustments, which was received in January 2023.

On May 5, 2020, the Company purchased 2,000,000 of the BDC Preferred Shares from CSL in a private placement at a price of $25 per share. Dividends are payable on a quarterly basis in an initial amount equal to 7.0% per annum payable in cash, or, at CSL's option, 9.0% per annual payable in additional BDC Preferred Shares. The BDC Preferred Shares are convertible at the Company's option, in whole or in part, into the number of shares of common stock equal to $25 per share plus any accumulated but unpaid dividends divided by an initial conversion price of $9.50 per share, subject to certain adjustments. At any time after May 5, 2023 and with the approval of its board of directors, CSL will have the option to redeem the BDC Preferred Shares, in whole or in part. In such case, the Company has the right to convert its shares, in whole or in part, prior to the date of redemption. The Company recorded dividend income of $3.5 million and $3.5 million, respectively, during the twelve months ended December 31, 2022 and 2021. Dividend income from the BDC Preferred Shares is included in interest and other income in the consolidated statements of operations. The Company's investment in the BDC Preferred Shares, which is recorded at fair value, is $76.9 million and $72.5 million as of December 31, 2022 and 2021, respectively, and included in investments, including accrued performance allocations, in the consolidated balance sheets.

Senior Carlyle professionals and employees are permitted to participate in co-investment entities that invest in Carlyle funds or alongside Carlyle funds. In many cases, participation is limited by law to individuals who qualify under applicable legal requirements. These co-investment entities generally do not require senior Carlyle professionals and employees to pay management or performance allocations, however, Carlyle professionals and employees are required to pay their portion of partnership expenses.

Carried interest income from certain funds can be distributed to senior Carlyle professionals and employees on a current basis, but is subject to repayment by the subsidiary of the Company that acts as general partner of the fund in the event that certain specified return thresholds are not ultimately achieved. The senior Carlyle professionals and certain other investment professionals have personally guaranteed, subject to certain limitations, the obligation of these subsidiaries in respect of this general partner obligation. Such guarantees are several and not joint and are limited to a particular individual's distributions received.

The Company does business with some of its portfolio companies; all such arrangements are on a negotiated basis.

Substantially all revenue is earned from affiliates of Carlyle.

12. Income Taxes

The income before provision for income taxes consists of the following:

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
U.S. domestic income	**$ 1,402.9**	$ 3,816.2	$ 439.5
Foreign income	**169.6**	211.3	140.5
Total income before provision for income taxes	**$ 1,572.5**	$ 4,027.5	$ 580.0

The provision for income taxes consists of the following:

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Current			
Federal income tax	**$ 263.6**	$ 351.3	$ 0.3
State and local income tax	**30.4**	59.6	3.6
Foreign income tax	**55.6**	56.5	50.2
Total current	**349.6**	467.4	54.1
Deferred			
Federal income tax	**(25.1)**	450.7	127.2
State and local income tax	**(3.3)**	48.9	15.8
Foreign income tax	**(33.4)**	15.3	0.1
Total deferred	**(61.8)**	514.9	143.1
Total provision for income taxes	**$ 287.8**	$ 982.3	$ 197.2

The following table summarizes the effective income tax rate:

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Income before provision for income taxes	**$ 1,572.5**	$ 4,027.5	$ 580.0
Provision for income taxes	**$ 287.8**	$ 982.3	$ 197.2
Effective income tax rate	**18.30 %**	24.39 %	34.00 %

The effective tax rate is impacted by a variety of factors, including, but not limited to, changes in the sources of income or loss during the period and whether such income or loss is taxable to the Company and its subsidiaries. The following table reconciles the effective income tax rate to the U.S. federal statutory tax rate:

	Year Ended December 31,		
	2022	**2021**	**2020**
Statutory U.S. federal income tax rate	**21.00 %**	21.00 %	21.00 %
State and local income taxes	**0.83 %**	2.35 %	2.08 %
Foreign income taxes(1)	**(1.75)%**	0.64 %	4.76 %
Income passed through to common unitholders and non-controlling interest holders(2)	**(0.67)%**	(0.07)%	(2.02)%
Equity-based compensation	**(0.67)%**	(0.60)%	(3.09)%
Valuation allowance	**0.30 %**	0.79 %	(2.25)%
Impact of change in tax status due to Conversion(3)	**— %**	— %	14.59 %
Unrecognized tax benefits	**0.01 %**	0.02 %	1.64 %
Other adjustments(4)	**(0.75)%**	0.26 %	(2.71)%
Effective income tax rate	**18.30 %**	24.39 %	34.00 %

(1) 2022 includes a tax benefit due to restructuring the ownership of its foreign Global Investment Solutions business and the impact of amending the Company's 2020 tax return to claim a foreign tax credit rather than the original filing position claiming a foreign tax deduction. In addition, 2022 and 2021 include the impact of claiming foreign tax credits while 2020 includes the deduction of foreign taxes.

(2) Includes income that is not taxable to the Company and its subsidiaries.

(3) Refer to Note 11 in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 for more information on the tax impacts of the Company's Corporate Conversion completed January 1, 2020.

(4) 2020 includes a benefit of (2.64)% related to the disposal of certain foreign subsidiaries, which resulted in the recognition of long-term capital losses.

Deferred income taxes reflect the net tax effects of temporary differences that may exist between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes using enacted tax rates in effect for the year in which the differences are expected to reverse.

The following table summarizes the tax effects of the temporary differences:

	As of December 31,	
	2022	**2021**
	(Dollars in millions)	
Deferred tax assets		
Federal foreign tax credit carryforward	**$ 37.3**	$ 22.0
State net operating loss carryforwards	**5.9**	5.9
Tax basis goodwill and intangibles	**259.8**	290.9
Depreciation and amortization	**25.4**	18.9
Deferred restricted stock unit compensation	**24.7**	31.4
Lease liabilities	**119.0**	113.4
Accrued compensation	**781.3**	883.6
Basis difference in investments	**—**	22.9
Other	**140.4**	118.2
Deferred tax assets before valuation allowance	**1,393.8**	1,507.2
Valuation allowance	**(56.7)**	(46.8)
Total deferred tax assets	**$ 1,337.1**	$ 1,460.4
Deferred tax liabilities(1)		
Unrealized appreciation on investments	**$ 1,558.0**	$ 1,804.9
Lease right-of-use assets	**89.2**	85.0
Basis difference in investments	**47.9**	—
Other	**28.9**	43.1
Total deferred tax liabilities	**$ 1,724.0**	$ 1,933.0
Net deferred tax assets (liabilities)	**$ (386.9)**	$ (472.6)

(1) As of December 31, 2022 and 2021, $1,321.3 million and $1,445.9 million, respectively, of deferred tax assets were offset and presented as a single deferred tax liability amount on the Company’s consolidated balance sheet as these deferred tax assets and liabilities relate to the same jurisdiction.

The Company had $15.8 million and $14.5 million in deferred tax assets as of December 31, 2022 and 2021, respectively, which are offset with deferred tax liabilities where those assets and liabilities relate to the same tax jurisdiction. In both years, the deferred tax assets resulted primarily from the carryforward of federal and state tax attributes, offset by a valuation allowance, and temporary differences between the financial statement and tax bases of assets and liabilities at the Company’s foreign sub-advisor entities. The realization of the deferred tax assets is dependent on the Company’s future taxable income before deductions related to the establishment of its deferred tax assets. The deferred tax asset balance is comprised of a portion that would be realized in connection with future ordinary income and a portion that would be realized in connection with future capital gains.

The Company evaluated various sources of evidence in determining the ultimate realizability of its deferred tax assets including the character and timing of projected future taxable income and the Company’s ability to claim a foreign tax credit (“FTC”). The Company continues to maintain a valuation allowance on certain state net operating losses for a corporate subsidiary with entity level state net operating losses that cannot be utilized by other group members. In addition, the Company continues to maintain a valuation allowance on the FTC carryforward generated in 2014 and forward and other unused FTCs in 2022 that are not expected to be realized due to federal limitations on its utilization. As of December 31, 2022 and 2021, the Company established a valuation allowance of $56.7 million and $46.8 million, respectively, with the net increase primarily due to the FTC carryforward and related deferred tax assets offset by a release of the valuation allowance on tax attribute carryforwards that were utilized or written off in 2022 as well as certain foreign net operating losses that are not expected to be realized. For all other deferred tax assets, the Company has concluded it is more likely than not that they will be realized and that a valuation allowance is not needed at December 31, 2022.

The Company has deferred tax liabilities of $402.7 million and $487.1 million as of December 31, 2022 and 2021, respectively, which are offset with deferred tax assets where those assets and liabilities relate to the same tax jurisdiction. These deferred tax liabilities primarily resulted from temporary differences between the financial statement and tax bases of accrued performance allocations. These deferred tax liabilities are net of related compensation and offset by step-up in tax basis resulting from Conversion and future amortization of tax basis intangible assets generated from exchanges covered by the Tax Receivable Agreement (see Note 3).

As of December 31, 2022, the Company has cumulative state pre-tax net operating loss carryforwards of approximately $69.6 million ($5.8 million tax-effected), which will be available to offset future taxable income. If unused, a portion of the state carryforwards will begin to expire in 2023. The Company recorded a valuation allowance on $2.1 million of the state tax-effected net operating loss carryforwards which it believes will not be realized. In addition, the Company has a FTC carryforward of $37.3 million, which relates to taxes paid in foreign jurisdictions. If unused, a portion will expire in 2024 and years forward. Therefore, the Company recorded a full valuation allowance of $37.3 million on the FTC carryforward.

The Company files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and certain state, local and foreign tax regulators. With a few exceptions, as of December 31, 2022, the Company's U.S. federal income tax returns for the years 2019 through 2021 are open under the normal three years statute of limitations and therefore subject to examination. State and local tax returns are generally subject to audit from 2017 to 2021. Foreign tax returns are generally subject to audit from 2011 to 2021. Certain of the Company's affiliates are currently under audit by federal, state and foreign tax authorities. The Company does not believe that the outcome of the audits will require it to record unrecognized tax benefits or that the outcome will have a material impact on the consolidated financial statements.

Under U.S. GAAP for income taxes, the amount of tax benefit to be recognized is the amount of benefit that is "more likely than not" to be sustained upon examination. The Company has recorded unrecognized tax benefits of $39.3 million and $30.4 million as of December 31, 2022 and 2021, respectively, which is reflected in accounts payable, accrued expenses and other liabilities in the accompanying consolidated balance sheets. These balances include $13.1 million and $9.8 million as of December 31, 2022 and 2021, respectively, related to interest and penalties associated with uncertain tax positions. If recognized, $27.1 million of uncertain tax positions would be recorded as a reduction in the provision for income taxes.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, exclusive of penalties and interest, is as follows:

	As of December 31,		
	2022	**2021**	**2020**
	(Dollars in millions)		
Balance at January 1	**$ 20.6**	$ 17.2	$ 10.1
Additions based on tax positions related to current year	**2.4**	1.3	8.7
Additions for tax positions of prior years	**5.3**	2.6	—
Reductions for tax positions of prior years	**(1.6)**	(0.5)	(0.1)
Reductions due to lapse of statute of limitations	**(0.5)**	—	(0.6)
Reductions due to settlements	**—**	—	(0.9)
Balance at December 31	**$ 26.2**	$ 20.6	$ 17.2

The Company does not believe that it has any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next twelve months.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law. The IRA enacted a 15% alternative minimum tax on the "adjusted financial statement income" of certain large corporations and a 1% excise tax on certain actual and deemed stock repurchases, both of which become effective in 2023. While the IRA has no effect on the 2022 financial statements, the Company is continuing to evaluate the impact of the IRA on its financial statements as further information becomes available.

13. Non-controlling Interests in Consolidated Entities

The components of the Company's non-controlling interests in consolidated entities are as follows:

	As of December 31,	
	2022	2021
	(Dollars in millions)	
Non-Carlyle interests in Consolidated Funds	**$ 412.0**	$ 180.1
Non-Carlyle interests in majority-owned subsidiaries	**186.9**	234.4
Non-controlling interest in carried interest, giveback obligations and cash held for carried interest distributions	**1.4**	12.7
Non-controlling interests in consolidated entities	**$ 600.3**	$ 427.2

The components of the Company's non-controlling interests in income of consolidated entities are as follows:

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Non-Carlyle interests in Consolidated Funds	**$ 36.1**	$ 2.7	$ 8.1
Non-Carlyle interests in majority-owned subsidiaries	**20.7**	55.1	16.5
Non-controlling interest in carried interest, giveback obligations and cash held for carried interest distributions	**2.9**	12.7	10.0
Non-controlling interests in income of consolidated entities	**$ 59.7**	$ 70.5	$ 34.6

14. Earnings Per Common Share

Basic and diluted net income per common share are calculated as follows:

	Year Ended December 31, 2022		Year Ended December 31, 2021		Year Ended December 31, 2020	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Net income attributable to common shares	**$ 1,225,000,000**	**$ 1,225,000,000**	$ 2,974,700,000	$ 2,974,700,000	$ 348,200,000	$ 348,200,000
Weighted-average common shares outstanding	**361,278,064**	**365,707,722**	355,241,653	362,574,564	350,464,315	358,393,802
Net income per common share	**$ 3.39**	**$ 3.35**	$ 8.37	$ 8.20	$ 0.99	$ 0.97

The weighted-average common shares outstanding, basic and diluted, are calculated as follows:

	Year Ended December 31, 2022		Year Ended December 31, 2021		Year Ended December 31, 2020	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
The Carlyle Group Inc. weighted-average common shares outstanding	**361,278,064**	**361,278,064**	355,241,653	355,241,653	350,464,315	350,464,315
Unvested restricted stock units	**—**	**2,394,372**	—	4,713,277	—	5,545,150
Issuable common shares and performance-vesting restricted stock units	**—**	**2,035,286**	—	2,619,634	—	2,384,337
Weighted-average common shares outstanding	**361,278,064**	**365,707,722**	355,241,653	362,574,564	350,464,315	358,393,802

The Company applies the treasury stock method to determine the dilutive weighted-average common shares represented by the unvested restricted stock units. Also included in the determination of dilutive weighted-average common shares are issuable common shares associated with the Company's acquisitions, strategic investment in NGP, performance-vesting restricted stock units and issuable common shares associated with a program under which the Company may distribute realized performance allocation related compensation in fully vested, newly issued shares (see Note 15 to the consolidated financial statements).

15. Equity

Shares Issued for Performance Allocation Related Compensation

In October 2021, the Company commenced a program under which, at the Company's discretion, up to 20% of realized performance allocations and incentive fee related compensation over a certain threshold amount may be distributed in fully vested, newly issued shares of the Company's common stock. During the year ended December 31, 2022 and the period from October 1, 2021 through December 31, 2021, the Company distributed 850,110 and 86,317, fully vested, newly issued common shares, respectively, related to previously accrued performance allocations and incentive fee related compensation of $38.9 million and $4.8 million, respectively. The Company has determined to pause the issuance of shares pursuant to this program.

Stock Repurchase Program

In October 2021, the Board of Directors of the Company authorized the repurchase of up to $400 million of common stock, which replaced an authorization provided in February 2021 effective January 1, 2022. Under this repurchase program, shares of common stock may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise, including through Rule 10b5-1 plans. The timing and actual number of shares of common stock repurchased will depend on a variety of factors, including legal requirements, price, and economic and market conditions. This repurchase program may be suspended or discontinued at any time and does not have a specified expiration date. During the year ended December 31, 2022, the Company paid an aggregate of $185.6 million to repurchase and retire 5.0 million shares with all of the repurchases done via open market and brokered transactions. As of December 31, 2022, $214.3 million of repurchase capacity remained under the program. In February 2023, the Board of Directors replenished the repurchase program and expanded the limit to $500 million of common stock in aggregate, effective March 31, 2023.

Shares Issued in Connection with Acquisitions

In August 2022, the Company issued 0.6 million shares of common stock, which represented $25.0 million of the purchase price paid in the acquisition of Abingworth. In March 2022, the Company issued 4.2 million shares of common stock, which represented $194.5 million of the purchase price paid in the acquisition of management contracts related to a portfolio of assets from CBAM. See Note 4 to the unaudited condensed consolidated financial statements for a further description of these acquisitions.

Dividends

The table below presents information regarding the quarterly dividends on the common shares, which were made at the sole discretion of the Board of Directors of the Company.

Dividend Record Date	Dividend Payment Date	Dividend per Common Share	Dividend to Common Stockholders
		(Dollars in millions, except per share data)	
May 11, 2021	May 19, 2021	$ 0.25	$ 88.7
August 10, 2021	August 17, 2021	0.25	89.3
November 9, 2021	November 17, 2021	0.25	89.1
February 15, 2022	February 23, 2022	0.25	89.5
Total 2021 Dividend Year		$ 1.00	$ 356.6
May 10, 2022	May 17, 2022	$ 0.325	$ 117.6
August 9, 2022	August 16, 2022	0.325	118.3
November 18, 2022	November 25, 2022	0.325	118.2
February 22, 2023	March 1, 2023	0.325	118.4
Total 2022 Dividend Year		$ 1.30	$ 472.5

The Board of Directors will take into account general economic and business conditions, as well as the Company's strategic plans and prospects, business and investment opportunities, financial condition and obligations, legal, tax and regulatory restrictions, other constraints on the payment of dividends by the Company to its common stockholders or by subsidiaries to the Company, and other such factors as the Board of Directors may deem relevant. In addition, the terms of the Company's credit facility provide certain limits on the Company's ability to pay dividends.

16. Equity-Based Compensation

In May 2012, Carlyle Group Management L.L.C., the general partner of the Partnership, adopted the Equity Incentive Plan. The Equity Incentive Plan, which was amended on January 1, 2020 in connection with the Conversion to reflect shares of the Company's common stock, is a source of equity-based awards permitting the Company to grant to Carlyle employees, directors and consultants non-qualified options, share appreciation rights, common shares, restricted stock units and other awards based on the Company's common shares. The total number of the Company's common shares which were initially available for grant under the Equity Incentive Plan was 30,450,000. Prior to June 1, 2021, the Equity Incentive Plan contained a provision which automatically increased the number of the Company's common shares available for grant based on a pre-determined formula; this increase occurred annually on January 1. As of January 1, 2021, pursuant to the formula, the total number of the Company's common shares available for grant under the Equity Incentive Plan was 35,352,057. On June 1, 2021, the shareholders of the Company approved an amended and restated Equity Incentive Plan that removed the provision providing for the automatic increase and reset the total number of shares of common stock available for grant to 16,000,000 for awards granted under the plan after June 1, 2021. An increase in the number of shares available for grant under the plan would require shareholder approval. As of December 31, 2022, the total number of the Company's common shares available for grant under the amended and restated Equity Incentive Plan was 12,861,371. This amount does not reflect 9.9 million restricted stock units granted under the amended and restated Equity Incentive Plan in February 2023.

Common Shares

In connection with its strategic investment in NGP, the Company agreed to grant common shares on each of February 1, 2019 and 2020 with a value of $10.0 million per year to an affiliate of NGP Management, and subsequent to 2020, to grant common shares on an annual basis with a value not to exceed based $10.0 million based on a prescribed formula, which will vest over a 42-month period. Because the Company accounts for its investment in NGP under the equity method of accounting, the fair value of the shares is recognized as a reduction to principal investment income. During the years ended December 31, 2022, 2021 and 2020, the Company recognized $8.4 million, $9.2 million and $8.8 million, respectively, as a reduction to principal investment income related to these shares.

Restricted Stock Units

The deferred restricted stock units are unvested when granted and vest ratably over a service period, which generally ranges from six months to four years. The grant-date fair value of the deferred restricted stock units granted to Carlyle's employees is charged to equity-based compensation expense on a straight-line basis over the required service period. Additionally, the calculation of the expense assumes a per unit discount that ranges from 0% to 20.0%, as these unvested awards do not participate in any dividends. Equity-based compensation expense generates deferred tax assets, which are realized when the units vest. The Company recorded compensation expense of $154.0 million, $163.1 million and $105.0 million for the years ended December 31, 2022, 2021 and 2020, respectively, with $28.7 million, $33.4 million and $26.0 million of corresponding deferred tax benefits, respectively. A portion of the accumulated deferred tax asset associated with equity-based compensation expense was reclassified as a current tax benefit due to units vesting during the years ended December 31, 2022, 2021 and 2020. The net impact of the addition/(reduction) in deferred tax assets due to the equity-based compensation expense recorded during the period less the tax deduction for units that vested was $(3.2) million, $10.0 million and $(4.8) million for the years ended December 31, 2022, 2021 and 2020, respectively. In addition, the deferred tax asset related to equity-based compensation increased by $15.5 million during the year ended December 31, 2020 as a result of the exchange of Carlyle Holdings units in the Conversion, as equity-based compensation previously attributable to non-controlling interests is now attributable to the Company (see Note 11 to the consolidated financial statements in the Annual Report on Form 10-K for the year ended December 31, 2020 for information regarding the impact of the Conversion). As of December 31, 2022, the total unrecognized equity-based compensation expense related to unvested deferred restricted stock units is $238.0 million, which is expected to be recognized over a weighted-average term of 2.0 years.

Equity-based awards issued to non-employees, including non-employee directors and consultants, are recognized as general, administrative and other expenses. The grant-date fair value of deferred restricted stock units granted to non-employees is charged to expense on a straight-line basis over the vesting period. Equity-based awards that require the satisfaction of future service criteria are recognized over the relevant service period. The expense for equity-based awards issued to non-employees was $5.0 million, $5.2 million and $6.0 million for the years ended December 31, 2022, 2021 and 2020, respectively.

The vesting of deferred restricted stock units creates taxable income for the Company's employees in certain jurisdictions. Accordingly, the employees may elect to engage the Company's equity plan service provider to sell sufficient common shares and generate proceeds to cover their minimum tax obligations.

During 2021, the Company granted 7.1 million long-term, strategic restricted stock units to certain senior professionals, the majority of which are eligible to vest based on the achievement of annual performance targets over four years across a number of the Company's employees. Compensation cost will be recognized over the requisite service period if it is probable that the performance condition will be satisfied.

A summary of the status of the Company's non-vested equity-based awards as of December 31, 2022 and a summary of changes from December 31, 2019 through December 31, 2022, are presented below:

	The Carlyle Group, Inc.			
	Equity Settled Awards			
Unvested Shares	**Restricted Stock Units**	**Weighted-Average Grant Date Fair Value**	**Unvested Common Shares(1)**	**Weighted-Average Grant Date Fair Value**
Balance, December 31, 2019	14,622,159	$ 17.09	788,290	$ 20.30
Granted	3,450,355	$ 29.40	299,401	$ 33.40
Vested	7,112,767	$ 17.36	339,347	$ 20.63
Forfeited	2,436,665	$ 19.03	—	$ —
Balance, December 31, 2020	8,523,082	$ 21.70	748,344	$ 25.39
Granted (2)	11,207,062	$ 31.64	291,396	$ 32.93
Vested	4,625,457	$ 22.64	404,310	$ 24.73
Forfeited	329,036	$ 31.02	—	$ —
Balance, December 31, 2021	14,775,651	$ 30.70	635,430	$ 29.27
Granted	4,216,827	$ 40.35	188,223	$ 49.06
Vested	5,805,437	$ 28.15	370,773	$ 26.54
Forfeited	2,321,793	$ 30.84	—	$ —
Balance, December 31, 2022	10,865,248	$ 35.78	452,880	$ 39.73

(1) Includes shares issued in connection with the Company's strategic investment in NGP.
(2) Includes 7.1 million long-term, strategic restricted stock units to certain senior professionals, the majority of which are eligible to vest based on the achievement of annual performance targets over four years across a number of the Company's employees.

17. Segment Reporting

Carlyle conducts its operations through three reportable segments:

Global Private Equity – The Global Private Equity segment is comprised of the Company's operations that advise a diverse group of funds that invest in buyout, middle market and growth capital, real estate, infrastructure and natural resources transactions.

Global Credit – The Global Credit segment advises products that pursue investment opportunities across various types of credit, including loans and structured credit, direct lending, opportunistic credit, aircraft finance, infrastructure debt, insurance solutions and global capital markets solutions.

Global Investment Solutions – The Global Investment Solutions segment advises global private equity fund of funds programs and related co-investment, secondary and portfolio finance investments activities through AlpInvest. This segment also included Metropolitan Real Estate ("MRE"), a global manager of real estate fund of funds and related co-investment and secondary activities, prior to its sale on April 1, 2021.

The Company's reportable business segments are differentiated by their various investment focuses and strategies. Overhead costs are generally allocated based on cash-based compensation and benefits expense for each segment. The Company's earnings from its investment in NGP are presented in the respective operating captions within the Global Private Equity segment.

Distributable Earnings. Distributable Earnings, or “DE,” is a key performance benchmark used in the Company’s industry and is evaluated regularly by management in making resource deployment and compensation decisions and in assessing performance of the Company’s three reportable segments. Management also uses DE in budgeting, forecasting, and the overall management of the Company’s segments. Management believes that reporting DE is helpful to understanding the Company’s business and that investors should review the same supplemental financial measure that management uses to analyze the Company’s segment performance. DE is intended to show the amount of net realized earnings without the effects of the consolidation of the Consolidated Funds. DE is derived from the Company’s segment reported results and is used to assess performance.

Distributable Earnings differs from income (loss) before provision for income taxes computed in accordance with U.S. GAAP in that it includes certain tax expenses associated with certain foreign performance revenues (comprised of performance allocations and incentive fees), and does not include unrealized performance allocations and related compensation expense, unrealized principal investment income, equity-based compensation expense, net income (loss) attributable to non-Carlyle interests in consolidated entities, or charges (credits) related to Carlyle corporate actions and non-recurring items. Charges (credits) related to Carlyle corporate actions and non-recurring items include: charges (credits) associated with acquisitions, dispositions or strategic investments, changes in the tax receivable agreement liability, amortization and any impairment charges associated with acquired intangible assets, transaction costs associated with acquisitions and dispositions, charges associated with earnouts and contingent consideration including gains and losses associated with the estimated fair value of contingent considerations issued in conjunction with acquisitions or strategic investments, impairment charges associated with lease right-of-use assets, gains and losses from the retirement of debt, charges associated with contract terminations and employee severance. Management believes the inclusion or exclusion of these items provides investors with a meaningful indication of the Company’s core operating performance.

Fee Related Earnings. Fee Related Earnings, or “FRE,” is used to assess the ability of the business to cover direct base compensation and operating expenses from total fee revenues. FRE differs from income (loss) before provision for income taxes computed in accordance with U.S. GAAP in that it adjusts for the items included in the calculation of DE and also adjusts DE to exclude net realized performance revenues, realized principal investment income, net interest (interest income less interest expense), and certain general, administrative and other expenses when the timing of any future payment is uncertain. In 2022, the Company began to disclose fee related performance revenues as a separate line item in its segment results. Fee related performance revenues are the realized portion of performance revenues that are measured and received on a recurring basis, are not dependent on the disposition of investments, and which are not at risk of giveback. Previously, these amounts were included as a component of fund management fees. Beginning in 2022, the Company’s Core plus real estate fund, CPI, began to realize recurring performance revenues. Realized net performance revenues for CPI were immaterial in prior periods.

The following tables present the financial data for the Company's three reportable segments as of and for the year ended December 31, 2022:

	December 31, 2022 and the Year Then Ended			
	Global Private Equity	Global Credit	Global Investment Solutions	Total
	(Dollars in millions)			
Segment Revenues				
Fund level fee revenues				
Fund management fees	$ 1,300.9	$ 473.1	$ 222.9	$ 1,996.9
Portfolio advisory and transaction fees, net and other	29.5	81.6	—	111.1
Fee related performance revenues	69.4	59.9	—	129.3
Total fund level fee revenues	1,399.8	614.6	222.9	2,237.3
Realized performance revenues	1,656.6	131.5	192.6	1,980.7
Realized principal investment income	108.7	38.1	3.8	150.6
Interest income	14.9	15.3	2.6	32.8
Total revenues	3,180.0	799.5	421.9	4,401.4
Segment Expenses				
Compensation and benefits				
Cash-based compensation and benefits	598.3	284.2	111.7	994.2
Realized performance revenues related compensation	751.5	61.3	169.4	982.2
Total compensation and benefits	1,349.8	345.5	281.1	1,976.4
General, administrative, and other indirect expenses	235.3	97.7	36.8	369.8
Depreciation and amortization expense	25.6	8.2	5.1	38.9
Interest expense	63.7	32.6	11.0	107.3
Total expenses	1,674.4	484.0	334.0	2,492.4
Distributable Earnings	**$ 1,505.6**	**$ 315.5**	**$ 87.9**	**$ 1,909.0**
(-) Realized net performance revenues	905.1	70.2	23.2	998.5
(-) Realized principal investment income	108.7	38.1	3.8	150.6
(+) Net interest	48.8	17.3	8.4	74.5
(=) Fee Related Earnings	**$ 540.6**	**$ 224.5**	**$ 69.3**	**$ 834.4**
Segment assets as of December 31, 2022	$ 9,790.8	$ 3,141.6	$ 1,860.4	$ 14,792.8

The following tables present the financial data for the Company’s three reportable segments as of and for the year ended December 31, 2021:

	December 31, 2021 and the Year Then Ended			
	Global Private Equity(1)	Global Credit	Global Investment Solutions(2)	Total
	(Dollars in millions)			
Segment Revenues				
Fund level fee revenues				
Fund management fees	$ 1,111.8	$ 314.4	$ 228.4	$ 1,654.6
Portfolio advisory and transaction fees, net and other	34.3	62.2	0.5	97.0
Fee related performance revenues	—	43.2	—	43.2
Total fund level fee revenues	1,146.1	419.8	228.9	1,794.8
Realized performance revenues	2,757.8	(6.0)	186.8	2,938.6
Realized principal investment income	167.8	31.9	9.8	209.5
Interest income	1.4	5.6	0.2	7.2
Total revenues	4,073.1	451.3	425.7	4,950.1
Segment Expenses				
Compensation and benefits				
Cash-based compensation and benefits	546.2	237.1	108.2	891.5
Realized performance revenues related compensation	1,243.6	(2.7)	168.1	1,409.0
Total compensation and benefits	1,789.8	234.4	276.3	2,300.5
General, administrative, and other indirect expenses	172.5	63.1	32.0	267.6
Depreciation and amortization expense	25.1	8.0	4.5	37.6
Interest expense	63.8	26.1	10.8	100.7
Total expenses	2,051.2	331.6	323.6	2,706.4
Distributable Earnings	**$ 2,021.9**	**$ 119.7**	**$ 102.1**	**$ 2,243.7**
(-) Realized net performance revenues	1,514.2	(3.3)	18.7	1,529.6
(-) Realized principal investment income	167.8	31.9	9.8	209.5
(+) Net interest	62.4	20.5	10.6	93.5
(=) Fee Related Earnings	**$ 402.3**	**$ 111.6**	**$ 84.2**	**$ 598.1**
Segment assets as of December 31, 2021	$ 10,282.4	$ 2,206.6	$ 2,009.2	$ 14,498.2

(1) On August 31, 2021, the Company sold 100% of its interest in its local Brazilian management entity and entered into a sub-advisory agreement with the acquiring company, which will provide advisory services with respect to Carlyle’s Brazilian portfolio. The Company recorded a loss on the sale and related transaction costs of $4.7 million, which is included in other non-operating expenses (income) on the consolidated statements of operations, as well as a foreign currency translation loss of $14.7 million related to amounts previously recorded in accumulated other comprehensive income, which is primarily included in general, administrative and other expenses on the consolidated statements of operations. These amounts are excluded from the Company’s segment reporting.

(2) On April 1, 2021, the Company sold 100% of its interest in Metropolitan Real Estate (“MRE”) and recorded a $5 million gain on the sale, which is included in other non-operating expenses (income) on the consolidated statements of operations. This amount is excluded from the Company’s segment reporting. The Company retained its existing investments in and commitments to the MRE funds, as well as its interest in the net accrued performance allocations in existing funds.

The following tables present the financial data for the Company's three reportable segments for the year ended December 31, 2020:

	Year Ended December 31, 2020			
	Global Private Equity	Global Credit	Global Investment Solutions	Total
	(Dollars in millions)			
Segment Revenues				
Fund level fee revenues				
Fund management fees	$ 1,042.0	$ 288.3	$ 193.0	$ 1,523.3
Portfolio advisory and transaction fees, net and other	22.8	34.0	0.1	56.9
Fee related performance revenues	—	35.9	—	35.9
Total fund level fee revenues	1,064.8	358.2	193.1	1,616.1
Realized performance revenues	404.5	26.5	155.1	586.1
Realized principal investment income	52.0	18.7	2.3	73.0
Interest income	3.3	10.4	0.6	14.3
Total revenues	1,524.6	413.8	351.1	2,289.5
Segment Expenses				
Compensation and benefits				
Cash-based compensation and benefits	501.9	206.1	113.5	821.5
Realized performance revenues related compensation	183.0	12.2	144.6	339.8
Total compensation and benefits	684.9	218.3	258.1	1,161.3
General, administrative, and other indirect expenses	157.9	45.7	37.8	241.4
Depreciation and amortization expense	22.0	7.0	4.5	33.5
Interest expense	55.3	26.6	9.3	91.2
Total expenses	920.1	297.6	309.7	1,527.4
Distributable Earnings	**$ 604.5**	**$ 116.2**	**$ 41.4**	**$ 762.1**
(-) Realized net performance revenues	221.5	14.3	10.5	246.3
(-) Realized principal investment income	52.0	18.7	2.3	73.0
(+) Net interest	52.0	16.2	8.7	76.9
(=) Fee Related Earnings	**$ 383.0**	**$ 99.4**	**$ 37.3**	**$ 519.7**

The following tables reconcile the Total Segments to the Company's Total Assets and Income (Loss) Before Provision for Income Taxes as of and for the years ended December 31, 2022 and 2021:

	December 31, 2022 and the Year then Ended				
	Total Reportable Segments	Consolidated Funds	Reconciling Items		Carlyle Consolidated
	(Dollars in millions)				
Revenues	**$ 4,401.4**	**$ 311.0**	**$ (273.7)**	**(a)**	**$ 4,438.7**
Expenses	**$ 2,492.4**	**$ 255.3**	**$ 77.0**	**(b)**	**$ 2,824.7**
Other loss	**$ —**	**$ (41.5)**	**$ —**	**(c)**	**$ (41.5)**
Distributable earnings	**$ 1,909.0**	**$ 14.2**	**$ (350.7)**	**(d)**	**$ 1,572.5**
Total assets	**$ 14,792.8**	**$ 7,213.3**	**$ (603.1)**	**(e)**	**$ 21,403.0**

	December 31, 2021 and the Year then Ended				
	Total Reportable Segments	Consolidated Funds	Reconciling Items		Carlyle Consolidated
	(Dollars in millions)				
Revenues	$ 4,950.1	$ 253.2	$ 3,578.8	(a)	$ 8,782.1
Expenses	$ 2,706.4	$ 217.8	$ 1,832.9	(b)	$ 4,757.1
Other income	$ —	$ 2.5	$ —	(c)	$ 2.5
Distributable earnings	$ 2,243.7	$ 37.9	$ 1,745.9	(d)	$ 4,027.5
Total assets	$ 14,498.2	$ 6,948.0	$ (195.8)	(e)	$ 21,250.4

The following table reconciles the Total Segments to the Company's Income Before Provision for Income Taxes for the year ended December 31, 2020:

	Year Ended December 31, 2020				
	Total Reportable Segments	Consolidated Funds	Reconciling Items		Carlyle Consolidated
	(Dollars in millions)				
Revenues	$ 2,289.5	$ 226.8	$ 418.3	(a)	$ 2,934.6
Expenses	$ 1,527.4	$ 206.2	$ 599.7	(b)	$ 2,333.3
Other loss	$ —	$ (21.3)	$ —	(c)	$ (21.3)
Distributable earnings	$ 762.1	$ (0.7)	$ (181.4)	(d)	$ 580.0

(a) The Revenues adjustment principally represents unrealized performance revenues, unrealized principal investment income (loss) (including Fortitude), the principal investment loss from dilution of the indirect investment in Fortitude, revenues earned from the Consolidated Funds which were eliminated in consolidation to arrive at the Company's total revenues, adjustments for amounts attributable to non-controlling interests in consolidated entities, adjustments related to expenses associated with the investments in NGP Management and its affiliates that are included in operating captions or are excluded from the segment results, adjustments to reflect the reimbursement of certain costs incurred on behalf of Carlyle funds on a net basis, and the inclusion of tax expenses associated with certain foreign performance revenues, as detailed below:

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Unrealized performance revenues	$ **(142.5)**	$ 3,155.6	$ 1,031.0
Unrealized principal investment income	**(38.3)**	351.8	(556.2)
Principal investment loss from dilution of indirect investment in Fortitude	**(176.9)**	—	—
Adjusted unrealized principal investment income from direct investment in Fortitude	**—**	—	(104.4)
Adjustments related to expenses associated with investments in NGP Management and its affiliates	**(12.9)**	(13.7)	(15.3)
Tax expense associated with certain foreign performance revenues	**0.1**	0.2	0.5
Non-controlling interests and other adjustments to present certain costs on a net basis	**119.0**	159.6	96.6
Elimination of revenues of Consolidated Funds	**(22.2)**	(74.7)	(33.9)
	$ **(273.7)**	$ 3,578.8	$ 418.3

The following table reconciles the total segments fund level fee revenue to the most directly comparable U.S. GAAP measure, the Company's consolidated fund management fees, for the years ended December 31, 2022, 2021 and 2020:

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Total Reportable Segments - Fund level fee revenues	$ **2,237.3**	$ 1,794.8	$ 1,616.1
Adjustments[1]	**(207.2)**	(127.3)	(130.1)
Carlyle Consolidated - Fund management fees	$ **2,030.1**	$ 1,667.5	$ 1,486.0

(1) Adjustments represent the reclassification of NGP management fees from principal investment income, the reclassification of fee related performance revenues from business development companies and other products, management fees earned from consolidated CLOs which were eliminated in consolidation to arrive at the Company's fund management fees, the reclassification of a $12.7 million loss related to the purchase of investor interests in a Global Investment Solutions product from fund management fees to principal investment income (loss), and the reclassification of certain amounts included in portfolio advisory fees, net and other in the segment results that are included in interest and other income in the U.S. GAAP results.

(b) The Expenses adjustment represents the elimination of intercompany expenses of the Consolidated Funds payable to the Company, the inclusion of equity-based compensation, certain tax expenses associated with realized performance revenues related compensation, and unrealized performance revenues related compensation, adjustments related to expenses associated with the investment in NGP Management that are included in operating captions, adjustments to reflect the reimbursement of certain costs incurred on behalf of Carlyle funds on a net basis, changes in the tax receivable agreement liability, and charges and credits associated with Carlyle corporate actions and non-recurring items, as detailed below:

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Unrealized performance and fee related performance revenue related compensation expense	$ (326.2)	$ 1,549.4	$ 432.3
Equity-based compensation	161.9	172.9	116.6
Acquisition or disposition-related charges and amortization of intangibles and impairment	187.4	37.7	38.1
Tax expense associated with certain foreign performance revenues related compensation	2.9	(17.3)	(8.4)
Non-controlling interests and other adjustments to present certain costs on a net basis	82.7	78.5	55.8
Debt extinguishment costs	—	10.2	—
Right-of-use asset impairment	—	26.8	—
Other adjustments, including severance and C-Corp. conversion costs in 2020	12.4	14.2	8.0
Elimination of expenses of Consolidated Funds	(44.1)	(39.5)	(42.7)
	$ 77.0	$ 1,832.9	$ 599.7

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

(d) The following table is a reconciliation of Income (Loss) Before Provision for Income Taxes to Distributable Earnings and to Fee Related Earnings:

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Income before provision for income taxes	$ 1,572.5	$ 4,027.5	$ 580.0
Adjustments:			
Net unrealized performance and fee related performance revenues	(183.7)	(1,606.2)	(598.7)
Unrealized principal investment (income) loss[(1)]	38.3	(351.8)	556.2
Principal investment loss from dilution of indirect investment in Fortitude	176.9	—	—
Adjusted unrealized principal investment (income) loss from direct investment in Fortitude[(2)]	—	—	104.4
Equity-based compensation[(3)]	161.9	172.9	116.6
Acquisition or disposition-related charges, including amortization of intangibles and impairment	187.4	37.7	38.1
Net income attributable to non-controlling interests in consolidated entities	(59.7)	(70.5)	(34.6)
Tax expense associated with certain foreign performance revenues	3.0	(17.1)	(7.9)
Debt extinguishment costs	—	10.2	—
Right-of-use impairment	—	26.8	—
Other adjustments including severance and C-Corp. conversion costs in 2020	12.4	14.2	8.0
Distributable Earnings	$ 1,909.0	$ 2,243.7	$ 762.1
Realized performance revenues, net of related compensation[(4)]	998.5	1,529.6	246.3
Realized principal investment income[(4)]	150.6	209.5	73.0
Net interest	74.5	93.5	76.9
Fee Related Earnings	$ 834.4	$ 598.1	$ 519.7

(1) Adjustments to unrealized principal investment income (loss) during the year ended December 31, 2020 are inclusive of $211.8 million of unrealized gains, resulting from changes in the fair value of embedded derivatives related to certain reinsurance contracts included in Fortitude's U.S. GAAP financial statements prior to the contribution of the Company's investment in Fortitude to Carlyle FRL on June 2, 2020. At the time of the contribution of the Company's investment to Carlyle FRL, the Company began accounting for its investment under the equity method based on its net asset value in the fund, which is an investment company that accounts for its investment in Fortitude at fair value.

(2) Adjusted unrealized principal investment income (loss) from the direct investment in Fortitude represents 19.9% of Fortitude's estimated net income (loss), excluding the unrealized gains (losses) related to embedded derivatives, prior to the contribution of the Company's investment in Fortitude to Carlyle FRL on June 2, 2020.

(3) Equity-based compensation for the years ended December 31, 2022, 2021 and 2020 includes amounts that are presented in principal investment income and general, administrative and other expenses in the Company's U.S. GAAP consolidated statements of operations.

(4) See reconciliation to most directly comparable U.S. GAAP measure below:

	Year Ended December 31, 2022		
	Carlyle Consolidated	Adjustments(3)	Total Reportable Segments
	(Dollars in millions)		
Performance revenues	**$ 1,327.5**	**$ 653.2**	**$ 1,980.7**
Performance revenues related compensation expense	**719.9**	**262.3**	**982.2**
Net performance revenues	**$ 607.6**	**$ 390.9**	**$ 998.5**
Principal investment income (loss)	**$ 570.5**	**$ (419.9)**	**$ 150.6**

	Year Ended December 31, 2021		
	Carlyle Consolidated	Adjustments(3)	Total Reportable Segments
	(Dollars in millions)		
Performance revenues	$ 6,084.6	$ (3,146.0)	$ 2,938.6
Performance revenues related compensation expense	2,961.0	(1,552.0)	1,409.0
Net performance revenues	$ 3,123.6	$ (1,594.0)	$ 1,529.6
Principal investment income (loss)	$ 637.3	$ (427.8)	$ 209.5

	Year Ended December 31, 2020		
	Carlyle Consolidated	Adjustments(3)	Total Reportable Segments
	(Dollars in millions)		
Performance revenues	$ 1,635.9	$ (1,049.8)	$ 586.1
Performance revenues related compensation expense	779.1	(439.3)	339.8
Net performance revenues	$ 856.8	$ (610.5)	$ 246.3
Principal investment income (loss)	$ (540.7)	$ 613.7	$ 73.0

(3) Adjustments to performance revenues and principal investment income (loss) relate to (i) unrealized performance allocations net of related compensation expense and unrealized principal investment income, which are excluded from the segment results, (ii) amounts earned from the Consolidated Funds, which were eliminated in the U.S. GAAP consolidation but were included in the segment results, (iii) amounts attributable to non-controlling interests in consolidated entities, which were excluded from the segment results, (iv) the reclassification of NGP performance revenues, which are included in principal investment income in the U.S. GAAP financial statements, (v) the reclassification of fee related performance revenues, which are included in fund level fee revenues in the segment results, and (vi) the reclassification of tax expenses associated with certain foreign performance revenues. Adjustments to principal investment income (loss) also include the reclassification of earnings for the investments in NGP Management and its affiliates to the appropriate operating captions for the segment results, and the exclusion of charges associated with the investment in NGP Management and its affiliates that are excluded from the segment results and the exclusion of the principal investment loss from dilution of the indirect investment in Fortitude.

(e) The Total Assets adjustment represents the addition of the assets of the Consolidated Funds that were eliminated in consolidation to arrive at the Company's total assets.

Information by Geographic Location

Carlyle primarily transacts business in the United States and a significant amount of its revenues are generated domestically. The Company has established investment vehicles whose primary focus is making investments in specified geographical locations. The tables below present consolidated revenues and assets based on the geographical focus of the associated investment vehicle.

	Total Revenues		Total Assets	
	Share	%	Share	%
	(Dollars in millions)			
Year Ended December 31, 2022				
Americas[1]	**$ 2,560.0**	**58 %**	**$ 11,662.8**	**55 %**
EMEA[2]	**1,603.8**	**36 %**	**8,632.9**	**40 %**
Asia-Pacific[3]	**274.9**	**6 %**	**1,107.3**	**5 %**
Total	**$ 4,438.7**	**100 %**	**$ 21,403.0**	**100 %**

	Total Revenues		Total Assets	
	Share	%	Share	%
	(Dollars in millions)			
Year Ended December 31, 2021				
Americas[1]	$ 5,434.6	62 %	$ 10,874.2	51 %
EMEA[2]	2,629.3	30 %	8,920.4	42 %
Asia-Pacific[3]	718.2	8 %	1,455.8	7 %
Total	$ 8,782.1	100 %	$ 21,250.4	100 %

	Total Revenues		Total Assets	
	Share	%	Share	%
	(Dollars in millions)			
Year Ended December 31, 2020				
Americas[1]	$ 1,787.7	61 %	$ 7,758.8	50 %
EMEA[2]	622.3	21 %	6,807.0	43 %
Asia-Pacific[3]	524.6	18 %	1,079.0	7 %
Total	$ 2,934.6	100 %	$ 15,644.8	100 %

(1) Relates to investment vehicles whose primary focus is the United States, Mexico or South America.
(2) Relates to investment vehicles whose primary focus is Europe, the Middle East, and Africa.
(3) Relates to investment vehicles whose primary focus is Asia, including China, Japan, India and Australia.

18. Subsequent Events

In February 2023, the Board of Directors declared a dividend of $0.325 per common share to common stockholders of record at the close of business on February 22, 2023, payable on March 1, 2023.

On February 6, 2023, the Company announced that the Board of Directors of the Company has appointed Harvey M. Schwartz as Chief Executive Officer of the Company and a member of the Board of Directors, effective February 15, 2023 (the “Commencement Date”). On the Commencement Date, Mr. Schwartz will receive inducement equity awards with a combined grant date value of $180 million, of which $108 million will be granted in the form of performance-based restricted stock units which will be eligible to vest in five equal tranches and $72 million will be granted in the form of time-based restricted stock units which will be eligible to vest ratably in four equal installments. The number of shares of common stock underlying the performance-based award will be determined by dividing the $108 million grant value by the per share accounting fair value on the Commencement Date, while the number of shares of common stock underlying the time-based award will be determined by dividing the $72 million grant value by the per share closing stock price on the Commencement Date.

19. Supplemental Financial Information

The following supplemental financial information illustrates the consolidating effects of the Consolidated Funds on the Company's financial position as of December 31, 2022 and 2021 and results of operations for the years ended December 31, 2022, 2021 and 2020. The supplemental statement of cash flows is presented without effects of the Consolidated Funds.

	As of December 31, 2022			
	Consolidated Operating Entities	Consolidated Funds	Eliminations	Consolidated
	(Dollars in millions)			
Assets				
Cash and cash equivalents	$ 1,360.7	$ —	$ —	$ 1,360.7
Cash and cash equivalents held at Consolidated Funds	—	209.0	—	209.0
Restricted cash	0.8	—	—	0.8
Corporate treasury investments	20.0	—	—	20.0
Accrued performance fees	—	—	—	—
Investments, including performance allocations of $7,117.7	10,989.9	—	(222.0)	10,767.9
Investments of Consolidated Funds	—	6,894.4	—	6,894.4
Due from affiliates and other receivables, net	960.5	—	(381.1)	579.4
Due from affiliates and other receivables of Consolidated Funds, net	—	101.9	—	101.9
Fixed assets, net	139.9	—	—	139.9
Lease right-of-use assets, net	337.0	—	—	337.0
Deposits and other	70.4	8.0	—	78.4
Intangible assets, net	897.8	—	—	897.8
Deferred tax assets	15.8	—	—	15.8
Total assets	$ 14,792.8	$ 7,213.3	$ (603.1)	$ 21,403.0
Liabilities and equity				
Debt obligations	$ 2,271.7	$ —	$ —	$ 2,271.7
Loans payable of Consolidated Funds	—	6,279.7	(374.5)	5,905.2
Accounts payable, accrued expenses and other liabilities	369.2	—	—	369.2
Accrued compensation and benefits	4,320.9	—	—	4,320.9
Due to affiliates	346.1	16.5	(0.1)	362.5
Deferred revenue	126.4	—	—	126.4
Deferred tax liabilities	402.7	—	—	402.7
Other liabilities of Consolidated Funds	—	279.7	(0.4)	279.3
Lease liabilities	502.9	—	—	502.9
Accrued giveback obligations	40.9	—	—	40.9
Total liabilities	8,380.8	6,575.9	(375.0)	14,581.7
Common stock	3.6	—	—	3.6
Additional paid-in capital	3,138.5	238.7	(238.7)	3,138.5
Retained earnings	3,401.1	—	—	3,401.1
Accumulated other comprehensive income (loss)	(319.5)	(13.3)	10.6	(322.2)
Non-controlling interests in consolidated entities	188.3	412.0	—	600.3
Total equity	6,412.0	637.4	(228.1)	6,821.3
Total liabilities and equity	$ 14,792.8	$ 7,213.3	$ (603.1)	$ 21,403.0

	As of December 31, 2021			
	Consolidated Operating Entities	Consolidated Funds	Eliminations	Consolidated
	(Dollars in millions)			
Assets				
Cash and cash equivalents	$ 2,469.5	$ —	$ —	$ 2,469.5
Cash and cash equivalents held at Consolidated Funds	—	147.8	—	147.8
Restricted cash	5.6	—	—	5.6
Investments, including performance allocations of $8,133.0 million	11,022.5	—	(190.5)	10,832.0
Investments of Consolidated Funds	—	6,661.0	—	6,661.0
Due from affiliates and other receivables, net	384.9	—	(5.3)	379.6
Due from affiliates and other receivables of Consolidated Funds, net	—	138.8	—	138.8
Fixed assets, net	143.9	—	—	143.9
Lease right-of-use assets, net	361.1	—	—	361.1
Deposits and other	61.3	0.4	—	61.7
Intangible assets, net	34.9	—	—	34.9
Deferred tax assets	14.5	—	—	14.5
Total assets	$ 14,498.2	$ 6,948.0	$ (195.8)	$ 21,250.4
Liabilities and equity				
Debt obligations	$ 2,071.6	$ —	$ —	$ 2,071.6
Loans payable of Consolidated Funds	—	5,890.0	—	5,890.0
Accounts payable, accrued expenses and other liabilities	379.7	—	—	379.7
Accrued compensation and benefits	4,955.0	—	—	4,955.0
Due to affiliates	388.1	—	—	388.1
Deferred revenue	120.8	—	—	120.8
Deferred tax liabilities	487.1	—	—	487.1
Other liabilities of Consolidated Funds	—	684.0	(0.1)	683.9
Lease liabilities	537.8	—	—	537.8
Accrued giveback obligations	30.2	—	—	30.2
Total liabilities	8,970.3	6,574.0	(0.1)	15,544.2
Common stock	3.6	—	—	3.6
Additional paid-in capital	2,717.6	198.6	(198.6)	2,717.6
Retained earnings	2,805.3	—	—	2,805.3
Accumulated other comprehensive loss	(245.7)	(4.7)	2.9	(247.5)
Non-controlling interests in consolidated entities	247.1	180.1	—	427.2
Total equity	5,527.9	374.0	(195.7)	5,706.2
Total liabilities and equity	$ 14,498.2	$ 6,948.0	$ (195.8)	$ 21,250.4

	Year Ended December 31, 2022			
	Consolidated Operating Entities	Consolidated Funds	Eliminations	Consolidated
	(Dollars in millions)			
Revenues				
Fund management fees	$ 2,056.7	$ —	$ (26.6)	$ 2,030.1
Incentive fees	63.8	—	(0.1)	63.7
Investment income				
Performance allocations	1,332.8	—	(5.3)	1,327.5
Principal investment income	542.5	—	28.0	570.5
Total investment income	1,875.3	—	22.7	1,898.0
Interest and other income	154.1	—	(18.2)	135.9
Interest and other income of Consolidated Funds	—	311.0	—	311.0
Total revenues	4,149.9	311.0	(22.2)	4,438.7
Expenses				
Compensation and benefits				
Cash-based compensation and benefits	1,052.0	—	—	1,052.0
Equity-based compensation	154.0	—	—	154.0
Performance allocations and incentive fee related compensation	719.9	—	—	719.9
Total compensation and benefits	1,925.9	—	—	1,925.9
General, administrative and other expenses	576.2	—	(0.4)	575.8
Interest	110.4	—	—	110.4
Interest and other expenses of Consolidated Funds	—	255.3	(43.7)	211.6
Other non-operating expenses	1.0	—	—	1.0
Total expenses	2,613.5	255.3	(44.1)	2,824.7
Other income (loss)				
Net investment losses of Consolidated Funds	—	(41.5)	—	(41.5)
Income before provision for income taxes	1,536.4	14.2	21.9	1,572.5
Provision for income taxes	287.8	—	—	287.8
Net income	1,248.6	14.2	21.9	1,284.7
Net income attributable to non-controlling interests in consolidated entities	23.6	—	36.1	59.7
Net income attributable to The Carlyle Group Inc.	$ 1,225.0	$ 14.2	$ (14.2)	$ 1,225.0

	Year Ended December 31, 2021			
	Consolidated Operating Entities	Consolidated Funds	Eliminations	Consolidated
	(Dollars in millions)			
Revenues				
Fund management fees	$ 1,691.5	$ —	$ (24.0)	$ 1,667.5
Incentive fees	48.8	—	—	48.8
Investment income				
Performance allocations	6,084.6	—	—	6,084.6
Principal investment income	666.0	—	(28.7)	637.3
Total investment income	6,750.6	—	(28.7)	6,721.9
Interest and other income	112.7	—	(22.0)	90.7
Interest and other income of Consolidated Funds	—	253.2	—	253.2
Total revenues	8,603.6	253.2	(74.7)	8,782.1
Expenses				
Compensation and benefits				
Cash-based compensation and benefits	908.0	—	—	908.0
Equity-based compensation	163.1	—	—	163.1
Performance allocations and incentive fee related compensation	2,961.0	—	—	2,961.0
Total compensation and benefits	4,032.1	—	—	4,032.1
General, administrative and other expenses	431.9	—	(0.2)	431.7
Interest	113.3	—	—	113.3
Interest and other expenses of Consolidated Funds	—	217.8	(39.3)	178.5
Other non-operating expenses	1.5	—	—	1.5
Total expenses	4,578.8	217.8	(39.5)	4,757.1
Other income				
Net investment gains of Consolidated Funds	—	2.5	—	2.5
Income before provision for income taxes	4,024.8	37.9	(35.2)	4,027.5
Provision for income taxes	982.3	—	—	982.3
Net income	3,042.5	37.9	(35.2)	3,045.2
Net income attributable to non-controlling interests in consolidated entities	67.8	—	2.7	70.5
Net income attributable to The Carlyle Group Inc.	2,974.7	37.9	(37.9)	2,974.7

	Year Ended December 31, 2020			
	Consolidated Operating Entities	Consolidated Funds	Eliminations	Consolidated
	(Dollars in millions)			
Revenues				
Fund management fees	$ 1,513.6	$ —	$ (27.6)	$ 1,486.0
Incentive fees	37.0	—	—	37.0
Investment income				
Performance allocations	1,635.9	—	—	1,635.9
Principal investment loss	(546.4)	—	5.7	(540.7)
Total investment income	1,089.5	—	5.7	1,095.2
Interest and other income	101.6	—	(12.0)	89.6
Interest and other income of Consolidated Funds	—	226.8	—	226.8
Total revenues	2,741.7	226.8	(33.9)	2,934.6
Expenses				
Compensation and benefits				
Cash-based compensation and benefits	849.6	—	—	849.6
Equity-based compensation	105.0	—	—	105.0
Performance allocations and incentive fee related compensation	779.1	—	—	779.1
Total compensation and benefits	1,733.7	—	—	1,733.7
General, administrative and other expenses	349.3	—	—	349.3
Interest	94.0	—	—	94.0
Interest and other expenses of Consolidated Funds	—	206.2	(42.7)	163.5
Other non-operating income	(7.2)	—	—	(7.2)
Total expenses	2,169.8	206.2	(42.7)	2,333.3
Other income (loss)				
Net investment losses of Consolidated Funds	—	(21.3)	—	(21.3)
Income (loss) before provision for income taxes	571.9	(0.7)	8.8	580.0
Provision for income taxes	197.2	—	—	197.2
Net income (loss)	374.7	(0.7)	8.8	382.8
Net income attributable to non-controlling interests in consolidated entities	26.5	—	8.1	34.6
Net income (loss) attributable to The Carlyle Group Inc.	348.2	(0.7)	0.7	348.2

	Year Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Cash flows from operating activities			
Net income	$ 1,248.6	$ 3,042.5	$ 374.7
Adjustments to reconcile net income (loss) to net cash flows from operating activities:			
Depreciation and amortization	147.4	52.0	52.1
Equity-based compensation	154.0	163.1	105.0
Right-of-use asset impairment, net of broker fees	—	24.8	—
Non-cash performance allocations and incentive fees, net	387.5	(1,670.7)	(631.8)
Non-cash principal investment income	(501.5)	(628.9)	568.0
Other non-cash amounts	(10.3)	29.1	(2.9)
Purchases of investments	(737.7)	(384.5)	(397.4)
Proceeds from the sale of investments	498.0	708.3	332.1
Payments of contingent consideration	(5.7)	(48.0)	—
Change in deferred taxes, net	(73.2)	508.4	134.5
Change in due from affiliates and other receivables	(82.3)	(25.1)	1.2
Change in deposits and other	(11.8)	(12.5)	(2.0)
Change in accounts payable, accrued expenses and other liabilities	(14.3)	105.7	(4.0)
Change in accrued compensation and benefits	(135.4)	239.0	210.1
Change in due to affiliates	1.7	0.2	(29.2)
Change in lease right-of-use asset and lease liability	(8.8)	4.5	(9.8)
Change in deferred revenue	4.5	35.1	16.2
Net cash provided by operating activities	860.7	2,143.0	716.8
Cash flows from investing activities			
Purchases of corporate treasury investments	(69.6)	—	—
Proceeds from corporate treasury investments	50.0	—	—
Purchases of fixed assets, net	(40.6)	(41.4)	(61.2)
Purchase of Abingworth, net of cash acquired	(150.2)	—	—
Purchase of CBAM intangibles and investments	(618.4)	—	—
Proceeds from sale of MRE, net of cash sold	—	5.9	—
Proceeds from sale of Brazil management entity, net of cash sold	—	3.3	—
Net cash used in investing activities	(828.8)	(32.2)	(61.2)
Cash flows from financing activities			
Borrowings under credit facilities	—	70.0	294.1
Repayments under credit facilities	—	(70.0)	(329.9)
Issuance of 4.625% subordinated notes due 2061, net of financing costs	—	484.1	—
Repurchase of 3.875% senior notes due 2023	—	(259.9)	—
Proceeds from CLO borrowings, net of financing costs	73.2	111.7	20.5
Payments on CLO borrowings	(16.7)	(232.5)	(3.8)
Payments of contingent consideration	—	(0.1)	(0.3)
Dividends to common stockholders	(443.6)	(355.8)	(351.3)
Payment of deferred consideration for Carlyle Holdings units	(68.8)	(68.8)	(68.8)
Contributions from non-controlling interest holders	9.2	19.4	31.0
Distributions to non-controlling interest holders	(78.7)	(74.5)	(76.8)
Common shares issued for performance allocations	38.9	4.8	—
Common shares repurchased	(185.6)	(161.8)	(26.4)
Change in due to/from affiliates financing activities	(456.2)	(68.7)	0.7
Net cash used in financing activities	(1,128.3)	(602.1)	(511.0)
Effect of foreign exchange rate changes	(17.2)	(23.2)	17.0
(Decrease) Increase in cash, cash equivalents and restricted cash	(1,113.6)	1,485.5	161.6
Cash, cash equivalents and restricted cash, beginning of period	2,475.1	989.6	828.0
Cash, cash equivalents and restricted cash, end of period	$ 1,361.5	$ 2,475.1	$ 989.6
Supplemental non-cash disclosure			
Issuance of common shares related to the acquisition of CBAM and Abingworth	$ 219.5	$ —	$ —
Reconciliation of cash, cash equivalents and restricted cash, end of period:			
Cash and cash equivalents	$ 1,360.7	$ 2,469.5	$ 987.6
Restricted cash	0.8	5.6	2.0
Total cash, cash equivalents and restricted cash, end of period	$ 1,361.5	$ 2,475.1	$ 989.6

PART IV.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report

1. Financial Statements

2. Financial Statement Schedules

All financial schedules have been omitted because the required information is either presented in the consolidated financial statements filed as part of this Annual Report on Form 10-K or the notes thereto or is not applicable or required.

3. Exhibits

A list of exhibits required to be filed or furnished as part of this report is set forth in the Exhibit Index below.

(c) Separate financial statements of subsidiaries not consolidated and fifty percent or less owned persons

The unaudited financial statements for the years ended December 31, 2022 and 2021 and audited financial statements for the year ended December 31, 2020 of FGH Parent, L.P. are filed as Exhibits 99.1 and 99.2 as part of Item 15 of Amendment No. 1 to the Company's Annual Report on Form 10-K filed on March 22, 2023 and should be read in conjunction with the Company's consolidated financial statements.

Exhibit Index

Exhibit No.	Description
23.3*	Consent of Ernst & Young LLP.
31.5*	Certification of the Chief Executive Officer pursuant to Rule 13a – 14(a).
31.6*	Certification of the Chief Financial Officer pursuant to Rule 13a – 14(a).
32.5*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.6*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit No.	Description
101.INS	Inline XBRL Instance Document - the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	The cover page from The Carlyle Group Inc.'s Amendment No. 2 to the Annual Report on Form 10-K for the fiscal year ended December 31, 2022, formatted in Inline XBRL (included within the Exhibit 101 attachments).

* Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 4, 2023

The Carlyle Group Inc.

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

Exhibit 23.3

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1) Registration Statement (Form S-8 POS No. 333-181109) pertaining to The Carlyle Group Inc. Amended and Restated 2012 Equity Incentive Plan,
2) Registration Statement (Form S-8 POS No. 333-187264) pertaining to The Carlyle Group Inc. Amended and Restated 2012 Equity Incentive Plan,
3) Registration Statement (Form S-8 POS No. 333-194164) pertaining to The Carlyle Group Inc. Amended and Restated 2012 Equity Incentive Plan,
4) Registration Statement (Form S-8 POS No. 333-202315) pertaining to The Carlyle Group Inc. Amended and Restated 2012 Equity Incentive Plan,
5) Registration Statement (Form S-8 POS No. 333-209690) pertaining to The Carlyle Group Inc. Amended and Restated 2012 Equity Incentive Plan,
6) Registration Statement (Form S-8 POS No. 333-216100) pertaining to The Carlyle Group Inc. Amended and Restated 2012 Equity Incentive Plan,
7) Registration Statement (Form S-8 POS No. 333-223051) pertaining to The Carlyle Group Inc. Amended and Restated 2012 Equity Incentive Plan,
8) Registration Statement (Form S-8 POS No. 333-229663) pertaining to The Carlyle Group Inc. Amended and Restated 2012 Equity Incentive Plan,
9) Registration Statement (Form S-8 No. 333-236394) pertaining to The Carlyle Group Inc. Amended and Restated 2012 Equity Incentive Plan,
10) Registration Statement (Form S-8 No. 333-252992) pertaining to The Carlyle Group Inc. Amended and Restated 2012 Equity Incentive Plan,
11) Registration Statement (Form S-8 No. 333-269328) pertaining to The Carlyle Group Inc. Amended and Restated 2012 Equity Incentive Plan,
12) Registration Statement (Form S-8 No. 333-269723) pertaining to The Carlyle Group Inc. Inducement Award – Global Restricted Stock Unit Agreement and The Carlyle Group Inc. Inducement Award – Performance-Based Restricted Stock Unit Agreement, and
13) Registration Statement (Form S-3ASR No. 333-270745) pertaining to The Carlyle Group Inc.

of our reports dated February 9, 2023 with respect to the consolidated financial statements of The Carlyle Group Inc. and the effectiveness of internal control over financial reporting of The Carlyle Group Inc. included in this Amendment No. 2 on Form 10-K/A of The Carlyle Group Inc. for the year ended December 31, 2022.

/s/ Ernst & Young LLP

Tysons, VA
May 4, 2023

EXHIBIT 31.5

I, Harvey M. Schwartz, certify that:

1. I have reviewed this Amendment No. 2 to the Annual Report on Form 10-K for the year ended December 31, 2022 of The Carlyle Group Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023

/s/ Harvey M. Schwartz

Harvey M. Schwartz
Chief Executive Officer
The Carlyle Group Inc.
(Principal Executive Officer)

EXHIBIT 31.6

I, Curtis L. Buser, certify that:

1. I have reviewed this Amendment No. 2 to the Annual Report on Form 10-K for the year ended December 31, 2022 of The Carlyle Group Inc. (the “Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 4, 2023

/s/ Curtis L. Buser

Curtis L. Buser
Chief Financial Officer
The Carlyle Group Inc.
(Principal Financial Officer)

EXHIBIT 32.5

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with this Amendment No. 2 to the Annual Report of The Carlyle Group Inc. (the “Company”) on Form 10-K for the year ended December 31, 2022 filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Harvey M. Schwartz, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Harvey M. Schwartz

Harvey M. Schwartz
Chief Executive Officer
The Carlyle Group Inc.
Date: May 4, 2023

*The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with this Amendment No. 2 to the Annual Report of The Carlyle Group Inc. (the "Company") on Form 10-K for the year ended December 31, 2022 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Curtis L. Buser, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Curtis L. Buser

Curtis L. Buser
Chief Financial Officer
The Carlyle Group Inc.
Date: May 4, 2023

*The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.