CARLYLE

# Annual Report
2023

# At Carlyle, our mission is to *invest wisely* and *create value.*

**AS A GLOBAL INVESTMENT FIRM,** we work together to create long-term value for our investors, companies, shareholders, people, and communities.

# Letter to Shareholders

We finished 2023 with significant momentum, setting us up to drive continued growth in 2024.

**Dear Fellow Shareholders,**

Our firm finished 2023 delivering record results, including record fee related earnings (FRE) and assets under management (AUM), alongside our third best year of fundraising in the firm's history. We thank our investing clients for the trust they put in us as their fiduciary, and the entire Carlyle team for their hard work.

In 2023, we made significant progress on our strategic initiatives, and have substantial operational leverage as we continue to drive growth heading into 2024. Alongside our year-end results, we announced a shift in our compensation strategy explicitly designed to enhance alignment across all our stakeholders—our investing clients, our employees, and you, our shareholders.

Entering 2024, we continue to diversify our platform across Global Private Equity, Global Credit and Insurance, and Global Investment Solutions, and expand our Global Wealth channel. Our deep pipeline of forward opportunities alongside continued disciplined management of expenses are strategic focus areas.

Growth remains our key priority, while executing our strategy in a disciplined manner will allow us to expand margins at the same time. We achieved significant run rate savings in 2023, and will continue to optimize the operational and capital efficiency of our business.

We also recently announced changes to our capital allocation framework and increased our share repurchase capacity to $1.4 billion. Given our strong balance sheet and positive outlook, this additional capacity provides us flexibility to continue returning excess capital to shareholders, while still investing in the business for growth.

In 2023, our investment teams around the globe demonstrated the strength of our diversified platform, performing well amid significant macroeconomic and geopolitical volatility to deliver long-term value for all our stakeholders. We believe our level

of care and focus on execution excellence are a differentiating characteristic in our industry. These attributes have been a hallmark of Carlyle since we began investing more than 35 years ago and will continue to guide us forward.

We finished 2023 with significant momentum, setting us up to drive continued growth in 2024. It is worth repeating that 2023 was a record year on many fronts. We generated record FRE of $859 million, record AUM of $426 billion, a 14% increase from the prior year, and our third best year of fundraising in history, raising $37 billion, 20% higher than the prior year.

By focusing on our clients, executing with excellence, and continuing the teamwork that made us successful in 2023, we are well-positioned to deliver on our financial targets in the coming year.

Reflecting on my first year here, I am incredibly proud to be a part of this firm, and to work alongside our global leadership team and colleagues around the world. Carlyle's founders have built an iconic brand and enduring global franchise, and I feel extremely confident in our continued success as we enter 2024.

In closing, on behalf of the entire Carlyle team, I thank you, our shareholders, for your trust and support.

**HARVEY M. SCHWARTZ**
*Chief Executive Officer and Director*

# Global Reach

| | | | |
|---|---|---|---|
| 28 | 4 | 586 | 2,200 |
| OFFICES | CONTINENTS | INVESTMENT VEHICLES | PROFESSIONALS WORLDWIDE |

**NORTH AMERICA**
*Atlanta*
*Boston*
*Los Angeles*
*Menlo Park*
*Miami*
*New York City*
*San Francisco*
*Washington DC*

**EUROPE**
*Amsterdam*
*Barcelona*
*Dublin*
*London*
*Luxembourg*
*Milan*
*Munich*
*Paris*

**MIDDLE EAST-NORTH AFRICA**
*Abu Dhabi*

**ASIA-PACIFIC**
*Beijing*
*Hong Kong*
*Mumbai*
*Seoul*
*Shanghai*
*Singapore*
*Sydney*
*Tokyo*

# Financials: Building Momentum

**CARLYLE FINISHED 2023** with significant operating momentum, setting several financial records despite a mixed economic and geopolitical backdrop.

$859MN

*record Fee Related Earnings in 2023*

43%

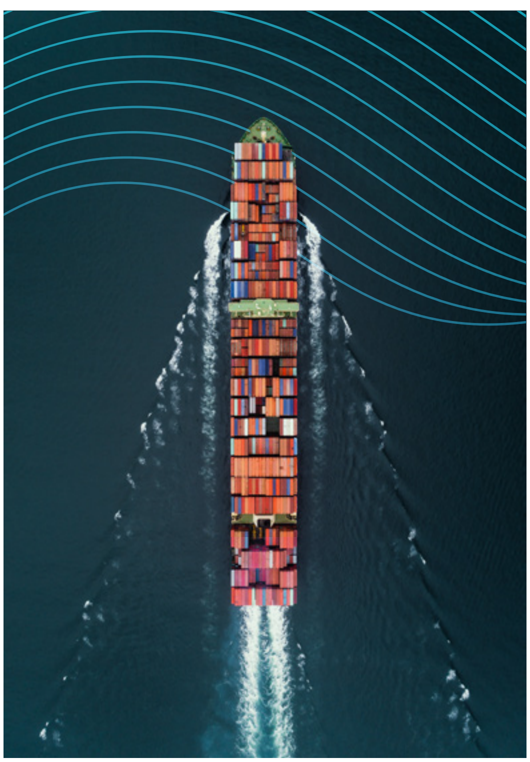
*record quarterly FRE margin Q4 2023*

$426BN

*record Assets Under Management*

$37BN

*total fundraising (3rd best year)*



We generated $1.4 billion in distributable earnings (DE), or $3.24 per share, our third best year on record. We also returned $500 million to shareholders through common dividends and more than $200 million through an active share repurchase strategy.

We produced a record $859 million in Fee Related Earnings in 2023. We also delivered an FRE margin of 37% consistent with the record we set in 2022. Over the past five years, FRE has grown at a 20% compound annual growth rate. As we enter 2024, the strong progress we have made in our business and our significant operating momentum should support a meaningful shift higher for both FRE and FRE margin.

We finished 2023 with a record $426 billion in Assets Under Management, which has nearly doubled over the past five years.

Finally, we had a strong finish to the year in terms of fundraising, attracting $37 billion in new investor capital in 2023, more than 20% higher than the prior year.

Overall, Carlyle delivered solid results in 2023. Our three global businesses continued to perform, and we enter 2024 well-positioned to deliver value for all of our stakeholders.

## 2023 MILESTONES[1]

*Global Private Equity*
- $161 billion of AUM
- $565 million of Fee Related Earnings
- Portfolio Appreciation (+5% in Corporate Private Equity, -1% in Real Estate, +8% in Infrastructure & Natural Resources)
- $1.8 billion net in accrued carry
- $13.5 billion in realized proceeds

*Global Credit*
- $188 billion of AUM (+28% YOY)
- $224 million of Fee Related Earnings
- $15.7 billion in Fundraising
- $26 billion of inflows from closed reinsurance transactions at Fortitude, including the Q4 transaction with Lincoln Financial
- 5 new CLOs issued for $2.2 billion

*Global Investment Solutions*
- $77 billion of AUM (+21% YOY)
- $70 million of Fee Related Earnings
- $12.8 billion in Fundraising
- +10% Portfolio Appreciation
- $483 million in net accrued carry, +29% YOY

1. As of and for the year ended December 31, 2023.

# Global Private Equity

**OUR GLOBAL PRIVATE EQUITY (GPE)** segment has consistently created value across market cycles by investing in resilient businesses, building well-diversified portfolios, and seeking secular growth.

$161BN

*in Assets Under Management*

$37BN

*in dry powder available across the GPE platform*

$13.5BN

*in realized proceeds in 2023*

Our deep vertical specialization and approach to operational improvement enables us to drive efficiencies, accelerate revenue growth, and enhance competitive positioning. With this focus on resilient businesses, we are well-suited for the environment we are in today. Across our global platform, we are positioned to deliver attractive results for our fund investors across periods of market volatility.

We have grown our GPE business segment to more than $161 billion in assets under management (AUM) with a focus on three strategies: Corporate Private Equity, Real Estate, and Infrastructure & Natural Resources.

The scale of our platform allows us to continue to invest in deeper capabilities, share insights, and pivot quickly to execute on attractive opportunities around the globe.

In our Corporate Private Equity business, we are driving value creation for more than 200 active portfolio companies across global sectors, including aerospace and government services; financial services; healthcare; industrial; and technology. Our portfolio companies benefit from our value creation infrastructure, Global Portfolio Solutions (GPS), which partnered with portfolio management teams to achieve more than $1 billion in value creation[2] in 2023.

In Real Estate, our differentiated approach to portfolio construction has driven attractive historical performance and allowed us to adapt to market conditions in 2023. Our Real Estate team remains focused on sectors with secular growth expected to outperform gross domestic product (GDP) growth, such as residential housing, logistics, medical and life sciences, senior living, and student housing. As a result, we have limited exposure to volatile property sectors such as office, retail, and hotel. While other investors have recently begun to avoid and exit the office, retail, and hotel sectors, we have been out of those sectors since 2017.

Within Infrastructure & Natural Resources, we pursue opportunities relating to the world's energy transition, such as renewable energy, as well as global investments in the areas of transportation, energy, digital, water, and power. These assets support economic growth and productivity and are a key part of everyday life. In addition, as part of the acceleration of digital infrastructure development, we have invested in areas such as 5G and fiber optic cables.

*2. Value creation is defined as a combination of revenue growth, cost savings, cost avoidance, and cash improvement.*

## 2023 MILESTONES

We navigated 2023's challenging investment environment by adhering to our diversified portfolio construction models; focusing on resilient businesses; driving diversity in decision-making at our portfolio companies; enhancing our GPS value creation framework; and strengthening our partnerships with our management teams. We continued our careful approach to deploying capital and have $37 billion of dry powder available across the GPE platform.

### *Realizations*

We generated $13.5 billion of realized proceeds in 2023 through both public equity and private market transactions, and our deal teams developed innovative ways to return capital to limited partners (LPs). 2023 realizations included Saverglass, Kokusai Kogyo Co. Ltd (Kokusai Kogyo), and PrimeFlight Aviation Services. Partial realizations during the year included NSM Insurance Group, which spun off its pet insurance business to help streamline the company's operations.

### *Fundraising*

Investors demonstrated continued appetite for our private equity strategies amid a challenging market backdrop, and we held final closes on several flagship funds. Carlyle Europe Technology Partners V held its final close in June 2023 raising €3.2 billion, which was well above the target fund size. Carlyle Partners VIII (CP VIII) and Carlyle Partners Growth held their final closes in August 2023, raising $16.1 billion across the two funds.

### *Deal Highlights*

**North America**

In September 2023, we invested in CAPTRUST, a leading provider of financial advisory services to affluent individuals, retirement plan fiduciaries, endowments, and foundations. Carlyle funds, lead by

CP VIII, contributed over $500 million to CAPTRUST, which operates in a large, fragmented, and growing U.S. retirement advisory and wealth management market. The company's extensive track record of providing high-quality advice to clients and its broad service offering support its leading market position.

Carlyle sees multiple levers for further value creation including increased organic growth through an enhanced digital and marketing plan, tailored talent management strategies, and accretive acquisition opportunities.

**Asia**
In November 2023, we announced the sale of our 28% stake in Grand Foods Holdings to McDonald's Corporation, which closed in January 2024. As the master franchisee for McDonald's restaurants in mainland China, Hong Kong, and Macau, Grand Foods Holdings operates and manages a quick-service restaurant chain of more than 5,500 stores in mainland China and approximately 300 stores in Hong Kong and Macau as of September 30, 2023.

Over the past six years, Carlyle worked closely with the McDonald's mainland China and Hong Kong management teams to help deliver on transformative value-creation efforts to disrupt the industry and capture greater market share. Key initiatives included:

- Facilitating crucial business discussions with McDonald's Corporation
- Strengthening the bench of senior talent
- Driving continued menu innovation to expand market share
- Expanding the network of stores across mainland China
- Revolutionizing digital marketing and online delivery to drive sales
- Fully digitalizing operational capabilities to enable a world-class digital-led business

**Europe**
In July 2023, Carlyle acquired a majority stake in Anthesis, a leading global pure-play sustainability advisory and solutions firm. Headquartered in the United Kingdom, Anthesis has established itself as one of the largest groups of dedicated sustainability professionals globally, having experienced rapid growth across its global customer base and network in recent years. Over the last decade, Anthesis has built deep and broad expertise in analyzing, designing, and implementing impact-led sustainability, environmental, social and governance (ESG), and net zero programs for over 4,000 clients across corporates, financial, and governmental institutions. These services have been delivered by a high-quality team of over 1,250 specialists across 39 offices in 22 countries.

We believe Anthesis is well-positioned to further scale and take advantage of this environment, given the opportunity to drive its existing acquisition strategy to build out end-to-end offerings.

**Japan**
In December 2023, we completed the sale of Kokusai Kogyo to MIRAIT ONE Corporation. Kokusai Kogyo provides technical consulting and solutions through data collection, analysis, and utilization based on proprietary geospatial information technology to a wide range of markets including national land conservation, disaster prevention and risk reduction, social infrastructure development, environment, and energy.

Carlyle acquired a 100% stake in Kokusai Kogyo from parent company Japan Asia Group Limited in September 2021 and worked closely with the company's management team to increase business value through improving profit margins, promoting culture transformation, strengthening management and governance, increasing productivity with the introduction of AI and other measures, and focusing on its technical consulting business by portfolio selection and concentration.

Eni International's acquisition of Neptune Energy represented the largest cash deal in the European oil and gas sector in almost a decade and was driven by Neptune's unique positioning with respect to both energy security and energy transition, given its lower than industry average emissions intensity.

**Energy**
In June 2023, Carlyle portfolio company Neptune Energy announced that Eni International agreed to acquire the company excluding its Germany business. In tandem, Eni subsidiary Vår Energi agreed to acquire Neptune Energy's Norwegian subsidiary. The inter-conditional transaction was for an aggregate enterprise value of $4.9 billion. Through its partnership with Carlyle, Neptune developed an intentional strategy and improved methodologies to reduce carbon and methane emissions, achieving their net zero methane missions target. In addition to the significant environmental benefits, Carlyle believes methane emission reduction programs can have positive effects on a company's operational excellence, including better process optimization, reduced maintenance costs, increased process safety, and reduced loss of product. The transaction represented the largest cash deal in the European oil and gas sector in almost a decade and was driven by Neptune's unique positioning with respect to both energy security and energy transition, given its lower than industry average emissions intensity.

**Real Estate**
Carlyle's New York multifamily strategy is focused on creating new, high-quality housing in an undersupplied market. Carlyle U.S. Real Estate recapitalized two multifamily development projects in New York City in 2023. In April, Carlyle closed on the recapitalization of The Italic, a 290,000 net square feet, 363-unit multifamily development located in Long Island City, Queens. In May, Carlyle closed on the recapitalization of Bayside Gowanus, a 455,000 Net Square Feet, 517-unit multifamily development located in Gowanus, Brooklyn.

## GLOBAL PORTFOLIO SOLUTIONS (GPS)

*Identifying Opportunities, Strengthening Operations, Accelerating Growth, and Driving Impact*

Guided by our GPS framework, our dedicated team of specialists—value-creation experts in fields such as digital transformation, procurement, and sustainability—works closely with deal and management teams to create value throughout the entire investment lifecycle. This approach brings together four key elements that allow Carlyle to identify and help execute detailed and comprehensive programs to facilitate growth and cost value creation.

*Innovative Functional Expertise*
We operate across nine primary functional areas to accelerate growth and drive operational excellence: procurement, revenue

growth, digital, technology, talent and organizational performance, ESG, and government affairs.

### *Collaborative Planning Methodology*

We lead company management teams through a proven and integrated methodology based on collaboration and innovative thinking to drive value. We customize growth, cost, and cash acceleration plans and use a consistent knowledge-based methodology.

### *World-Class Partner Ecosystem*

We leverage our vast partner network and facilitate cross-collaboration among portfolio companies. Doing so enables us to use Carlyle's global scale in order to cultivate growth and value.

### *Deep Sector Expertise*

Our sector experts and teams, including a network of more than 40 operating executives and advisors, assist in tailoring strategies for specific industries and regions.

### *Recent Performance and Impact*

In 2023, the GPS team worked with Carlyle portfolio companies to design and execute on $1 billion in multi-year value creation[3] opportunities across our functional areas of expertise. By adopting a new prioritization and deployment approach, we were able to increase time and attention on significant opportunities within our portfolio while embedding digital applications across all our offerings. We also introduced more than 12 preferred partnerships, 15 playbooks for portfolio companies, and several collaboration events to expand our ecosystem.

*3. Value creation is defined as a combination of revenue growth, cost savings, cost avoidance, and cash improvement.*

## LOOKING AHEAD

In 2024, there continues to be an opportunity to invest in resilient, market-leading businesses; companies in need of operational improvement; and disruptive, emerging businesses. Some areas we intend to focus on include healthcare, government technology, the energy transition, and digital transformation and artificial intelligence.

Healthcare and its delivery, for example, have been transformed by the COVID-19 pandemic, and we expect to see even greater changes ahead, many of them enabled by technology. Demographic trends such as longer lifespans across the globe will drive some of those changes. Other catalysts will include rapid advancements in testing and treating diseases, which will be supported by technological advancements including AI.

In addition, we continue to pursue opportunities connected to the energy transition, supported by our belief that investment, not divestment, will help decarbonize the global economy, while delivering long-term value for our investors. Across the energy landscape, we see investment opportunities in renewable power generation, battery storage solutions, transportation and distribution, carbon capture and storage solutions, and supply chain decarbonization, as well as in decarbonizing traditional sources of energy and more carbon-intensive businesses. Carlyle is among the first major global private equity firms to join the call to accelerate the transition to a net-zero economy with the establishment of both short- and long-term climate goals. Importantly, these aspirations are not driven solely by portfolio allocation decisions; rather, our approach is grounded in driving real emissions reductions within our portfolio companies, which we believe makes them better positioned competitively.

We are leveraging technological innovations and artificial intelligence (AI) tools which offer operational efficiency potential throughout the deal life cycle from sourcing and diligence, all the way to exit. These tools allow our deal teams to operate more efficiently by democratizing access to data analysis and automating more routine tasks, allowing teams more time to focus on the key issues and drive greater investment insights.

Within Real Estate, we continue to seek and identify predictable, deep, and growing sources of tenant demand while limiting systemic risk through fund construction via diversification and sector selection. We are continuing to see strong demand in non-GDP driven residential sectors including multifamily apartments, single-family home rentals, manufactured housing, and active adult, with demand driven by a record premium in the cost of home ownership versus renting.

### Specific examples where GPS had a positive impact include:

- **Nouryon:** Helped with Company's digital strategy development as well as in designing a new procurement and operational cost saving program
- **NSM:** Supported the improvement of a digital marketing strategy and its execution, leading to growth in premium revenue
- **Accentra Health:** Helped refresh enterprise strategy to identify more than $300 million in multi-year revenue growth opportunities and a full potential analysis that is expected to enable continued margin improvement in the future
- **Guitar Center:** Implemented an auction process to drive a meaningful amount of freight savings
- **Flender:** Carried out over €145 million in procurement savings to date after identifying more than €190 million in total savings

# Global Credit

**CARLYLE'S GLOBAL CREDIT** business is a diversified and integrated credit platform that provides borrowers with flexible capital solutions and investors with broad access to credit markets.

**$188BN**

*in Assets Under Management*

**8%**

*increase in Fund Management Fees year-over-year*

**$16BN**

*in new capital raised in 2023*

With capital markets activity down significantly in 2023 and limited liquidity in the public financing markets, companies turned to private markets for their capital needs. The breadth and depth of our solutions allowed us to meet the specific needs of borrowers across types and sizes and offer persistent, consistent returns to our investors.

Our business meets a diverse range of needs through multiple investment strategies, regions, and functional teams that provide expertise across the spectrum of private credit. We offer several scaled products in structured credit, opportunistic credit, direct lending, and aviation, as well as various developing strategies focused on infrastructure, insurance, and other areas of credit that are all well-positioned for growth.

We tailor solutions to fit investors' specific requirements, which can include investments into our commingled funds and customized strategy-specific mandates or multi-strategy cross-platform vehicles.

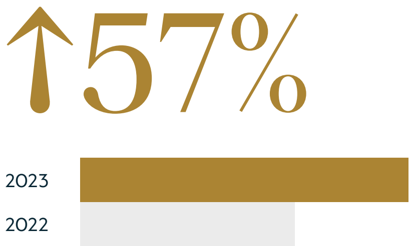
Our platform is structured to lend to private, resilient businesses and assets in industries in which we demonstrate sector expertise. In addition, as a global investment firm, we leverage advantages in both information and relationships to deliver positive investment outcomes across the credit products and strategies we offer. With $188 billion in Assets Under Management (AUM), our scale offers a competitive advantage in sourcing and participating in unique opportunities.

## 2023 MILESTONES

2023 presented significant opportunities in the credit markets for our stakeholders, and our diverse and integrated credit business was well-positioned to capitalize.

### *Financial Resilience Amid a Complex Macroeconomic Backdrop*

Global Credit has built a broad set of strategies to serve an increasing number of institutional and wealth investors. We manage more than $188 billion in AUM, more than three times the amount in 2020. Fund Management Fees increased to $512 million in 2023 from $473 million in 2022, an 8% increase year-over-year. Fee Revenues also increased 8%, to $663 million in 2023 from $615 million in 2022.




Notably for CTAC, gross subscriptions exceeded $1.3 billion in 2023, compared to approximately $850 million in 2022, representing a more than 57% increase year-over-year.

*Fundraising Momentum*

Our Global Credit business saw strong fundraising momentum in 2023, attracting almost $16 billion in new capital across a diverse set of strategies that included opportunistic credit, liquid credit, asset-backed finance, and Carlyle Tactical Private Credit Fund (CTAC), our private credit interval fund. Notably for CTAC, gross subscriptions exceeded $1.3 billion in 2023, compared to approximately $850 million in 2022, representing a more than 57% increase year-over-year. In December, Carlyle held the final closings for its inaugural captive collateralized loan obligation (CLO) equity fund, Carlyle CLO Partners (CLOP), and Carlyle Revolving Loan Fund II (CREV II) with more than $600 million and $800 million in aggregate fund commitments, respectively. We continue to see increased demand for our various credit products from both institutional and wealth investors as the asset class benefits from higher interest rates and bank retrenchment.

*Continued Strength of CLO Business*

Carlyle maintained its position as one of the world's largest CLO managers[4], with more than $51 billion in AUM as of December 31, 2023. Our seasoned team of investment professionals has extensive experience investing in, managing, and structuring CLOs. Throughout 2023, Carlyle successfully raised $2.2 billion in new AUM by issuing five CLOs.

In July 2023, Carlyle became the investment adviser to NYSE-listed Carlyle Credit Income Fund (CCIF), a publicly traded closed-end fund that focuses on investing primarily in equity and junior debt tranches of CLOs. Since becoming the investment adviser, Carlyle has successfully deployed the available initial cash proceeds into a diverse portfolio of CLO equity, generating a GAAP yield of more than 20% on a cost basis. CCIF has exposure to over 1,500 different underlying borrowers across a range of industries and has declared a monthly dividend equating to a 15% annualized dividend yield based on net asset value.

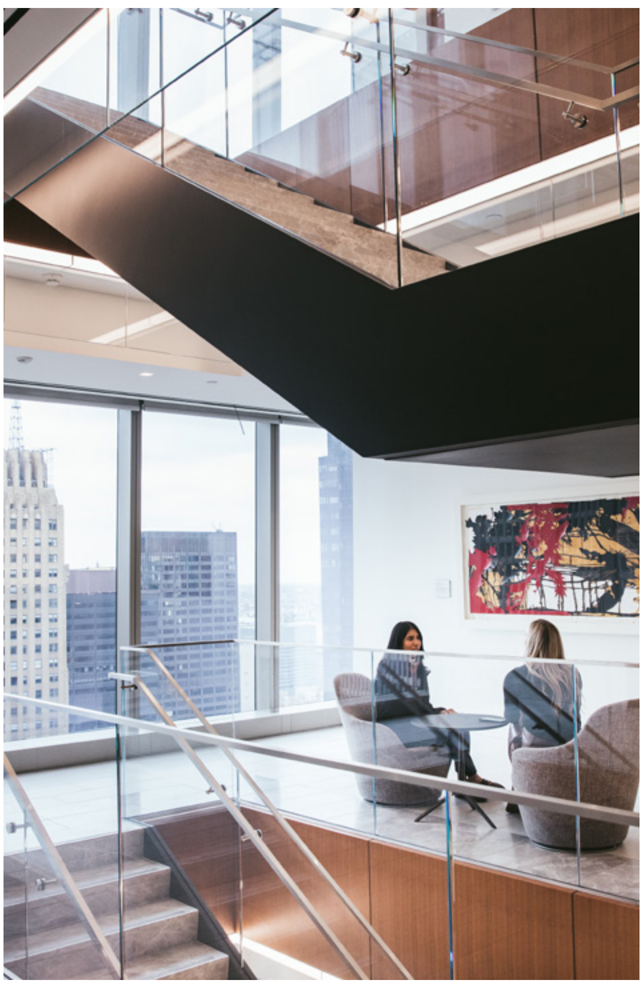
*Growing Asset-Backed Finance*

Credit Strategic Solutions (CSS) is an asset-backed, private fixed-income investment strategy that seeks to generate a premium return profile compared to traditional fixed-income by acquiring and lending against highly diversified pools of assets with contractual cash flows. The strategy combines Carlyle's 24-year history in structured credit, private asset underwriting expertise, and capital markets capabilities to deliver tailored asset-focused financing solutions to businesses, specialty finance companies, banks, asset managers, and other originators and owners of diversified pools of assets.

*4. According to Creditflux data as of December, 31 2023.*

In 2023, the CSS team had an active year, deploying approximately $1.6 billion across a variety of sectors including, but not limited to, corporates, consumer, and real assets. Deployment activity demonstrated CSS' ability to successfully meet the evolving needs of asset originators and owners seeking alternative financing solutions amid changing dynamics in the traditional financing markets.

We believe there is a growing demand for alternative sources of capital to address funding needs across the market as traditional lenders scale back their lending activities. Leveraging our extensive network of proprietary relationships, broad investment platform, and in-house structuring and underwriting expertise, CSS is well-positioned to deliver holistic financing solutions to borrowers across the entire debt and equity capital structure.



*Strategic Transaction: Fortitude Re and Lincoln National*

Fortitude Re, an integral part of our insurance solutions strategy, closed a $28 billion reinsurance agreement with The Lincoln National Life Insurance Company, a subsidiary of Lincoln National Corporation. As part of the agreement, Lincoln will reinsure a significant portion of its universal life insurance and fixed annuity business with Fortitude Re.

As a result of the transaction, Carlyle gained approximately $24 billion in new AUM from the increase in Fortitude Re's general account assets under our strategic advisory services agreement, as well as additional capital that rotates into Carlyle funds. On a longer-term run rate basis, we anticipate that the transaction will add approximately $40 million of incremental Fee Related Earnings (FRE).

Carlyle continues to develop new investment and distribution strategies that target the needs of insurance investors. We see substantial growth opportunities across the insurance vertical.

## LOOKING AHEAD

As we look ahead to 2024, we believe there will be ample opportunities to drive growth in our Global Credit business. We continue to see demand for private credit to step in and lend to borrowers who historically addressed their capital solutions needs through more traditional financing markets. Our insurance strategy has very strong underlying momentum and we anticipate substantial growth across this vertical. We will also seek to continue expanding in new geographies, particularly with Private Credit in Europe and Asia, where we see opportunity to grow.

Additionally, through both insurance and wealth channels, we plan to further scale our perpetual capital offerings. CTAC delivered meaningful growth and performance in 2023, and we expect that momentum to continue in the upcoming year. Overall, we believe that Global Credit will play an increasingly important role in Carlyle's growth as we continue to deliver for our investors.

# Global Investment Solutions

**CARLYLE'S GLOBAL INVESTMENT SOLUTIONS (GIS)** business helps investors meet their objectives through tailored portfolio construction and rigorous investment selection.

**1,000+**

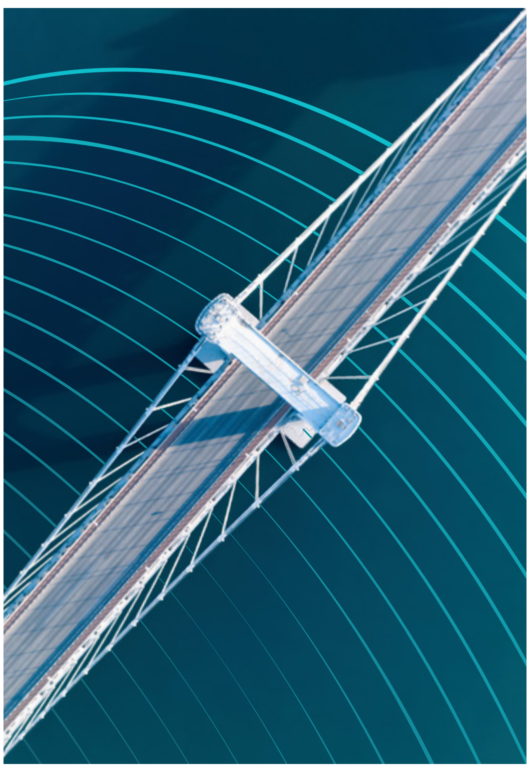
*general partners in our network*

**$9BN**

*in commitments across our strategies during 2023*

**$90BN+**

*in commitments since inception*



Within this segment, our private equity asset manager, AlpInvest, seeks to provide investors with access to the global private markets through primary, secondary and portfolio finance, and co-investment opportunities across a range of strategies.

AlpInvest is one of the world's largest investors in private equity. We have built a reputation of trust with our general partner (GP) relationships, defined by our consistent professionalism as a deal partner. We have over 1,000 GPs in our network, with a core network of around 350 GP relationships, which has led to consistently getting access to a large volume of high-quality investment opportunities. The integrated nature of our business across primary investments, secondary and portfolio finance investments, and co-investments makes us a strategic partner that can support private equity funds throughout their entire lifecycle.

Further, we benefit from information advantages arising out of managing one of the largest global private equity portfolios, with $9 billion in commitments across our strategies during 2023 and over $90 billion since inception. These insights and dedicated underwriting capabilities have contributed to our resilient performance over time.

Our GIS segment has a well-informed, highly selective, and disciplined investment process. We have a local presence across three continents—Europe, North America, and Asia—which gives us a distinct and comprehensive perspective on the global private equity market. Coupled with our industry-leading platform, we continue to build on our history of success.

## 2023 MILESTONES

### *Fundraising Momentum*

During 2023, our GIS segment saw strong fundraising momentum across all strategies, raising approximately $12.8 billion across our strategies during the year. Our platform now has more than 450 investors, including over 50 Separately Managed Account (SMA) clients.

Much of our fundraising in 2023 focused on our commingled product offerings, raising over $11 billion in aggregate commitments across 199 investors, including adding 96 new client investors to our platform. Moreover, we have continued to observe a strong appetite for our custom account programs with around $3 billion[5] raised during the

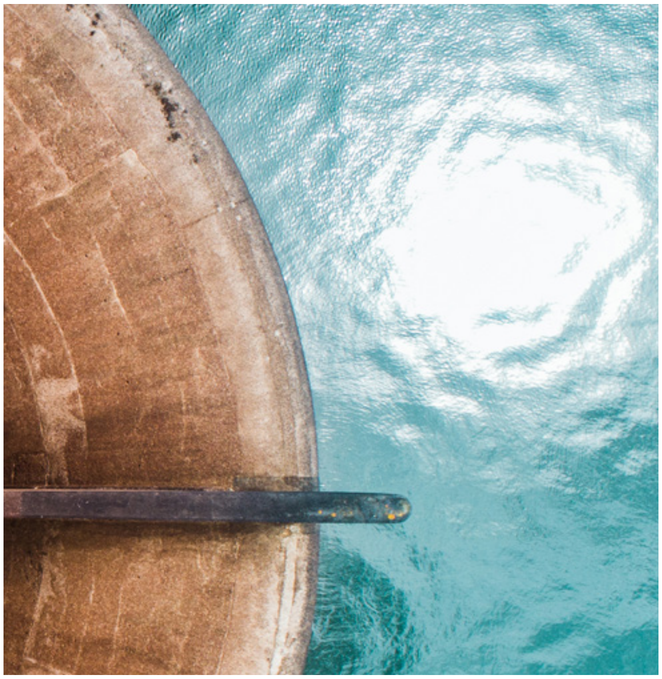
5. Includes capital committed to commingled products by SMA investors.

Our sustainability team is focused on integrating material environmental, social, and governance (ESG) factors across investment processes on behalf of our limited partners (LPs).

year across 22 SMA investors, including five new client wins. Finally, during January 2023, we launched our evergreen wealth product, Carlyle AlpInvest Private Market Fund (CAPM). CAPM leverages our global secondary, co-investment, and primary programs, and seeks to allocate across a global portfolio of private markets investments. CAPM's Net Asset Value has now reached over $300 million and is expected to continue growing.

*Sustainability and Environmental, Social, and Governance Leadership*

Our sustainability team is focused on integrating material environmental, social, and governance (ESG) factors across investment processes on behalf of our limited partners (LPs). GIS also now provides Sustainable Finance Disclosure Regulation (SFDR) Article 8 solutions for both commingled and managed



account LPs, a significant stride in our commitment. We also continue to make substantial progress in the ESG Data Convergence Initiative (EDCI), and we are now able to report on greenhouse gas emissions and renewable energy use. We have received EDCI reporting from 600 portfolio companies—almost double last year's figure. This increase enhances our reporting capabilities for our own investors, which now feature ESG ratings for all of the GPs we have invested with and an overview of Sustainable Development Index (SDI)-aligned investments in their portfolios.

*Investment Excellence*

In 2023, our integrated platform drove strong deployment activity across all strategies. We committed over $9 billion across our business lines and continued with our selective investment approach, closing on approximately 6% of investment opportunities sourced during the year.

With many LPs and GPs seeking to rebalance their portfolios through alternative exit routes, our team benefited from a strong inflow of attractive investment opportunities. To capitalize on this market tailwind, we sourced $115 billion of deal flow across our Secondary and Portfolio Finance Program during 2023, closing on approximately $6 billion of transactions.

Meanwhile, amid an elevated interest rate environment, GPs maintained record-high equity contributions, resulting in a rich pool of co-investment opportunities. The AlpInvest team sourced nearly $17 billion in co-investment deal volume and committed over $2 billion in 2023.

Furthermore, we maintained a stable deployment pace across our primaries program, with favorable market dynamics enabling us to employ a highly selective approach. During the year, our primary team maintained an active pipeline of over 1,000 funds globally, including nearly 400 emerging manager funds and over 150 impact-focused funds. This resulted in over $1.3 billion in aggregate primary commitments on behalf of our SMA investors.

*Integrating Data into the Investment Process*

Embracing and investing in technology are crucial for our success. Chronograph, our in-house technology system, is fully integrated into our investment process, allowing our teams to access more than 17 million data points of information on over 20,000 underlying portfolio companies. AlpInvest has made considerable efforts to establish itself as a leader in developing and applying technology solutions to enhance its diligence and selection process, bolster efficiency for its investment teams, and increase transparency to its investors. We believe that our technology platform allows us to harness information advantages, helping our investment teams to make more informed and better investment decisions.

## LOOKING AHEAD

Our resilient private equity solutions business—anchored in deep relationships, robust portfolio construction, and advanced data capabilities—continues to be a dynamic and market-leading player today. During 2024, we will continue our efforts to broaden access for wealth investors, scale our commingled product offerings, and to take leadership roles in various sustainability and ESG initiatives.

# Technology Transformation

**OVER THE COURSE OF 2023,** we continued to build out a world-class team of senior technologists specialized in using cutting-edge solutions to drive business transformation across our portfolio of investments and within the firm.

$1BN+

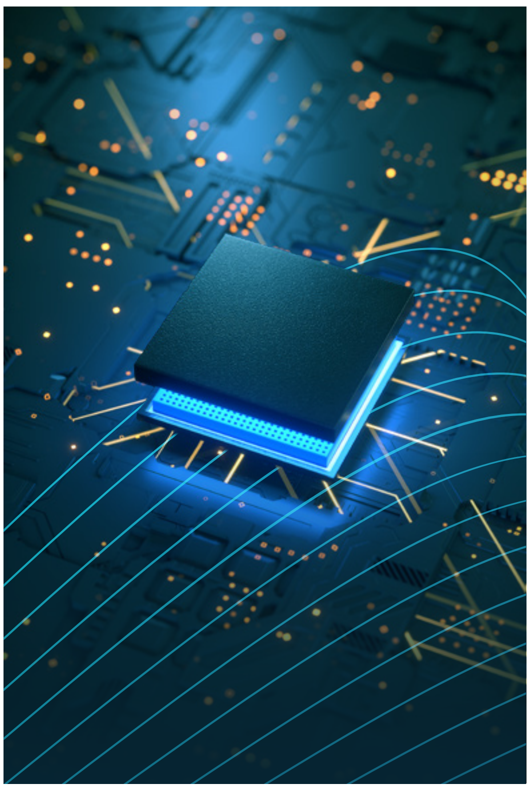
*in enterprise value impact from digital transformation initiatives*[6]

$100MN+

*in value creation for Carlyle's portfolio companies*[7]

Five

*technology conferences hosted*



6. Enterprise value impact from digital transformation initiatives is defined as revenue growth multiplied by increased valuation multiples at impacted portfolio companies.
7. Value creation is defined as a combination of revenue growth or EBITDA improvement and the associated valuation multiple. This value creation is part of GPS's overall $1 billion in value creation.

Our technologists share their expertise internally and externally, shaping technology transformation, artificial intelligence (AI) and data science strategies, enterprise technology systems, and cybersecurity resiliency for two purposes:

- Maximize the value of investments within our portfolio, and
- Transform and optimize our investment operations

## MAXIMIZING THE VALUE OF OUR INVESTMENTS

In 2023, Carlyle reached important technology-related milestones, particularly in the realm of generative artificial intelligence (GenAI). Our initiatives in this domain underscore our commitment to enhancing the value of our portfolio companies through technological innovation. By deploying scalable technology solutions and bolstering cybersecurity, we have driven efficiency, innovation, and value creation globally.

Leveraging various technologies, we streamlined operations across our portfolio companies, achieving noteworthy cost reductions while enhancing efficiency and innovation. Our Digital and Technology teams have driven over $1 billion in enterprise value impact from digital transformation initiatives through active collaboration with Carlyle portfolio companies[6]. Notably, our assistance with implementing an algorithmic pricing strategy for a European chemicals company in our portfolio generated millions of dollars of earnings before interest, tax, depreciation, and amortization (EBITDA) improvement. Similarly, our digital marketing efforts enabled the spin-off of NSM's pet insurance business unit within 18 months.

Our teams also executed on various interventions across the portfolio, including filling key technology, cybersecurity, and digital leadership roles, advising on critical technology initiatives, and guiding technology transformation strategies, including ERP (Enterprise Resource Planning) and CRM (Customer Relationship Management) transformations. We supported the development and rollout of significant enterprise systems, playing an instrumental role in advancing the operational and technological capabilities of our portfolio companies and fortifying their competitive edge.

Furthermore, our curated ecosystem of technology suppliers helped our portfolio companies unlock more than $100 million in value creation[7]. These initiatives spanned a spectrum of activities, including technology advisory services, strategic supplier offerings, and the execution of comprehensive technology transformation strategies.

We hosted five technology conferences, attended by more than 200 portfolio company chief information officers, chief technology officers, and chief information security officers across the globe.

*Case Study: GenAI Integration in Claims Management*

In 2023, we collaborated with a portfolio company specializing in claims management, highlighting how the effective use of GenAI can create tangible value.

Working with the executive management team, we advised the company on technology strategy to accelerate and scale the smooth transfer of decades of institutional knowledge and intelligence from veteran claims handlers to new employees.

With our help, and access to our advisory and supplier ecosystem, the company developed a GenAI model that materially improved its claims management process, cutting processing times without the need for additional staff.

*Community Building to Advance Adoption*

In 2023, we undertook several initiatives to further advance thought leadership in the spaces of AI, data and analytics, and cybersecurity in our portfolio companies. We hosted five technology conferences, attended by more than 200 portfolio company chief information officers, chief technology officers, and chief information security officers across the globe. Industry leaders from top technology companies discussed emerging trends and how to apply them, conducted hands-on workshops, and shared best practices and use cases on leveraging technology to drive results. We focused on topics with immediate applicability for portfolio technology value creation.

We established a GenAI Community of Interest to provide continuous guidance to the portfolio and advance innovation in this ever-maturing area, hosted several webinars, and held a GenAI Summit to showcase advancements in practical applications for business. We also assembled a world-class group of strategic advisors to offer our portfolio companies a playbook of best practices to accelerate data and analytics maturity and capture financial and operational benefits.

Through our curated network of vendors, we have the capacity to help portfolio companies across the spectrum, including in highly regulated industries. To date, we have established more than 10 strategic technology partner agreements with GenAI offerings, affording our portfolio companies preferential access to these new and innovative technologies. Carlyle put several programs in place to help portfolio companies establish a solid baseline for scaling the value of GenAI.

The firm's transition to an enterprise cloud data warehouse significantly boosted agility and scalability, resulting in accelerated time-to-market for AI tools, advanced analytics, and data-driven insights.

## TRANSFORMING AND OPTIMIZING OPERATIONS AT CARLYLE

This past year marked a renewed focus on using technology to deliver efficiencies and growth for the firm. In 2023, Carlyle made significant advancements in the realms of AI, data and analytics, and automation. These efforts have been instrumental in enhancing our operational efficiency and decision-making capabilities, driving substantial value within our organization.

We made significant progress in areas such as automation of back-office processes, data modernization, and reporting and analytics to enable business scale. We continue automating deal processes to drive collaboration and more optimized operations across our global segments.

### *Advancing Carlyle's Capabilities in AI and GenAI*

We introduced GenAI tools to improve the firm's internal operations across functions and continued to invest in improving internal efficiencies. We also invested significantly in research and development to further AI technology. This involved collaborating with academic institutions, research centers, and others in the private sector to explore new frontiers in this space. In particular, we focused our efforts on pushing the limits of how and where GenAI can be deployed while ensuring compliance with ethical and regulatory standards.

Our focus on integrating GenAI into firm operations yielded meaningful results. We piloted GenAI to streamline complex processes, with a target of enabling faster and more accurate decision-making. This integration has affected various aspects of our business, from optimizing internal workflows to supplementing investment analysis. Additionally, we deployed GenAI features released in several enterprise tools and launched AI literacy training for all Carlyle employees in our effort to embed GenAI throughout the firm.

### *Data & Analytics Transformation*

We also made great strides in modernizing our infrastructure and data analytics tools in 2023. These enhancements allowed us to harness the power of big data to provide insights that drive strategic business decisions and improve operational outcomes. The firm's transition to an enterprise cloud data warehouse significantly boosted agility and scalability, resulting in accelerated time-to-market for AI tools, advanced analytics, and data-driven insights—crucial advancements in making AI deployments practical and valuable.

Our investment in advanced analytics continues to foster a data-driven culture within Carlyle, empowering teams with the tools and insights needed to navigate the complexities of the financial market and anticipate future trends.

## LOOKING AHEAD

The achievements of 2023 laid a solid foundation for a future defined by technological transformation. Our commitment to innovation, particularly in data and GenAI, will continue to grow as we harness its potential across our portfolio and firm.

We anticipate that our technologists' expertise, combined with strategic portfolio engagements, will continue to deliver efficiencies, growth, and value, as well as shape the future of how we operate as a firm. We will deepen our focus on AI integration, which will drive automation, and explore new frontiers in data analytics. Through these efforts, Carlyle is well-positioned to redefine technological innovation and business transformation in the investment sector.

# Sustainability

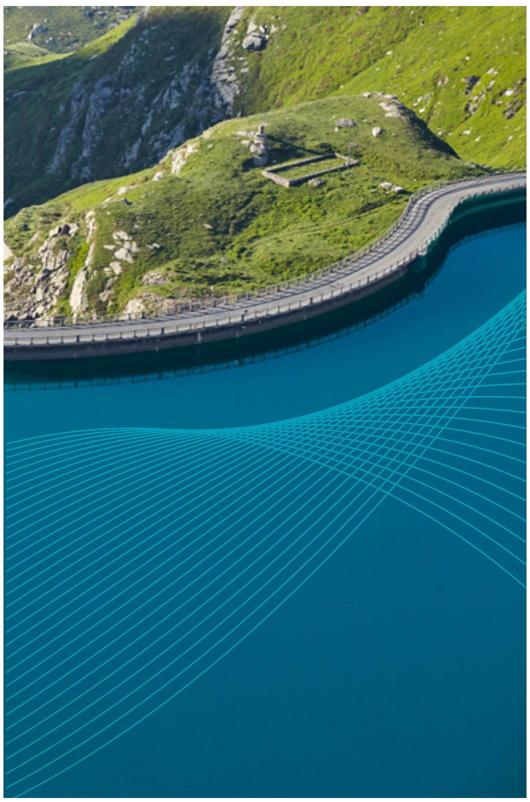
**AS THE WORLD** continues to navigate a shifting economic landscape, we at Carlyle continue to strengthen our approach to sustainability and environmental, social, and governance (ESG) integration as a driver to accelerate value creation within our firm and investment portfolio.

25

*Carlyle portfolio companies have set Paris-aligned climate targets since 2022*

375+

*GPs & LPs have signed on to participate in the ESG Data Convergence Initiative*



Integrating ESG factors throughout our investment processes delivers an additive lens that we believe can potentially provide opportunities for our portfolio companies to drive revenues, reduce costs, secure more efficient financing, and strengthen their competitive positioning. We believe ESG integration can hone an investment edge in a rapidly changing world, as well as make us better stewards of capital. As a responsible global organization committed to serving our limited partners, shareholders, and other stakeholders, Carlyle has made it a priority to understand, monitor, and manage sustainability and ESG-related risks and opportunities across our portfolio.

In 2023, we continued to integrate ESG factors, where potentially material, across our work. We prioritized pillars such as diversity, equity, and inclusion; employee engagement; sustainable growth; climate resilience, inclusive of projects focused on renewable energy as well as decarbonizing traditional oil and gas; and strong stakeholder ties.

The challenges of the energy transition remain a pressing concern as governments and institutions strive to secure a lower-carbon future and provide reliable, affordable energy at scale. Over the past year, we deepened our partnership with portfolio companies to set and implement commercial climate goals and build climate resilience, which we believe will drive value and position them for growth as they navigate these challenges. We also continued to invest in emerging energy opportunities such as renewable power generation, battery storage solutions, the electrification of transportation fleets, and decarbonization.

Carlyle has been focused on sustainability for many years, and while we are pleased with our progress, there is still meaningful work ahead. We believe our impact as a firm is rooted in building better businesses, and we regard sustainability as a core lever in this effort. As such, our team remains committed to improving our approach, data, and tools to deliver better results for investors.

## 2023 MILESTONES

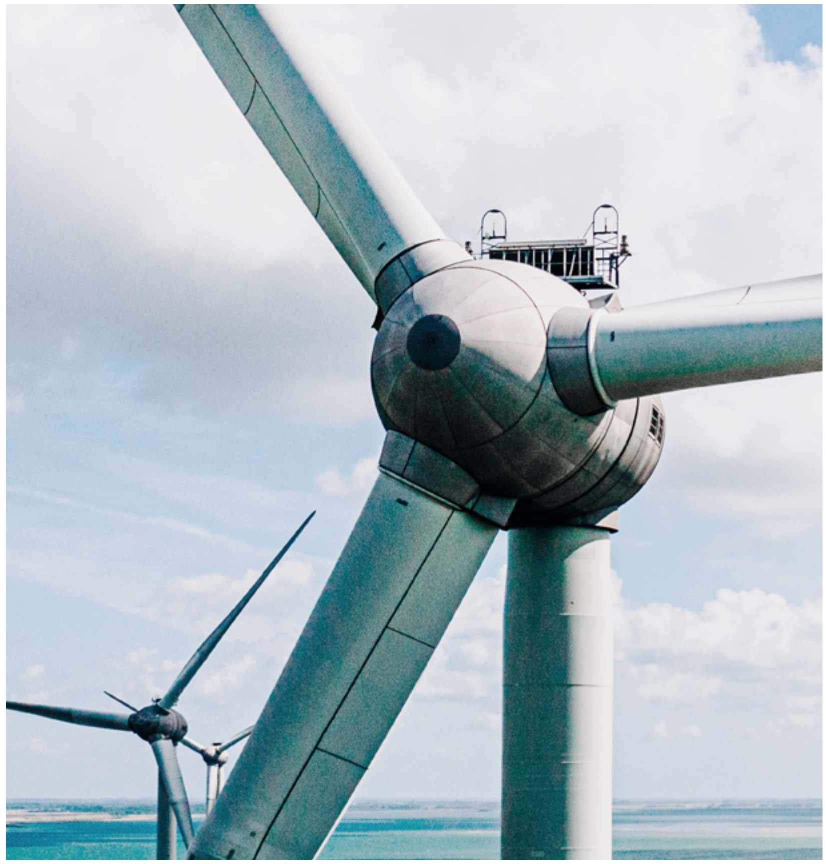
*ESG Data Convergence Initiative*

In 2021, Carlyle and the California Public Employees' Retirement System (CalPERS) led the formation of the ESG Data Convergence Initiative (EDCI), the private equity industry's first-ever collaboration to standardize ESG metrics and

# Net Zero

▸ In 2022, we were one of the first major global private equity firms to announce our aim of reaching net zero greenhouse gas emissions by 2050 or sooner across our direct investments, alongside near-term goals.

provide a mechanism for comparative reporting. Partnering alongside a founding group of general partners (GPs) and limited partners (LPs), the project aims to generate meaningful, performance-based, and comparable ESG data, as well as introduce an ESG benchmark for private markets.



Since the initiative's launch in September 2021, more than 375 GPs and LPs have signed on, representing over $28 trillion in Assets Under Management (AUM) and about 4,300 underlying portfolio companies. The Boston Consulting Group published a detailed piece, "Sustainability in Private Equity, 2023" summarizing the findings from the second year's data collection and benchmark. In 2023, the EDCI agreed to expand reporting metrics to include alignment with Net Zero pathways, in addition to carbon emissions and renewable energy procurement data, amongst others.

*Our Leadership in Decarbonization*

In 2022, we were one of the first major global private equity firms to announce our aim of reaching net zero greenhouse gas emissions by 2050 or sooner across our direct investments, alongside near-term goals. Since setting these goals, we have worked with 25 Carlyle portfolio companies as of December 31, 2023, to set Paris-

aligned climate targets. In helping our companies improve their climate resiliency, our Sustainability team partnered with a subset of portfolio companies in 2023 to calculate carbon footprints, establish and implement decarbonization and energy transition-related goals, and develop pathways to reduce greenhouse gas emissions. Throughout 2023, we worked with applicable management teams to craft tailored climate strategies and develop solutions, such as integrated energy and carbon management programs and decarbonization initiatives, that we believe will contribute to more resiliency and better performance for these companies.

As part of this work, we also held inaugural Decarbonization Expositions for our portfolio companies virtually and in person to provide them with access to key resources. These events drew on internal and external expertise to discuss topics such as how to develop a carbon strategy, build a renewables procurement strategy, identify demand-side reduction levers, and assess potential physical climate risks.

In addition, our Global Credit platform has continued to build momentum since launching a decarbonization financing program in 2022, incentivizing borrowers to achieve material climate goals.

Two portfolio companies that exemplify our collaborative approach to advance the energy transition and implement decarbonization initiatives in 2023 include:

**Altadia**
A global manufacturer of intermediate products for the production of ceramic tiles, Altadia conducted a detailed decarbonization analysis as one of the core value creation levers during the investment phase. The results of this analysis helped the company seek to double its carbon reduction trajectory by 2025. Activities contributing to this reduction are projected to yield annual net cost savings of about €4.5 million with a two-year payback. Furthermore, the carbon reduction target has been linked to the financing of the transaction and will generate a reduction in interest rates if the target is reached.

**Forgital**
Forgital is a leading forging company with a deep history in metal work in Northern Italy. With the support of the Carlyle team and our consulting partners, the company developed a digital twin for one of its most energy intensive locations to help inform a decarbonization strategy and determine a carbon reduction target. The digital twin identified a focused set of energy and carbon reduction opportunities that are projected to result in a 30% absolute carbon reduction by 2030, with projected €4 million in annual energy cost savings against a business-as-usual scenario of an 81% increase in carbon emissions dioxide equivalent.

## LOOKING AHEAD

We continue to improve and accelerate our core ESG integration through better measurement and tracking of ESG performance across our investments, which can help us better understand correlations between ESG factors and financial outcomes.

In line with our publicly stated climate goals, we will also continue to partner with portfolio companies to help them set and achieve Paris-aligned climate targets, where relevant.

## THE IMPACT OF BETTER BUSINESS

In 2023, we continued to focus on key aspects of ESG that we believe could help improve business outcomes. There may be opportunities for businesses to improve operational efficiency, unlock value, and have a competitive edge by focusing on material ESG issues including:

*1. Diverse and Inclusive Teams*
We believe diverse and inclusive teams may make better decisions and potentially outperform.

*2. Engaged Employees*
Business success is, in large part, dependent on hiring the right people and building strong teams—seeking to ensure employees are healthy, engaged, and productive with the right skills for their jobs.

*3. Sustainable Growth*
While sustainable growth looks different for each company, management teams that address material ESG factors with rigor and nuance may build businesses that create more sustainable long-term value.

*4. Climate Leadership*
We believe companies that navigate emerging risks and opportunities related to the climate transition—as well as proactively invest in decarbonization—may emerge as leaders in a changing world and better withstand a wide range of exogenous shocks related to climate change and the energy transition.

*5. Strong Stakeholder Ties*
We believe businesses that create positive, symbiotic relationships with a wide array of stakeholders may have stronger licenses to operate and more resilient long-term trajectories.

# Diversity, Equity, and Inclusion

**IN 2023, WE FOCUSED** on creating synergies across our firm, portfolio, and communities to capture the performance benefits of Diversity, Equity, and Inclusion (DEI). Included are highlights that span our spheres of influence and illustrate our commitment to progress.

30%

*increase in the number of submitted DEI Incentive Award nominations in 2023*

*our goal is to have diverse executives occupy*

40%

*of all board seats in controlled, corporate, and private equity portfolio companies around the world (an increased target from 30%)*

800

*undergraduate students exposed to careers in alternative asset management through our inaugural Carlyle Collegiate Series (CCS)*

## OUR FIRM

At Carlyle, ensuring all of our people have the right insights and tools to make DEI an active and credible pursuit is essential to our firm's strength. Chaired by our Chief Executive Officer, Harvey Schwartz, our global DEI Council demonstrates leadership and our commitment to DEI at the most senior levels of the firm. Additional leaders such as our Chief Financial Officer and Head of Corporate Strategy, John Redett, and Chief Information Officer and Head of Technology Transformation, Lúcia Soares, joined the council in 2023 and have further driven our progress. One example of this progress is the selection of our third annual group of DEI Incentive awardees, which recognizes colleagues who have made a substantial impact in their DEI efforts across the firm. Our DEI Council saw a 30% increase in the number of submitted award nominations in 2023.

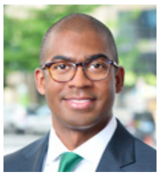
Inclusive leadership permeates the Carlyle ecosystem, supporting skill-building and performance. In this respect, we launched a new learning experience that helps leaders understand the power they have to maximize the performance of their teams. Thus far, over 200 managers have completed a *Power Session* to upskill in this space and apply practical tools and guidance that allow teams across divisions to thrive.

The globalization of our DEI efforts has been especially notable. Our Asia DEI Task Force comprises leaders across the Asia region and launched a DEI training for select managers containing culturally relevant insights and tools. Our Employee Resource Groups (ERGs) had considerable momentum, including engaging members and allies across six offices for Lunar New Year, volunteering with the Warrior K-9 Connection, and learning about colleagues' experiences navigating fertility and family planning. Our ERGs also created forums to engage with and gain insights from leaders across the industry. More than a third of all Carlyle employees are members and allies of an ERG.

## OUR INVESTMENTS

Carlyle's belief that diversity of perspectives and experiences is essential to driving performance extends to our network of portfolio companies around the globe. This past year, we met with more than 20 different portfolio companies to support their individual DEI strategies and made strides toward amplifying our impact through network effects. Our Carlyle DEI Leadership Network—a coalition of the firm's portfolio company CEOs around the globe focused on sharing resources, insights, and learnings

Below are just a few of our DEI Incentive Awardees, recognized for making a substantial impact in their DEI efforts across the firm.



## Gairy Hall

**Managing Director**
Investor Relations

As a member of the IR DEI Committee, Gairy regularly taps into various networks to ensure we are identifying and recruiting diverse talent. Gairy co-founded the Black and Latinx men sub-group within the Multicultural ERG and hosts events to bring the growing number of Black professionals together at Carlyle.

## Rieko Fuji

**Manager**
Japan Buyout

Rieko helped originate DEI initiatives at Carlyle Japan by communicating with external DEI experts and attending seminars to educate herself. She assumed a pivotal role in an education session about establishing a more open and inclusive working environment for our LGBTQ+ employees.

## David Pareja

**Principal**
AlpInvest

David engages prospective candidates from the Out 4 Undergrad Business Conferences and serves as co-chair of the LGBTQ+ ERG. David's impact includes representing the ERG at recruiting events, orientation for new joiners, and being a proponent of active allyship at the firm. His efforts have helped Carlyle score 100% on the Human Rights Campaign's Corporate Equity Index which we've maintained five years in a row.

to advance diversity, equity and inclusion within their respective companies—offered sessions on the performance impact of diverse teams, sponsorship, working across cultures, and inclusive leadership to a broad audience that included colleagues, portfolio leadership teams, and select LPs from all regions.

This effort has delivered tangible progress. In the third quarter of 2023, we surpassed our goal to have diverse executives occupy 30% of all board seats in controlled, corporate, and private equity portfolio companies around the world by the end of 2023. In fact, since 2020, Carlyle portfolio companies have filled over 390 portfolio board seats with underrepresented professionals. Upon reaching our target, we established a new goal that continues our ambitious pace for future progress, increasing that target to 40%.

We also measure what matters. Our Global Investment Solutions segment continued its focus on improving visibility of DEI across the AlpInvest portfolio, resulting in a greater than 200% increase in underlying companies reporting on one or more ESG Data Convergence Initiative (EDCI) DEI metrics year-over-year. These metrics allow us to capture valuable data related to the diversity of our portfolio company boards and senior management. AlpInvest's investment teams continue to identify opportunities for partnership with diverse GPs and maintain a pipeline of more than 100 actionable investment opportunities. Within our existing portfolio of sponsors, 41% currently rate as "advanced" for their implementation of DEI-focused policies.

## OUR COMMUNITIES

In 2023, we expanded our work to build the pipeline of future leaders in asset management—both for Carlyle's future success and the benefit of the larger industry. In the United States, we hosted the inaugural Carlyle Collegiate Series, which introduced 800 undergraduate students to careers in alternative asset management and provided them the opportunity to interact with Carlyle's investment professionals. Participants represented over 20 schools, including HBCUs, Hispanic-Serving Institutes, and state universities. Carlyle professionals also worked closely with a broad range of organizations to expand access to careers in financial services. These included BLK Capital Management, Toigo, Sponsors for Educational Opportunity, Out for Undergrad, IntoUniversity, Level 20, and Access Distributed. In the United Kingdom, we marked the third summer of our work with the 10,000 Black Interns Programme hosting internships within the Europe Buyout and Fund Management teams. In 2024, the program will expand to include the 10,000 Able Interns Programme.

We also leveraged our relationships to build connections and elevate discussions about how to advance DEI to benefit our investors and the broader business community. We continued to build upon our existing role as the inaugural underwriter of The Milken Institute DEI in Asset Management Program Advisory Board. The board, which features 19 senior leaders from limited partners (LPs), peer firms, and academia collaborated on a second report released in December 2023; *Inclusive Capitalism: Seven Strategies for Specific Action in Asset Management*. This report built on the first, published in December 2022 titled *The Path to Inclusive Capitalism: An Asset Owner Guide for Investment Portfolios*.

## LOOKING AHEAD

Leaders today are navigating complex challenges: disruptive automation; uncertain economic environment; geopolitical challenges amid further globalization of markets; and heighted stakeholder expectations. Data, including from our own portfolio, shows that having access to a diversity of perspectives and backgrounds is mandatory for responding to these challenges effectively and at pace. We will continue to create synergies across our spheres of influence to further empower our people, our portfolio companies, and the broader community to deliver the performance benefits that diverse and inclusive teams can produce.

**71%**

**of U.S. hires are women or ethnically diverse**[8, 9]

**52%**

**of Asia hires are women**[8]

**48%**

**of Europe hires are women**[8]

**17%**

**of U.S. senior hires are Black, Hispanic, or Latinx**[8]

**64%**

**of U.S. employees are women or ethnically diverse**[8, 9]

**45%**

**of U.S. senior employees are women or ethnically diverse**[8, 9]

**80%**

**of Carlyle boards globally have gender diversity,** *compared to 57% private benchmark*[10]

**35%**

**of Carlyle employees are unique ERG members** *as of December 15, 2023*

**35%**

**of Carlyle Employees are Power Participants** *as of December 15, 2023*

**390+**

**seats have been filled with diverse directors since January 1, 2020**[11]

*8. Representation data as of January 1, 2024. Hiring data from January 1 through December 31, 2023.*
*9. Ethnically diverse definition: Asian, Black, Hispanic or Latinx, Native Hawaiian / Pacific Islander, American Indian / Alaskan Native, or Two or More Races.*
*10. Carlyle-controlled companies acquired since 2016 and as of September 30, 2023 compared to the ESG Data Convergence Initiative data report released in October 2023.*
*11. Between January 1, 2020 and September 30, 2023, 390 seats in controlled and minority-owned CPE companies have been filled with a diverse director. Funds include: USBO, CEOF, FIG, CGP, CP Growth, CEP, CETP, CAP (incl CAGP), CJP, CSABF (incl CPF), CSSAF. Diverse board director: female (global) or Asian, Black or African American, Hispanic or Latin, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, Two or More Races (where available; some boards do not report on race or ethnicity. Asians excluded from Asia Region and Hispanic or Latin excluded from South America, Portugal, and Spain).*

# Our People and Culture

**AT CARLYLE,** we know that our people are our competitive advantage. We conduct a global employee engagement survey annually to gather valuable feedback at every level of the firm. The insights gathered from this survey direct our human capital agenda, which aims to attract, develop, and retain the best talent for Carlyle.

The 2023 employee engagement survey participation rate was 89%, the highest to date. In addition, 88% of participating employees reported they were proud to work at Carlyle and 81% would recommend the firm as a great place to work. The collected data highlighted employees' appreciation for process changes that resulted in greater transparency about how success is measured.

**88%**

*of participating employees reported they were proud to work at Carlyle*

---

**81%**

*of participating employees would recommend Carlyle as a great place to work*

## LEADERSHIP DEVELOPMENT

The firm's tailored leadership development programs focus on strengthening the communication, decision-making, and strategic thinking skills of our senior leaders to drive positive change within the organization and maintain our competitive advantage in the market. Our programs are assessed annually to measure success, identify curriculum gaps, and track participants' progress.

In 2023, we launched the Admiral's Leadership Program for Carlyle's Managing Directors and Partners. The program is led by Admiral James Stavridis, a retired four-star U.S. naval officer, currently serving as the Vice Chair of Global Affairs and Partner at Carlyle. This unique development opportunity allows the Admiral to share his diverse experiences and leadership advice to inform the participants' approach to effective leadership, build and expand their network, and increase collaboration to generate new cross-platform and -geography investment opportunities.

## CAREER FRAMEWORK LAUNCH

In March 2023, we launched our refreshed career competencies, which outlined the expected results and behaviors for employees at all levels to provide transparency into how career progression decisions are made. The competencies, now referred to as the "Career Framework," addressed employee feedback by ensuring promotion decisions are driven by business needs and performance track record to strengthen our meritocratic culture and create career paths that support both horizontal and vertical mobility.

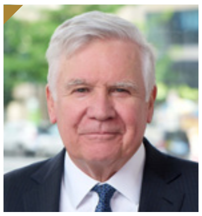
Throughout 2023, we embedded the Career Framework into all our human capital practices to support recruiting, onboarding, promotion decisions, succession planning, and development. We conducted global workshops to help managers and their direct reports leverage the career framework to assess performance, provide actionable feedback, determine promotion and succession readiness, set goals, and optimize performance in the future.

## LOOKING AHEAD

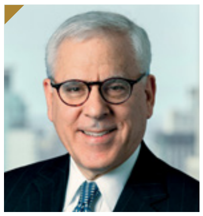
In 2024, our efforts will focus on identifying opportunities to ensure employees at all levels receive ongoing feedback to optimize performance. This change starts by implementing innovative technology that makes it easy to capture, digest, and share high-quality human capital data for our leaders to derive meaningful insights to develop their employees.

# Board of Directors & Executive Officers

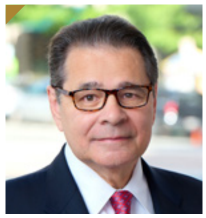
*Board Member* *Executive Officer*



**William E. Conway, Jr.**
Co-Founder and Co-Chairman

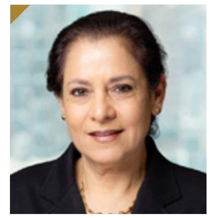


**David M. Rubenstein**
Co-Founder and Co-Chairman



**Daniel A. D'Aniello**
Co-Founder and Chairman Emeritus

**Harvey M. Schwartz**
Chief Executive Officer and Director

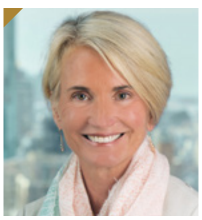


**Sharda Cherwoo**
Director

*Former Senior Partner at Ernst & Young LLP*

**Linda H. Filler**
Director

*Former Executive of Walgreen Co, Walmart, Kraft Foods, and Hanes brands*



**Lawton W. Fitt**
Lead Independent Director

*Former Investment Banker and Partner at Goldman Sachs*

**James H. Hance, Jr.**
Director

*Carlyle Operating Executive and former Vice Chairman of Bank of America*

**Mark S. Ordan**
Director

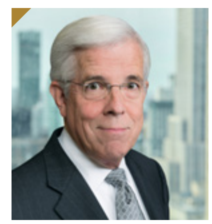
*Board Chair of Pediatrix Medical Group*

**Derica W. Rice**
Director

*Former Executive Vice President of CVS Health and former President of CVS Caremark*

**Dr. Thomas S. Robertson**
Director

*Joshua J. Harris Professor of Marketing at the Wharton School of the University of Pennsylvania*



**William J. Shaw**
Director

*Former Vice Chairman of Marriott International*

**Anthony Welters**
Director

*Founder, Chairman, and Chief Executive Officer of CINQ Care Inc. and Executive Chairman of BlackIvy Group, LLC*

**John C. Redett**
Chief Financial Officer and Head of Corporate Strategy

**Jeffrey W. Ferguson**
General Counsel

**Christopher Finn**
Chief Operating Officer

*The composition of the Board of Directors and the Executive Officers is as of March 7, 2024.*

## *Shareholder Inquiries*

Information about Carlyle, including quarterly earnings releases and filings with the U.S. Securities and Exchange Commission, can be accessed via Carlyle's website at www.carlyle.com. Shareholder inquiries can also be directed by e-mail to public.investor@carlyle.com.

## *Stock Exchange*

The common stock of The Carlyle Group Inc. trades on the Nasdaq Global Select Market with CG as its ticker symbol.

## *Transfer Agent*

Equiniti Trust Company
6201 15th Avenue
Brooklyn, NY 11219
+1 800 937 5449

## *Trade Association*

American Investment Council
799 9th Street, NW, Suite 200
Washington, DC 20001
+1 202 583 5263

## *Disclosures*

This Annual Report has been prepared by The Carlyle Group Inc. (together with its affiliates, "Carlyle") and may only be used for informational purposes. All information contained herein is presented as of December 31, 2023, unless otherwise specifically noted.

There can be no assurances that Carlyle's investment objectives will be achieved or that our investment programs will be successful. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Investors should read this Annual Report in conjunction with investment fund quarterly reports, financial statements and other disclosures regarding the valuations and performance of the specific investments listed herein.

This Annual Report includes forward-looking statements. Forward-looking statements are inherently uncertain, and changing factors, such as those affecting the markets generally, or those affecting particular industries or issuers, may cause events or results to differ from those discussed. Therefore, undue reliance should not be placed on such statements, or the conclusions drawn therefrom, which in no event shall be construed as a guarantee of future performance, results, or courses of action. Carlyle believes these factors include, but are not limited to, those described under "Risk Factors" in Carlyle's Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC, as such factors may be updated from time to time in its periodic filings, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with Carlyle's other disclosures. Carlyle expressly disclaims any obligation or undertaking to update or revise any such forward-looking statements.

References to portfolio companies are intended to illustrate the application of Carlyle's investment process only and should not be viewed as a recommendation of any particular security or portfolio company. The information provided about these portfolio companies is intended to be illustrative and is not intended to be used as an indication of the current or future performance of Carlyle's portfolio companies. The investments described in the selected case studies were not made by any single fund or other product and do not represent all of the investments purchased or sold by any fund or other product. The information provided herein is for informational purposes only and is not and may not be relied on in any manner as advice or as an offer to sell or a solicitation of an offer to buy interests in any fund or other product sponsored or managed by Carlyle or any of its affiliates.

Any such offer or solicitation shall only be made pursuant to a final confidential private placement memorandum (as amended and/or restated from time to time) and the applicable fund's subscription documents, which will be furnished to qualified investors on a confidential basis at their request for their consideration in connection with such offering.



This Annual Report contains financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles in the United States of America. These non-GAAP financial measures should be considered in addition to and not as a substitute for, or superior to, financial measures presented in accordance with U.S. GAAP. The reasons management believes that these non-GAAP financial measures provide useful information, as well as reconciliations of these measures to their most comparable U.S. GAAP measures, are set forth in our most recent Annual Report on Form 10-K filed with the SEC. FRE Margin is calculated as Fee Related Earnings, divided by Total Segment Fee Revenues. FRE Margin is most comparable to the Income before provision for taxes margin, which is calculated as Income before provision for taxes, divided by Total revenues. DE per common share is equal to DE less estimated current corporate, foreign, state and local taxes, divided by the number of common shares outstanding at each quarter end. For purposes of this calculation, common shares that were issued in the following quarter in connection with the vesting of restricted stock units were added to the common shares outstanding, as they participated in the dividend paid on common shares in the following quarter. Estimated current corporate, foreign, state and local taxes represents the total U.S. GAAP Provision (benefit) for income taxes adjusted to include only the current tax provision (benefit) applied to Net income (loss) attributable to The Carlyle Group Inc. This adjustment, used to calculate Distributable Earnings, Net attributable to common stockholders, reflects the benefit of deductions available to the Company on certain expense items that are excluded from the underlying calculation of Distributable Earnings, such as equity-based compensation expense and charges (credits) related to corporate actions and non-recurring items. Management believes that using the estimated current tax provision (benefit) in this manner more accurately reflects earnings that are available to be distributed to common stockholders.

## *Reconciliation of Non-GAAP Measures*

### Distributable Earnings and Fee Related Earnings

Distributable Earnings, or "DE," is a key performance benchmark used in our industry and is evaluated regularly by management in making resource deployment and compensation decisions, and in assessing performance of our three reportable segments. We also use DE in budgeting, forecasting, and the overall management of our segments. We believe that reporting DE is helpful to understanding our business and that investors should review the same supplemental financial measure that management uses to analyze our segment performance. DE is intended to show the amount of net realized earnings without the effects of consolidation of the Consolidated Funds. DE is derived from our segment reported results. Fee Related Earnings, or "FRE," is a component of DE and is used to assess the ability of the business to cover base compensation and operating expenses from total fee revenues.

The following tables reconcile the Total Segments to our Income (Loss) Before Provision for Income Taxes for the years ended December 31, 2023 and 2022:

**FOR THE YEAR ENDED DECEMBER 31, 2023**

| *(in millions)* | Total Reportable Segments | Consolidated Funds | Reconciling Items | Carlyle Consolidated |
|---|---|---|---|---|
| Revenues | $ 3,405.1 | $ 570.1 | $ (1,011.3) (a) | $ 2,963.9 |
| Expenses | $ 1,974.6 | $ 460.3 | $ 1,136.8 (b) | $ 3,571.7 |
| Other income | $ — | $ 6.9 | $ — (c) | $ 6.9 |
| Distributable earnings | $ 1,430.5 | $ 116.7 | $ (2,148.1) (d) | $ (600.9) |

**FOR THE YEAR ENDED DECEMBER 31, 2022**

| *(in millions)* | Total Reportable Segments | Consolidated Funds | Reconciling Items | Carlyle Consolidated |
|---|---|---|---|---|
| Revenues | $ 4,401.4 | $ 311.0 | $ (273.7) | $ 4,438.7 |
| Expenses | $ 2,492.4 | $ 255.3 | $ 77.0 | $ 2,824.7 |
| Other loss | $ — | $ (41.5) | $ — | $ (41.5) |
| Distributable earnings | $ 1,909.0 | $ 14.2 | $ (350.7) | $ 1,572.5 |

**(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, | | |
|---|---|---|
| *(in millions)* | **2023** | **2022** |
| Unrealized performance and fee related performance revenues | $ (1,046.6) | $ (142.5) |
| Unrealized principal investment income | 36.1 | (38.3) |
| Principal investment loss from dilution of indirect investment in Fortitude | (104.0) | (176.9) |
| Adjustments related to expenses associated with investments in NGP Management and its affiliates | (13.8) | (12.9) |
| Tax expense associated with certain foreign performance revenues | — | 0.1 |
| Non-controlling interests and other adjustments to present certain costs on a net basis | 191.6 | 119.0 |
| Elimination of revenues of Consolidated Funds | (74.6) | (22.2) |
| | **$ (1,011.3)** | **$ (273.7)** |

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, 2023 and 2022:

| YEAR ENDED DECEMBER 31, | | |
|---|---|---|
| *(in millions)* | **2023** | **2022** |
| Total Reportable Segments - Fund level fee revenues | $ 2,305.8 | $ 2,237.3 |
| Adjustments[1] | (262.6) | (207.2) |
| Carlyle Consolidated - Fund management fees | **$ 2,043.2** | **$ 2,030.1** |

*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 Funds which were eliminated in consolidation to arrive at the Company's fund management fees, and the reclassification of certain amounts included in portfolio advisory and transaction 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,** | | |
|---|---|---|
| *(in millions)* | **2023** | **2022** |
| Unrealized performance and fee related performance revenue compensation expense | $ 612.6 | $ (326.2) |
| Equity-based compensation | 260.1 | 161.9 |
| Acquisition or disposition-related charges and amortization of intangibles and impairment | 145.3 | 187.4 |
| Tax (expense) benefit associated with certain foreign performance revenues related compensation | (1.0) | 2.9 |
| Non-controlling interests and other adjustments to present certain costs on a net basis | 148.7 | 82.7 |
| Other adjustments | 11.6 | 12.4 |
| Elimination of expenses of Consolidated Funds | (40.5) | (44.1) |
| | **$ 1,136.8** | **$ 77.0** |

**(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,** | | |
|---|---|---|
| *(in millions, except per share amounts)* | **2023** | **2022** |
| **Income before provision for income taxes** | **$ (600.9)** | **$ 1,572.5** |
| Net unrealized performance revenues | 1,659.2 | (183.7) |
| Unrealized principal investment (income) loss | (36.1) | 38.3 |
| Principal investment loss from dilution of indirect investment in Fortitude | 104.0 | 176.9 |
| Equity-based compensation[1] | 260.1 | 161.9 |
| Acquisition or disposition-related, including amortization of intangibles and impairment | 145.3 | 187.4 |
| Tax (expense) benefit associated with certain foreign performance revenues | (111.7) | (59.7) |
| Net income attributable to non-controlling interests in consolidated entities | (1.0) | 3.0 |
| Other adjustments | 11.6 | 12.4 |
| **Distributable Earnings** | **$ 1,430.5** | **$ 1,909.0** |
| Realized performance revenues, net of related compensation[2] | 531.0 | 998.5 |
| Realized principal investment income[2] | 88.8 | 150.6 |
| Net interest | 48.7 | 74.5 |
| **Fee Related Earnings** | **$ 859.4** | **$ 834.4** |
| **Distributable Earnings** | $ 1,430.5 | $ 1,909.0 |
| Less: Estimated current corporate, foreign, state and local taxes[3] | 255.4 | 332.8 |
| **Distributable Earnings, net** | **$ 1,175.1** | **$ 1,576.2** |
| Distributable Earnings, net per common share outstanding[4] | $ 3.24 | $ 4.34 |
| FRE margin[5] | 37% | 37% |
| Cash-based compensation and benefits ratio[6] | 35% | 24% |
| Income before provision for income taxes margin[7] | (20)% | 35% |

*1. Equity-based compensation includes amounts that are presented in principal investment income and general, administrative and other expenses in our U.S. GAAP consolidated statements of operations.*
*2. Refer to "Realized Net Performance Revenues and Realized Principal Investment Income" below for the reconciliations to the most directly comparable U.S. GAAP measures.*
*3. Estimated current corporate, foreign, state and local taxes represents the total U.S. GAAP Provision (benefit) for income taxes adjusted to include only the current tax provision (benefit) applied to Net income (loss) attributable to The Carlyle Group Inc. This adjustment, used to calculate Distributable Earnings, Net attributable to common stockholders, reflects the benefit of deductions available to the Company on certain expense items that are excluded from the underlying calculation of Distributable Earnings, such as equity-based compensation expense, amortization of acquired intangible assets, and charges (credits) related to corporate actions and non-recurring items. Management believes that using the estimated current tax provision (benefit) in this manner more accurately reflects earnings that are available to be distributed to common stockholders.*
*4. Distributable Earnings, net per common share outstanding is calculated by dividing Distributable Earnings, net for each quarter by the number of common shares outstanding at each quarter end. For the purposes of this calculation, common shares that were issued in the following quarter in connection with the vesting of restricted stock units as well as shares issued pursuant to a program under which, at our discretion, up to 20% of realized performance allocation related compensation over a threshold amount may be distributed in fully vested, newly issued shares, were added to the common shares outstanding, as they participate in the divided paid on common shares in the following quarter.*
*5. FRE margin is calculated as Fee Related Earnings divided by Total Segment Fee Revenues.*
*6. Cash-based compensation and benefits ratio is equal to Cash-based compensation and benefits, divided by Total revenues.*
*7. Income (loss) before provision for taxes margin is the most directly comparable U.S. GAAP measure to FRE margin, and is equal to Income (loss) before provision for taxes divided by Total revenues.*

## Realized Net Performance Revenues and Realized Principal Investment Income

Below is a reconciliation to the most directly comparable U.S. GAAP measures:

**FOR THE YEAR ENDED DECEMBER 31, 2023**

| *(in millions)* | Carlyle Consolidated | Adjustments | Total Reportable Segments |
|---|---|---|---|
| Performance revenues | $ (88.6) | $ 1,026.9 | $ 938.3 |
| Performance revenues related compensation expense | 1,103.7 | (696.4) | 407.3 |
| Net performance revenues | $ (1,192.3) | $ 1,723.3 | $ 531.0 |
| Principal investment income (loss) | $ 133.4 | $ (44.6) | $ 88.8 |

**FOR THE YEAR ENDED DECEMBER 31, 2022**

| *(in millions)* | Carlyle Consolidated | Adjustments | Total Reportable Segments |
|---|---|---|---|
| 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 |

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.

## Net Accrued Performance Revenues

Accrued performance allocations, net of accrued giveback obligations is the U.S. GAAP measure most comparable to Net accrued performance revenues. The following is a reconciliation:

| AS OF DECEMBER 31, | | |
|---|---|---|
| *(in millions)* | **2023** | **2022** |
| Accrued performance allocations, net of accrued giveback obligations | $ 6,125.9 | $ 7,076.8 |
| Plus: Accrued performance allocations from NGP Carry Funds | 484.4 | 564.6 |
| Less: Net accrued performance allocations presented as fee related performance revenues | (5.2) | (53.2) |
| Less: Accrued performance allocation-related compensation | (4,255.8) | (3,625.3) |
| Plus: Receivable for giveback obligations from current and former employees | 11.5 | 10.1 |
| Less: Deferred taxes on certain foreign accrued performance allocations | (27.1) | (31.6) |
| Plus/Less: Net accrued performance allocations/giveback obligations attributable to non-controlling interests in consolidated entities | 7.4 | 1.1 |
| Plus: Net accrued performance allocations attributable to Consolidated Funds, eliminated in consolidation | 9.1 | 5.4 |
| Net accrued performance revenues before timing differences | 2,350.2 | 3,947.9 |
| Plus/Less: Timing differences between the period when accrued performance allocations/giveback obligations are realized and the period they are collected/distributed | 28.6 | 16.7 |
| Net accrued performance revenues attributable to The Carlyle Group Inc. | $ 2,378.8 | $ 3,964.6 |

## Total Investments Attributable to The Carlyle Group Inc.

Investments, excluding performance allocations, is the U.S. GAAP measure most comparable to Total investments attributable to The Carlyle Group Inc., net of CLO loans and other borrowings. The following is a reconciliation:

| AS OF DECEMBER 31, *(in millions)* | 2023 | 2022 |
|---|---|---|
| Investments, excluding performance allocations | $ 3,785.4 | $ 3,644.8 |
| Less: Amounts attributable to non-controlling interests in consolidated entities | (173.9) | (167.8) |
| Plus: Investments in Consolidated Funds, eliminated in consolidation | 140.1 | 222.0 |
| Less: Strategic equity method investments in NGP Management[1] | (370.3) | (369.7) |
| Less: Investment in NGP general partners-accrued performance allocations | (484.4) | (564.5) |
| Total investments attribution to The Carlyle Group Inc. | 2,896.9 | 2,764.8 |
| Less: CLO loans and other borrowings collateralized by investments attributable to The Carlyle Group Inc.[2] | (408.8) | (401.0) |
| Total investments attributable to The Carlyle Group Inc., net of CLO loans and other borrowings | $ 2,488.1 | $ 2,363.8 |

*1. We have 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. These equity interests are accounted for as investments under equity method accounting. Total investments attributable to The Carlyle Group Inc. excludes the strategic equity method investments in NGP Management and investments in the general partners of certain NGP carry funds.*
*2. Of the total CLO and other borrowings, $408.8 million and $401.0 million are collateralized by investments attributable to The Carlyle Group Inc. as of December 31, 2023 and 2022, respectively.*

CARLYLE