

Carlyle Group L.P.
Form 424B5
September 06, 2017
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Registration No. 333-220355

This preliminary prospectus supplement and the accompanying prospectus relate to an effective registration statement under the Securities Act of 1933, as amended, but are not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting an offer to buy or sell these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 6, 2017

Preliminary Prospectus Supplement

(To Prospectus dated September 6, 2017)

Units

% Series A Preferred Units

We are offering _____ of our _____ % Series A Preferred Units (the _____ Series A Preferred Units or the _____ units).

When, as, and if declared by the board of directors of our general partner, distributions on the Series A Preferred Units will be payable quarterly on March 15, June 15, September 15 and December 15 of each year, beginning December 15, 2017, at a rate per annum equal to ____%. Distributions on the Series A Preferred Units are non-cumulative. If the board of directors of our general partner does not declare a distribution before the scheduled record date for any distribution period, we will not make a distribution in that distribution period, whether or not distributions on the Series A Preferred Units are declared or paid for any future distribution period. See _____ Description of the Series A Preferred Units Distributions.

At any time or from time to time on or after September 15, 2022, we may, at our option, redeem the Series A Preferred Units, in whole or in part, at a price of \$25.00 per Series A Preferred Unit plus declared and unpaid distributions, if any. See _____ Description of the Series A Preferred Units Optional Redemption. If a Change of Control Event (as defined herein) or a Tax Redemption Event (as defined herein) occurs prior to September 15, 2022, we may, at our option, redeem the Series A Preferred Units, in whole but not in part, at a price of \$25.25 per Series A Preferred Unit plus declared and unpaid distributions, if any. If a Rating Agency Event (as defined herein) occurs prior to September 15, 2022, we may, at our option, redeem the Series A Preferred Units, in whole but not in part, at a price of \$25.50 per Series A Preferred Unit plus declared and unpaid distributions, if any. If (i) a Change of Control Event occurs (whether before, on or after September 15, 2022) and (ii) we do not give notice prior to the 31st day following the Change of Control Event to redeem all of the outstanding Series A Preferred Units, the distribution rate per annum

on the Series A Preferred Units will increase by 5.00%, beginning on the 31st day following such Change of Control Event. See Description of the Series A Preferred Units Change of Control Redemption. The Series A Preferred Units will rank (i) equally with each other series of our parity units, (ii) junior to our indebtedness and other liabilities and our senior units and (iii) senior to our junior units (as such terms are defined herein) with respect to the payment of unit distributions and distribution of our assets upon our liquidation, dissolution or winding up. See Description of the Series A Preferred Units Ranking. The Series A Preferred Units will not have any voting rights, except as set forth under Description of the Series A Preferred Units Voting Rights.

Investing in the Series A Preferred Units involves risks. See Risk Factors beginning on page S-9.

We intend to apply to list the Series A Preferred Units on the Nasdaq Global Select Market (the Nasdaq) under the symbol TCGP. If the application is approved, we expect trading of the Series A Preferred Units on the Nasdaq to begin within 30 days after the Series A Preferred Units are first issued.

	Per Unit	Total
Public offering price(1)	\$	\$
Underwriting discounts and commissions(2)	\$	\$
Proceeds to us before expenses(3)	\$	\$

(1) Plus declared and unpaid distributions, if any, from , 2017 if initial settlement occurs after that date.

(2) The underwriting discount will be \$ per Series A Preferred Unit for retail orders and \$ per Series A Preferred Unit for institutional orders.

(3) Assumes no exercise of the underwriters option to purchase additional units described below.

We have granted the underwriters the option to purchase, exercisable within 30 days of the date of this prospectus supplement, up to additional Series A Preferred Units on the same terms and conditions set forth above.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the related prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect that the Series A Preferred Units will be delivered to purchasers in global form through the book-entry delivery system of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System (Euroclear), and Clearstream Banking, société anonyme (Clearstream) on or about , 2017.

Joint Book-Running Managers

Morgan Stanley

BofA Merrill Lynch

UBS Investment Bank
Lead Managers

Wells Fargo Securities

J.P. Morgan

Barclays

, 2017.

Goldman Sachs & Co. LLC

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Neither we nor the underwriters have authorized anyone to provide you with information or to make any representations about anything not contained in this prospectus supplement, the accompanying prospectus, any free writing prospectus issued by us or the documents incorporated by reference in this prospectus supplement. Neither we nor the underwriters take any responsibility for, or can provide any assurance as to the reliability of, any information other than the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus prepared by us or on our behalf. We are offering to sell, and seeking offers to buy, only the units covered by this prospectus supplement, and only under circumstances and in jurisdictions where it is lawful to do so. The information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus or in any free writing prospectus issued by us is current only as of its date, regardless of the time and delivery of this prospectus supplement or of any sale of the units. You should read carefully the entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference in the prospectus supplement and the accompanying prospectus, before making an investment decision.

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of units and also adds to and updates information contained in the accompanying prospectus and the documents

incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus dated September 6, 2017, including the documents incorporated by reference therein, provides more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information

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contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or in any document incorporated by reference that was filed with the Securities and Exchange Commission (the "SEC"), before the date of this prospectus supplement, on the other hand, you should rely on the information contained in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date (for example, a document incorporated by reference in this prospectus supplement or in the accompanying prospectus), the statement in the document having the later date modifies or supersedes the earlier statement.

Unless the context suggests otherwise, references in this prospectus supplement to Carlyle, the Company, we, us and our refer to The Carlyle Group L.P. and its consolidated subsidiaries.

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SUMMARY

This summary does not contain all the information you should consider before investing in our units. You should read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein carefully, including the financial statements and related notes and reconciliations contained or incorporated by reference herein and therein and the section entitled Risk Factors contained herein and in our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on February 16, 2017 (File No. 001-35538) (the Annual Report), which is incorporated by reference in this prospectus supplement, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov, before you decide to invest in our units.

The Carlyle Group

We are one of the world's largest and most diversified multi-product global alternative asset management firms. We advise an array of specialized investment funds and other investment vehicles that invest across a range of industries, geographies, asset classes and investment strategies and seek to deliver attractive returns for our fund investors. Since our firm was founded in Washington, D.C. in 1987, we have grown to become a leading global alternative asset manager with nearly \$170 billion in AUM across 299 investment vehicles as of June 30, 2017. We have more than 1,550 employees, including 629 investment professionals in 31 offices across six continents, and we serve more than 1,750 active carry fund investors from 83 countries. Across our Corporate Private Equity and Real Assets segments, as of June 30, 2017, we have investments in 265 active portfolio companies that employ more than 550,000 people.

Business Segments

We operate our business across four segments: (1) Corporate Private Equity, (2) Real Assets, (3) Global Market Strategies and (4) Investment Solutions.

Corporate Private Equity

Our Corporate Private Equity (CPE) segment, established in 1990 with our first U.S. buyout fund, advises our buyout and growth capital funds, which pursue a wide variety of corporate investments of different sizes and growth potentials. Our 31 active CPE funds are each carry funds. They are organized and operated by geography or industry and are advised by separate teams of local professionals who live and work in the markets where they invest. In our CPE segment we also have 54 active external co-investment entities. We believe this diversity of funds and entities allows us to deploy more targeted and specialized investment expertise and strategies and offers our fund investors the ability to tailor their investment choices.

Real Assets

Our Real Assets segment, established in 1997 with our first U.S. real estate fund, advises our 28 active carry funds focused on real estate, infrastructure and energy and natural resources (including power) and also includes the five NGP management fee funds and three carry funds that are advised by NGP Energy Capital Management. This segment pursues investment opportunities across a diverse array of tangible assets, such as office buildings, hotels, retail and residential properties, industrial properties and senior living facilities, as well as oil and gas exploration and production, midstream, refining and marketing, power generation, pipelines, wind farms, refineries, airports, toll roads, transportation, water utility and agriculture, as well as the companies providing services or otherwise related to them.

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Global Market Strategies

Our Global Market Strategies segment, established in 1999 with our first high yield fund, advises a group of 60 active funds that pursue investment strategies including leveraged loans and structured credit, energy mezzanine opportunities, middle market lending and distressed debt. In September 2016 we hired a new Head of Global Credit and during 2017 we have brought in other senior investment professionals in this segment. We are focused on developing our credit platform into a premier global business, launching new credit products, scaling existing products and maximizing the utilization of our investment professionals across the platform.

Investment Solutions

Our Investment Solutions segment provides comprehensive investment opportunities and resources for our investors and clients to build private equity and real estate portfolios through fund of funds, secondary purchases of existing portfolios and managed co-investment programs. Investment Solutions executes these activities through AlpInvest, one of the world's largest investors in private equity, and Metropolitan, one of the largest managers of indirect investments in global real estate.

Organizational Structure

The Carlyle Group L.P. conducts all of its material business activities through the Carlyle Holdings partnerships. Each of the Carlyle Holdings partnerships was formed to hold our interests in different businesses. Carlyle Holdings I L.P. owns all of our U.S. fee-generating businesses and many of our non-U.S. fee-generating businesses, as well as our carried interests (and other investment interests) that derive income that we believe is not qualifying income for purposes of the U.S. federal income tax publicly-traded partnership rules and certain of our carried interests (and other investment interests) that do not relate to investments in stock of corporations or in debt, such as equity investments in entities that are pass-through for U.S. federal income tax purposes. Carlyle Holdings II L.P. holds a variety of assets, including our carried interests in many of the investments by our carry funds in entities that are treated as domestic corporations for U.S. federal income tax purposes and in certain non-U.S. entities. Certain of our non-U.S. fee-generating businesses, as well as our non-U.S. carried interests (and other investment interests) that derive income that we believe is not qualifying income for purposes of the U.S. federal income tax publicly-traded partnership rules and certain of our non-U.S. carried interests (and other investment interests) that do not relate to investments in stock of corporations or in debt, such as equity investments in entities that are pass-through for U.S. federal income tax purposes are held by Carlyle Holdings III L.P.

The Carlyle Group L.P. has wholly owned subsidiaries that serve as the general partners of the Carlyle Holdings partnerships: Carlyle Holdings I GP Inc. (a Delaware corporation that is a domestic corporation for U.S. federal income tax purposes), Carlyle Holdings II GP L.L.C. (a Delaware limited liability company that is a disregarded entity and not an association taxable as a corporation for U.S. federal income tax purposes) and Carlyle Holdings III GP L.P. (a Québec *société en commandite* that is a foreign corporation for U.S. federal income tax purposes) serve as the general partners of Carlyle Holdings I L.P., Carlyle Holdings II L.P. and Carlyle Holdings III L.P., respectively. Carlyle Holdings I GP Inc. and Carlyle Holdings III GP L.P. serve as the general partners of Carlyle Holdings I L.P. and Carlyle Holdings III L.P., respectively, through wholly owned subsidiaries that are disregarded for federal income tax purposes.

The simplified diagram below depicts our organizational structure before giving effect to this offering. Ownership information in the diagram below is presented as of June 30, 2017. The diagram does not depict all of our subsidiaries, including intermediate holding companies through which certain of the subsidiaries depicted are held. As discussed in greater detail below, The Carlyle Group L.P. holds, through wholly owned subsidiaries, a number of Carlyle Holdings

partnership units that is equal to the number of common units that The Carlyle

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Group L.P. has issued and benefits from the income of Carlyle Holdings I L.P., Carlyle Holdings II L.P. and Carlyle Holdings III L.P. (collectively, Carlyle Holdings) to the extent of its equity interests in the Carlyle Holdings partnerships. While the holders of common units of The Carlyle Group L.P. are entitled to all of the economic rights in The Carlyle Group L.P., the limited partners of the Carlyle Holdings partnerships, like the wholly owned subsidiaries of The Carlyle Group L.P., hold Carlyle Holdings partnership units that entitle them to economic rights in Carlyle Holdings to the extent of their equity interests in the Carlyle Holdings partnerships. Public investors do not directly hold equity interests in the Carlyle Holdings partnerships.

- (1) Certain individuals engaged in our business own interests directly in selected subsidiaries, including, in certain instances, entities that receive management fees from funds that we advise. See Business Structure and Operation of Our Investment Funds Incentive Arrangements/Fee Structure in our Annual Report for additional information.
- (2) The Carlyle Group L.P. intends to contribute an amount equal to the net proceeds from the sale of the Series A Preferred Units to Carlyle Holdings. Each of the Carlyle Holdings partnerships, in turn, will issue to The Carlyle Group L.P. (or a wholly owned subsidiary of The Carlyle Group L.P.) a new series of preferred units with economic terms designed to materially mirror those of the Series A Preferred Units, which we refer to as the Mirror Units.

For a description of our business, financial condition, results of operations and other important information, we refer you to our filings with SEC incorporated by reference in this prospectus supplement and the

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accompanying prospectus. For instructions on how to find copies of these documents, see [Where You Can Find More Information](#).

The Carlyle Group L.P. was formed in Delaware on July 18, 2011. Our principal executive offices are located at 1001 Pennsylvania Avenue, NW, Washington, D.C. 20004-2505, and our telephone number is (202) 729-5626.

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The Offering

This summary is not a complete description of the Series A Preferred Units. You should read the full text and more specific details contained elsewhere in this prospectus supplement and the accompanying prospectus. For a more detailed description of the Series A Preferred Units, see the section entitled "Description of the Series A Preferred Units" in this prospectus supplement.

In this portion of the summary, the terms "we," "us" and "our" refer only to The Carlyle Group L.P. and not to any of our subsidiaries.

Issuer	The Carlyle Group L.P.
Series A Preferred Units	% Series A Preferred Units.
Liquidation Preference	\$25.00 per Series A Preferred Unit.
Option to Purchase Additional Units	We have granted the underwriters an option to purchase, exercisable within 30 days of the date of this prospectus supplement, up to an additional _____ Series A Preferred Units, at the public offering price less the underwriting discount.
Maturity	The Series A Preferred Units do not have a maturity date, and we are not required to redeem or repurchase the Series A Preferred Units. Accordingly, the Series A Preferred Units will remain outstanding indefinitely unless we decide to redeem or repurchase them.
Distributions	When, as, and if declared by the board of directors of our general partner out of funds legally available, distributions on the Series A Preferred Units will be payable quarterly on March 15, June 15, September 15 and December 15 of each year, beginning December 15, 2017, at a rate per annum equal to ____%. Distributions on the Series A Preferred Units are non-cumulative. If the board of directors of our general partner does not declare a distribution before the scheduled record date for any distribution period, we will not make a distribution for that distribution period, whether or not distributions on the Series A Preferred Units are declared or paid for any future distribution period.
	Subject to certain exceptions, unless distributions have been declared and paid or declared and set apart for payment on the Series A Preferred Units for a quarterly distribution period, during the remainder of that

distribution period we may not repurchase any common units or junior units (as defined herein) and we may not declare or pay or set apart payment for distributions on any common units or junior units for the remainder of that distribution period, other than (i) distributions of tax distribution amounts received from Carlyle Holdings in accordance with the terms of the partnership agreements of the Carlyle Holdings partnerships as in effect on the date the Series A Preferred Units are first issued, (ii) the net unit settlement of equity-based awards granted under The Carlyle Group

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L.P. 2012 Equity Incentive Plan (the "Equity Incentive Plan") (or any successor or similar plan) in order to satisfy associated tax obligations or (iii) distributions paid in junior units or options, warrants or rights to subscribe for or purchase junior units or with proceeds from the substantially concurrent sale of junior units. These restrictions are not applicable during the initial distribution period, which is the period from the original issue date to but excluding December 15, 2017.

Amount Payable in Liquidation

If we liquidate, dissolve or wind up, then the holders of the Series A Preferred Units outstanding at such time will be entitled to receive a payment out of our assets available for distribution to such holders equal to the sum of the \$25.00 liquidation preference per Series A Preferred Unit and declared and unpaid distributions, if any, to, but excluding, the date we liquidate, dissolve or wind up (the "Preferred Unit Liquidation Value"), to the extent that we have sufficient gross income in the year of our liquidation, dissolution or winding up and in the prior years in which the Series A Preferred Units have been outstanding to ensure that each holder of Series A Preferred Units will have a capital account balance equal to the Preferred Unit Liquidation Value.

Based on current information, we believe we will have sufficient gross income in calendar year 2017 to ensure that the holders of the Series A Preferred Units will have capital account balances as of the end of calendar year 2017 that entitle each holder, upon our liquidation, dissolution or winding up, to the Preferred Unit Liquidation Value, but no assurance can be provided regarding the level of our future gross income. See "Description of the Series A Preferred Units - Liquidation Preference."

Optional Redemption

We may redeem, at our option, the Series A Preferred Units, in whole or in part, at any time on or after September 15, 2022 at a price of \$25.00 per Series A Preferred Unit plus declared and unpaid distributions to, but excluding, the redemption date, without payment of any undeclared distributions. Holders of the Series A Preferred Units will have no right to require the redemption of the Series A Preferred Units.

Change of Control Redemption

If a Change of Control Event (as defined under "Description of the Series A Preferred Units - Change of Control Redemption") occurs prior to September 15, 2022, we may, at our option, redeem the Series A Preferred Units, in whole but not in part, upon at least 30 days' notice, within 60 days of the occurrence of such Change of Control Event, at a price of \$25.25 per Series A Preferred Unit, plus declared and unpaid distributions to, but excluding, the redemption date, without payment of any undeclared distributions.

Tax Redemption

If a Tax Redemption Event (as defined under Description of the Series A Preferred Units Tax Redemption Event) occurs prior to September 15, 2022, we may, at our option, redeem the Series A

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Preferred Units, in whole but not in part, upon at least 30 days' notice, within 60 days of the occurrence of such Tax Redemption Event, at a price of \$25.25 per Series A Preferred Unit, plus declared and unpaid distributions to, but excluding, the redemption date, without payment of any undeclared distributions.

Rating Agency Redemption

If a Rating Agency Event (as defined under Description of the Series A Preferred Units Rating Agency Redemption) occurs prior to September 15, 2022, we may, at our option, redeem the Series A Preferred Units, in whole but not in part, upon at least 30 days' notice, within 60 days of the occurrence of such Rating Agency Event, at a price of \$25.50 per Series A Preferred Unit, plus declared and unpaid distributions to, but excluding, the redemption date, without payment of any undeclared distributions.

Distribution Rate Step-Up Following Change of Control Event

If (i) a Change of Control Event occurs (whether before, on or after September 15, 2022) and (ii) we do not give notice prior to the 31st day following the Change of Control Event to redeem all the outstanding Series A Preferred Units, the distribution rate per annum on the Series A Preferred Units will increase by 5.00%, beginning on the 31st day following such Change of Control Event. See Description of the Series A Preferred Units Change of Control Redemption.

Voting Rights

Holders of the Series A Preferred Units will generally have no voting rights and have none of the voting rights given to holders of our common units, except that holders of the Series A Preferred Units will be entitled to the voting rights described in Description of the Series A Preferred Units Voting Rights.

Ranking

The Series A Preferred Units will rank (i) equally with each other series of our parity units, (ii) junior to our indebtedness and other liabilities and our senior units and (iii) senior to our junior units (as such terms are defined herein) with respect to the payment of unit distributions and distribution of our assets upon our liquidation, dissolution or winding up. See Description of the Series A Preferred Units Ranking.

No Conversion Rights

The Series A Preferred Units will not be convertible into common units or any other class or series of our interests or any other security.

Use of Proceeds

The net proceeds from the sale of the Series A Preferred Units are estimated to be approximately \$ million (or approximately \$ million if the underwriters exercise in full their option to purchase

additional units), after deducting the underwriting discount but before deducting expenses. We intend to use the net proceeds for general corporate purposes, including to fund investments.

See Use of Proceeds and Description of the Series A Preferred Units Mirror Units in this prospectus supplement.

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Listing	We intend to apply to list the Series A Preferred Units on the Nasdaq under the symbol TCGP. If the application is approved, we expect trading in the Series A Preferred Units on the Nasdaq to begin within 30 days after the Series A Preferred Units are first issued.
Tax Treatment	See Additional Material U.S. Federal Income Tax Considerations in this prospectus supplement.
Certain ERISA Considerations	See Certain ERISA Considerations in this prospectus supplement.
Transfer Agent, Registrar and Paying Agent	American Stock Transfer & Trust Company, LLC.
Risk Factors	Investing in the Series A Preferred Units involves risks. Before deciding whether to invest in the Series A Preferred Units, you should carefully consider the information set forth in the section entitled Risk Factors beginning on page S-9 of this prospectus supplement, on page 2 of the accompanying prospectus and under the caption Risk Factors in our Annual Report, as well as the other information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus.

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RISK FACTORS

*Investing in the Series A Preferred Units involves risks. You should carefully review the following risk factors and the risks discussed under the caption **Risk Factors** in our Annual Report, which is incorporated by reference in this prospectus supplement, or any similar caption in the documents that we subsequently file with the SEC that are deemed to be incorporated by reference in this prospectus supplement, and in any free writing prospectus that we provide you in connection with the offering of Series A Preferred Units. The risks discussed under the caption **Risk Factors** in our Annual Report that reference our common units are generally applicable to the Series A Preferred Units unless otherwise addressed herein. You should also carefully review the other risks and uncertainties discussed in this prospectus supplement and the accompanying prospectus, the documents incorporated and deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus and in any free writing prospectus. The risks and uncertainties discussed below and in the documents referred to above, as well as other matters discussed in this prospectus supplement and in those documents, could materially and adversely affect our business, financial condition, liquidity and results of operations and the market price of the Series A Preferred Units. Moreover, the risks and uncertainties discussed below and in the foregoing documents are not the only risks and uncertainties that we face, and our business, financial condition, liquidity and results of operations and the market price of the Series A Preferred Units could be materially adversely affected by other matters that are not known to us or that we currently do not consider to be material risks to our business.*

Risks Related to the Series A Preferred Units

The Series A Preferred Units are equity securities and are subordinated to our existing and future indebtedness.

The Series A Preferred Units are our equity interests and do not constitute indebtedness. This means that the Series A Preferred Units will rank junior to all of our indebtedness and to other liabilities and non-equity claims on us and our assets available to satisfy claims on us, including claims in our liquidation.

Further, the Series A Preferred Units place no restrictions on our business or operations or on our ability to incur indebtedness or other liabilities or engage in any transactions, subject only to the limited voting rights referred to below under **Risk Factors**. Holders of the Series A Preferred Units will have limited voting rights.

The Carlyle Group L.P. is a holding partnership and has no material assets other than the ownership of the partnership units in the Carlyle Holdings partnerships held through wholly owned subsidiaries. The Carlyle Group L.P. has no independent means of generating revenue. As a result, our cash flow and our ability to pay distributions on the Series A Preferred Units is dependent upon the earnings of our subsidiaries. In addition, we are dependent on the distribution of earnings, loans or other payments by our subsidiaries to us. The ability of such entities to make payments to us may be restricted by, among other things, applicable laws as well as the terms of our existing and future indebtedness and other agreements to which those entities may be a party. Therefore, our ability to declare and pay distributions on the Series A Preferred Units may be limited.

Distributions on the Series A Preferred Units are discretionary and non-cumulative.

Distributions on the Series A Preferred Units are discretionary and non-cumulative. You will only receive distributions of the Series A Preferred Units when, as, and if declared by the board of directors of our general partner. Consequently, if the board of directors of our general partner does not declare a distribution for a distribution period, holders of the Series A Preferred Units would not be entitled to receive any distribution for such distribution period, and such unpaid distribution will not be payable in such distribution period or in later distribution periods. We will have no obligation to pay distributions for a distribution period if the board of directors of our general partner does not

declare such distribution before the scheduled record date for such period, whether or not distributions are declared or paid for any subsequent distribution period with respect to our

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Series A Preferred Units or any other preferred units we may issue. This may result in holders of the Series A Preferred Units not receiving the full amount of distributions that they expect to receive, or any distributions, and may make it more difficult to resell Series A Preferred Units or to do so at a price that the holder finds attractive.

The board of directors of our general partner may, in its sole discretion, determine to suspend distributions on the Series A Preferred Units, which may have a material adverse effect on the market price of the Series A Preferred Units. There can be no assurances that our operations will generate sufficient cash flows to enable us to pay distributions on the Series A Preferred Units. Our financial and operating performance is subject to prevailing economic and industry conditions and to financial, business and other factors, some of which are beyond our control.

The terms of the Series A Preferred Units will not restrict our ability to distribute tax distribution amounts to the holders of our common units even in periods when distributions on the Series A Preferred Units have been suspended.

Although we generally cannot repurchase any common units or junior units and we generally may not declare or pay or set apart payment for distributions on any common units or junior units unless distributions have been declared and paid or declared and set apart for payment on the Series A Preferred Units, there are exceptions, including for tax distributions. Accordingly, even if the board of directors of our general partner determines, in its sole discretion, to suspend distributions on the Series A Preferred Units, we may still make distributions to the holders of our common units of amounts equal to the tax distribution amounts received from Carlyle Holdings, which the Carlyle Holdings partnerships distribute in accordance with the terms of their partnership agreements. The holders of the Series A Preferred Units will have no right to prohibit or participate in, and will have no claim over, any such distributions, which may be material in amount.

The terms of our existing and future indebtedness may restrict our ability to make distributions on the Series A Preferred Units or to redeem the Series A Preferred Units.

Distributions will only be paid if the distribution is not restricted or prohibited by law or the terms of any indebtedness or senior units. The credit agreement governing our existing senior credit facility contains and the instruments governing the terms of future financing or the refinancing of any indebtedness may contain covenants that restrict our ability to make distributions on the Series A Preferred Units or redeem the Series A Preferred Units. For example, the credit agreement governing our existing senior credit facility restricts our ability to make restricted payments, including distributions on the Series A Preferred Units, to the extent that an event of default (as defined in the credit agreement) has occurred and is continuing. The Series A Preferred Units place no restrictions on our ability to incur additional indebtedness that contains restrictive covenants.

The market price of the Series A Preferred Units could be adversely affected by various factors.

Following the offering, the market price for the Series A Preferred Units may fluctuate based on a number of factors, including:

the trading price of our common units;

the incurrence of additional indebtedness or additional issuances of other series or classes of preferred units;

whether we declare or fail to declare distributions on the Series A Preferred Units from time to time and our ability to make distributions under the terms of our indebtedness;

our creditworthiness, results of operations and financial condition;

the credit ratings of the Series A Preferred Units;

the prevailing interest rates or rates of return being paid by other companies similar to us and the market for similar securities; and

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economic, financial, geopolitical, regulatory or judicial events that affect us or the financial markets generally.

Our performance, market conditions and prevailing interest rates have fluctuated in the past and can be expected to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the price and liquidity of the Series A Preferred Units. In general, as market interest rates rise, securities with fixed interest rates or fixed distribution rates, such as the Series A Preferred Units, decline in value. Consequently, if you purchase the Series A Preferred Units and market interest rates increase, the market price of the Series A Preferred Units may decline. We cannot predict the future level of market interest rates.

Our ability to pay quarterly distributions on the Series A Preferred Units will be subject to, among other things, general business conditions, our financial results, restrictions under the terms of our existing and future indebtedness or senior units, and our liquidity needs. Any reduction or discontinuation of quarterly distributions could cause the market price of the Series A Preferred Units to decline significantly. Accordingly, the Series A Preferred Units may trade at a discount to their purchase price.

The Series A Preferred Units may not be rated and, if rated, their ratings could be lowered.

We expect that Fitch Ratings Inc. and Standard & Poor's Ratings Services will assign ratings to the Series A Preferred Units. Generally, rating agencies base their ratings on such material and information, and such of their own investigative studies and assumptions, as they deem appropriate. A rating is not a recommendation to buy, sell or hold the Series A Preferred Units, and there is no assurance that any rating will apply for any given period of time or that a rating may not be adjusted or withdrawn. A downgrade or potential downgrade in these ratings, the assignment of a new rating that is lower than existing ratings, or a downgrade or potential downgrade in ratings assigned to us, our subsidiaries, the Series A Preferred Units or any of our other securities could adversely affect the trading price and liquidity of the Series A Preferred Units. We cannot be sure that rating agencies will rate the Series A Preferred Units or maintain their ratings once issued. Neither we nor any underwriter undertakes any obligation to obtain a rating, maintain the ratings once issued or to advise holders of Series A Preferred Units of any change in ratings. A failure to obtain a rating or a negative change in our ratings once issued could have an adverse effect on the market price or liquidity of the Series A Preferred Units.

Rating agencies may change rating methodologies, and their ratings may not reflect all risks.

The rating agencies that currently or may in the future publish a rating for us or the Series A Preferred Units may from time to time in the future change the methodologies that they use for analyzing securities with features similar to the Series A Preferred Units. This may include, for example, changes to the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Series A Preferred Units, which is sometimes called "notching." If the rating agencies change their practices for rating lower-ranking securities in the future, and the ratings of the Series A Preferred Units are subsequently lowered or "notched" further, the trading price and liquidity of the Series A Preferred Units could be adversely affected. In addition, credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and incorporated by reference herein and other factors that may affect the value of the Series A Preferred Units. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. In addition, we may redeem the Series A Preferred Units after the occurrence of a Rating Agency Event (as defined and described in "Description of the Series A Preferred Units Rating Agency Redemption"). See "Redemption may adversely affect your return on the Series A Preferred Units." below.

An active trading market may not develop for the Series A Preferred Units, which could adversely affect the price of the Series A Preferred Units in the secondary market and your ability to resell the Series A Preferred Units.

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Because the Series A Preferred Units do not have a stated maturity date, investors seeking liquidity will need to rely on the secondary market. The Series A Preferred Units are a new issue of securities and there is no

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established trading market for the Series A Preferred Units. We intend to apply for listing of the Series A Preferred Units on the Nasdaq under the symbol TCGP. However, there is no guarantee that we will be able to list the Series A Preferred Units. If the application is approved, we expect trading in the Series A Preferred Units on the Nasdaq to begin within 30 days after the Series A Preferred Units are first issued; however, we cannot make any assurance as to:

the development of an active trading market;

the liquidity of any trading market that may develop;

the ability of holders to sell their Series A Preferred Units; or

the price at which the holders would be able to sell their Series A Preferred Units.

If a trading market were to develop, the future trading prices of the Series A Preferred Units will depend on many factors, including those discussed under The market price of the Series A Preferred Units could be adversely affected by various factors.

If a trading market does develop, there is no assurance that it will continue. If an active public trading market for the Series A Preferred Units does not develop or does not continue, the market price and liquidity of the Series A Preferred Units is likely to be adversely affected and Series A Preferred Units traded after their purchase may trade at a discount from their purchase price.

Holders of the Series A Preferred Units will have limited voting rights.

Holders of the Series A Preferred Units will generally have no voting rights and have none of the voting rights given to holders of our common units, except that holders of the Series A Preferred Units will be entitled to the voting rights described in Description of the Series A Preferred Units Voting Rights. In particular, if distributions on the Series A Preferred Units have not been declared and paid for the equivalent of six or more quarterly distribution periods, whether or not consecutive (a Nonpayment Event), holders of the Series A Preferred Units, together as a class with holders of any other series of parity units (as defined in Description of the Series A Preferred Units Distributions) then outstanding with like voting rights, will be entitled to vote for the election of two additional directors to the board of directors of our general partner, subject to the terms and to the limited extent described under Description of the Series A Preferred Units Voting Rights. When quarterly distributions have been declared and paid on the Series A Preferred Units for four consecutive quarters following a Nonpayment Event, the right of the holders of the Series A Preferred Units and such parity units to elect these two additional directors will cease, the terms of office of these two additional directors will forthwith terminate, the number of directors constituting the board of directors of our general partner will be reduced accordingly and, for purposes of determining whether a subsequent Nonpayment Event has occurred, the number of quarterly distributions payable on the Series A Preferred Units that have not been declared and paid shall reset to zero.

Redemption may adversely affect your return on the Series A Preferred Units.

On or after September 15, 2022, we will have the right to redeem at a price of \$25.00 per Series A Preferred Unit, plus declared and unpaid distributions, some or all of the Series A Preferred Units, as described under Description of the

Series A Preferred Units Optional Redemption. In addition, prior to September 15, 2022, we may redeem the Series A Preferred Units after the occurrence of a Change of Control Event (as defined and described in Description of the Series A Preferred Units Change of Control Redemption) or a Tax Redemption Event (as defined and described in Description of the Series A Preferred Units Tax Redemption), at a price of \$25.25 per Series A Preferred Unit, plus declared and unpaid distributions. Similarly, prior to September 15, 2022, we may redeem the Series A Preferred Units after the occurrence of a Rating Agency Event (as defined and described in Description of the Series A Preferred Units Rating Agency Redemption), at a price of \$25.50 per Series A Preferred Unit, plus declared and unpaid distributions. To the extent that we redeem the Series A Preferred Units at times when prevailing interest rates may be relatively low

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compared to rates at the time of issuance of the Series A Preferred Units, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the distribution rate of the Series A Preferred Units.

We are not required to redeem the Series A Preferred Units, and we only expect to exercise our optional redemption rights if it is in our best interest as determined by our general partner in its sole discretion.

The Series A Preferred Units are a perpetual equity security. This means that they have no maturity or mandatory redemption date and are not redeemable at the option of investors. The Series A Preferred Units may be redeemed by us at our option on or after September 15, 2022, either in whole or in part. In addition, prior to September 15, 2022, after the occurrence of a Change of Control Event, a Tax Redemption Event or a Rating Agency Event, we may, but are not required to, redeem the Series A Preferred Units in whole but not in part. Any decision we may make at any time to redeem the Series A Preferred Units will be determined by our general partner in its sole discretion and depends upon, among other things, an evaluation of our capital position, the composition of our unitholders' equity, our outstanding senior debt and general market conditions at that time.

Upon a Change of Control Event, we are not required to redeem the Series A Preferred Units, and we may not be able to redeem the Series A Preferred Units or pay the increased distribution rate per annum if we fail to redeem them.

The holders of the 3.875% senior notes due 2023 issued by our indirect finance subsidiary Carlyle Holdings Finance L.L.C. and the 5.625% senior notes due 2043 issued by our indirect finance subsidiary Carlyle Holdings II Finance L.L.C., which we refer to collectively as the Carlyle Senior Notes, have the right to require us to repurchase all or any part of such holders' securities upon a change of control event (as defined in the respective indentures relating to the Carlyle Senior Notes). In addition, the occurrence of a change of control event (as defined in the credit agreement governing our existing senior credit facility) could result in a default under our existing senior credit facility, including the acceleration of the payment of any borrowings thereunder. We are not required to redeem the Series A Preferred Units, and even if we should decide to redeem the Series A Preferred Units, since the Series A Preferred Units will rank junior to all of our existing and future indebtedness, upon a Change of Control Event, we may not have sufficient financial resources available to redeem the Series A Preferred Units, or pay the increased distribution rate per annum described under Description of the Series A Preferred Units Change of Control Redemption. Even if we are able to pay the increased distribution rate per annum, increasing the per annum distribution rate by 5.00% may not be sufficient to compensate holders for the impact of the Change of Control Event on the market price of the Series A Preferred Units.

There is no limitation on our issuance of debt securities or equity securities that rank equally with the Series A Preferred Units and we may issue equity securities that rank senior to the Series A Preferred Units.

The terms of the Series A Preferred Units do not limit our ability to incur indebtedness or other liabilities. As a result, we and our subsidiaries may incur indebtedness or other liabilities that will rank senior to the Series A Preferred Units. In addition, while we do not currently have any outstanding equity securities that rank equally with or senior to the Series A Preferred Units, we may issue additional equity securities that rank equally with the Series A Preferred Units without limitation and, with the approval of the holders of two-thirds of the Series A Preferred Units and all other series of voting preferred units (as defined below), including the Series A Preferred Units, acting as a single class, as described under Description of the Series A Preferred Units Voting Rights, any equity securities that rank senior to the Series A Preferred Units. The incurrence of indebtedness or other liabilities that will rank senior to the Series A Preferred Units or the issuance of securities ranking equally with or senior to the Series A Preferred Units may reduce the amount available for distributions and the amount recoverable by holders of the Series A Preferred Units in the event of our liquidation, dissolution or winding-up.

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The terms of the Mirror Units issued by Carlyle Holdings in connection with this offering may be amended by Carlyle Holdings, which we control, in a manner that could be detrimental to holders of Series A Preferred Units, and the Mirror Units should not be relied upon to ensure that we have sufficient cash flows to pay distributions on or redeem the Series A Preferred Units.

The Carlyle Group L.P. intends to contribute an amount equal to the net proceeds from the sale of the Series A Preferred Units to Carlyle Holdings. Each of the Carlyle Holdings partnerships, in turn, will issue to The Carlyle Group L.P. (or a wholly owned subsidiary of The Carlyle Group L.P.) a new series of preferred units with economic terms designed to materially mirror those of the Series A Preferred Units, which we refer to as the Mirror Units. The terms of the Mirror Units will provide that unless distributions have been declared and paid or declared and set apart for payment on all Mirror Units issued by each of the Carlyle Holdings partnerships for the then-current quarterly distribution period, then during such quarterly distribution period only, each of the Carlyle Holdings partnerships may not repurchase any of its junior units and may not declare or pay or set apart payment for distributions on its junior units, other than (i) distributions of tax distribution amounts in accordance with the terms of the partnership agreements of the Carlyle Holdings partnerships as in effect on the date the Series A Preferred Units are first issued, (ii) the net unit settlement of equity-based awards granted under the Equity Incentive Plan (or any successor or similar plan) in order to satisfy associated tax obligations or (iii) distributions paid in junior units or options, warrants or rights to subscribe for or purchase junior units or with proceeds from the substantially concurrent sale of junior units. These terms, among others, are intended to provide credit support to the Series A Preferred Units. However, the Carlyle Holdings partnerships will have no direct obligations with respect to our Series A Preferred Units. In addition, the general partners of the Carlyle Holdings partnerships, which are controlled by us, may amend, modify or alter the terms of the Mirror Units, including the repurchase and distribution terms described above, in a manner that would be detrimental to the holders of the Series A Preferred Units and such actions could materially and adversely affect the market price of the Series A Preferred Units. Accordingly, the Mirror Units should not be relied upon to ensure we have sufficient cash flows to enable us to pay distributions on or redeem the Series A Preferred Units.

An investment in our Series A Preferred Units is not an investment in any of our funds, and the assets and revenues of our funds are not directly available to us.

Holders of our Series A Preferred Units will not directly participate in the performance of our underlying funds, and any benefits from such performance will directly inure to investors in those funds. Our Series A Preferred Units are securities of The Carlyle Group L.P. only. While our historical consolidated financial information includes financial information, including assets and revenues, of our funds on a consolidated basis, and our future financial information will continue to consolidate certain of these funds, such assets and revenues are available to the applicable fund and not to us except to a limited extent through management fees, performance fees, distributions and other proceeds arising from agreements with funds, as discussed in more detail in our Annual Report.

If the amount of distributions on the Series A Preferred Units is greater than our gross income, then the amount that a holder of Series A Preferred Units would receive upon liquidation may be less than the Preferred Unit Liquidation Value.

In general, to the extent of our gross income in any taxable year, we will specially allocate to the Series A Preferred Units items of our gross income in an amount equal to the distributions paid in respect of the Series A Preferred Units during the taxable year. Allocations of gross income will increase the capital account balance of the holders of the Series A Preferred Units. Distributions will correspondingly reduce the capital account balance of the holders of the Series A Preferred Units. So long as our gross income equals or exceeds the distributions paid to the holders of the Series A Preferred Units, the capital account balance of the holders of Series A Preferred Units will equal the Preferred Unit Liquidation Value at the end of each taxable year. If the distributions paid in respect of the Series A

Preferred Units in a taxable year exceed the proportionate share of our gross income allocated in respect of the Series A Preferred Units for such year, the capital account balance of

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the holders of the Series A Preferred Units with respect to the Series A Preferred Units will be reduced below the Preferred Unit Liquidation Value by the amount of such excess. In that event, we will allocate additional gross income, to the extent available in any taxable year, in subsequent years until such excess is eliminated. If we were to have insufficient gross income to eliminate such excess, holders of Series A Preferred Units would be entitled, upon our liquidation, dissolution or winding up, to less than the Preferred Unit Liquidation Value. In addition, to the extent that we make additional allocations of gross income in a taxable year to eliminate such excess from prior years, the gross income allocated to holders of the Series A Preferred Units in such taxable year would exceed the distributions paid to the Series A Preferred Units during such taxable year. In such taxable year, holders of Series A Preferred Units may recognize taxable income in respect of their investments in the Series A Preferred Units in excess of our cash distributions, thus giving rise to an out-of-pocket tax liability for such holders.

Holders of Series A Preferred Units may be required to request an extension of time to file their tax returns.

Holders of Series A Preferred Units will be required to take into account the items of gross income that are allocated to them for our taxable year ending within or with their taxable year. We have agreed to furnish holders of Series A Preferred Units, as soon as reasonably practicable after the close of each calendar year, with tax information (including IRS Schedules K-1), which describes the gross income that is allocated to them for our preceding taxable year. Although we currently intend to distribute Schedule K-1s on or around 90 days after the end of our fiscal year, it may require longer than 90 days after the end of our calendar year to obtain the requisite information from all lower-tier entities so that IRS Schedules K-1 may be prepared by us. Consequently, holders of Series A Preferred Units who file U.S. federal income tax returns or reports should anticipate the need to file annually with the IRS (and certain states) a request for an extension past the applicable due date of their income tax return for the taxable year. In addition, each holder of Series A Preferred Units will be required to report for all tax purposes consistently with the information provided by us for the taxable year. Because holders will be required to report the items of gross income that are allocated to them, tax reporting for holders of our Series A Preferred Units will generally be more complicated than for shareholders of a corporation.

In addition, it is possible that a holder of Series A Preferred Units will be required to file amended income tax returns as a result of adjustments to items on the corresponding income tax returns of The Carlyle Group L.P. Any obligation for a holder of Series A Preferred Units to file amended income tax returns for that or any other reason, including any costs incurred in the preparation or filing of such returns, is the responsibility of each holder of Series A Preferred Units.

Tax-exempt holders of our Series A Preferred Units may recognize unrelated business taxable income.

In light of our intended investment activities, we generally do not expect to make investments directly in operating businesses that generate significant amounts of unrelated business taxable income (UBTI) for tax-exempt holders of our Series A Preferred Units. However, certain of our investments may be treated as debt-financed investments, which may give rise to debt-financed UBTI. Accordingly, no assurance can be given that we will not generate UBTI currently or in the future and, subject to the qualifying income rules, we are under no obligation to minimize UBTI. Consequently, a holder of Series A Preferred Units that is a tax-exempt organization may be subject to unrelated business income tax to the extent that its allocable share of our income consists of UBTI. Tax-exempt holders of the Series A Preferred Units are strongly urged to consult their tax advisors regarding the tax consequences of owning the Series A Preferred Units.

Non-U.S. holders face unique U.S. tax issues from owning Series A Preferred Units that may result in adverse tax consequences to them.

In light of our intended investment activities, we generally do not expect to generate significant amounts of income treated as effectively connected income (ECI) with respect to non-U.S. holders of our Series A

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Preferred Units. However, there can be no assurance that we will not generate ECI currently or in the future and, subject to the qualifying income rules, we are under no obligation to minimize ECI. To the extent our income is treated as ECI, non-U.S. holders generally would be subject to withholding tax on their allocable shares of such income, would be required to file a U.S. federal income tax return for such year reporting their allocable shares of income effectively connected with such trade or business and any other income treated as ECI, and would be subject to U.S. federal income tax at regular U.S. tax rates on any such income (state and local income taxes and filings may also apply in that event). In addition, certain income of non-U.S. holders from U.S. sources not connected to any such U.S. trade or business conducted by us could be treated as ECI. Non-U.S. holders that are corporations may also be subject to a 30% branch profits tax on their allocable share of such income. In addition, certain income from U.S. sources that is not ECI allocable to non-U.S. holders will be reduced by withholding taxes imposed at the highest effective applicable tax rate. A portion of any gain recognized by a non-U.S. holder on the sale or exchange of Series A Preferred Units could also be treated as ECI.

Generally, under the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) provisions of the Internal Revenue Code of 1986, as amended (the Code), certain non-U.S. persons are subject to U.S. federal income tax in the same manner as U.S. persons on any gain realized on the disposition of an interest, other than an interest solely as a creditor, in U.S. real property. An interest in U.S. real property includes stock in a U.S. corporation (except for certain stock of publicly traded U.S. corporations) if interests in U.S. real property constitute 50% or more by value of the sum of the corporation's assets used in a trade or business, its U.S. real property interests and its interests in real property located outside the United States (a United States Real Property Holding Corporation or USRPHC). The FIRPTA tax applies to certain non-U.S. holders holding an interest in a partnership that realizes gain in respect of an interest in U.S. real property or an interest in a USRPHC. We may, from time to time, make certain investments (other than direct investments in U.S. real property), for example, through one of our investment funds held by Carlyle Holdings II GP L.L.C. that could constitute investments in U.S. real property or USRPHCs. If we make such investments, subject to the discussion below regarding Qualified Foreign Pension Funds, each non-U.S. holder will be subject to U.S. federal income tax under FIRPTA on such holder's allocable share of any gain we realize on the disposition of a FIRPTA interest and will be subject to the tax return filing requirements regarding ECI discussed above. Under recently enacted legislation, certain foreign pension funds (Qualified Foreign Pension Funds) are exempt from FIRPTA on their disposition of U.S. real property interests held directly or indirectly through one or more partnerships. A Qualified Foreign Pension Fund is a corporation, trust or other arrangement which (1) is created or organized outside of the United States, (2) is established to provide retirement or pension benefits to current or former employees of one or more employers in consideration for services rendered, (3) does not have any single participant or beneficiary with a right to more than 5% of the fund's assets or income, (4) is subject to government regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in the country in which it is established or operates and (5) with respect to which, under the laws of the country in which it is established or operates, contributions to it are deductible or excludable from gross income or taxed at a reduced rate, or taxation of its investment income is deferred or taxed at a reduced rate.

Holders of our Series A Preferred Units may be subject to state, local and foreign taxes and return filing requirements as a result of owning such units.

In addition to U.S. federal income taxes, holders of the Series A Preferred Units may be subject to other taxes, including state, local and foreign taxes, and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we do business or own property now or in the future, even if the holders of the Series A Preferred Units do not reside in any of those jurisdictions. Holders of the Series A Preferred Units may be required to file state and local and foreign income tax returns and pay state and local and foreign income taxes in some or all of these jurisdictions. Further, holders of our Series A Preferred Units may be subject to penalties for failure to comply with those requirements. It is the responsibility of each holder of the Series A Preferred Units to file all U.S. federal,

state, local and foreign tax returns, and pay all such taxes, that may be required of such holder.

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Amounts distributed in respect of the Series A Preferred Units could be treated as guaranteed payments for U.S. federal income tax purposes.

The treatment of interests in a partnership such as the Series A Preferred Units and the payments received in respect of such interests is uncertain. The IRS may contend that payments on the Series A Preferred Units represent guaranteed payments, which would generally be treated as ordinary income but may not have the same character when received by a holder as our gross income had when earned by us. If distributions on the Series A Preferred Units are treated as guaranteed payments, a holder would always be treated as receiving income equal to the amount distributed or accrued, regardless of the amount of our gross income. Our partnership agreement provides that all holders agree to treat payments made in respect of the Series A Preferred Units as other than guaranteed payments. Potential holders of Series A Preferred Units are encouraged to consult their own tax advisors regarding the treatment of payments on the Series A Preferred Units as guaranteed payments.

Holders of Series A Preferred Units may be allocated taxable income even though no distribution is received.

We will apply certain assumptions and conventions in an attempt to comply with applicable rules under the Code and to report allocations of gross income to holders of Series A Preferred Units in a manner that reflects such holders beneficial shares of our items of income, gain, loss and deduction, but these assumptions and conventions may not be in compliance with all aspects of applicable tax requirements. In addition, as a result of such allocation method, we may allocate taxable income to a holder of a Series A Preferred Unit even if such holder does not receive any distributions. The IRS may successfully contend that our conventions are impermissible and that our gross income must be reallocated among holders of Series A Preferred Units, which could result in an adjustment to a holder's tax liabilities to its possible detriment.

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USE OF PROCEEDS

The net proceeds from this offering will be approximately \$ million (or approximately \$ million if the underwriters exercise in full their option to purchase additional units), after deducting the underwriting discount but before deducting expenses.

The Carlyle Group L.P. intends to contribute an amount equal to the net proceeds from the sale of the Series A Preferred Units to Carlyle Holdings. In exchange, we expect that each of the Carlyle Holdings partnerships, in turn, will issue to The Carlyle Group L.P. (or a wholly owned subsidiary of The Carlyle Group L.P.) a new series of preferred units with economic terms designed to materially mirror those of the Series A Preferred Units. See Description of the Series A Preferred Units Mirror Units in this prospectus supplement.

We intend to use t