CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT and AFFIDAVIT
Related to Contract/Amendment/Solicitation
EDS # 37315

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting the EDS:

United Road Towing, Inc.

Enter d/b/a if applicable:

The Disclosing Party submitting this EDS is:

the Applicant

B. Business address of the Disclosing Party:

9550 Bormet Drive Suite 301
Mokena, IL 60448
United States

C. Telephone:

708-333-7348

Fax:

708-333-7324

D. Name of contact person:

Mr. Michael Mahar

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains:

AUTO POUND MANAGEMENT, BOOT RELEASE & TOW, AND RELATED TOWING

Which City agency or department is requesting this EDS?

DEPT OF PROCUREMENT SERVICES

Specification Number

71969

Contract (PO) Number

21089

Revision Number

Release Number

User Department Project Number

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

Privately held business corporation

Is the Disclosing Party incorporated or organized in the State of Illinois?

No

State or foreign country of incorporation or organization:

Delaware

Registered to do business in the State of Illinois as a foreign entity?

Yes

B. DISCLOSING PARTY IS A LEGAL ENTITY:

1.a.1 Does the Disclosing Party have any directors?

Yes

1.a.3 List below the full names and titles of all executive officers and all directors, if any, of the entity. Do not include any directors who have no power to select the entity's officers.

Officer/Director:	Mr. Gerald Corcoran
Title:	Chairman/CEO
Role:	Both
Officer/Director:	Mr. John Shoemaker
Title:	Board member
Role:	Director
Officer/Director:	Mr. Brooke Hayes
Title:	Board member
Role:	Director
Officer/Director:	Mr. Patrick Fodale
Title:	Board member
Role:	Director
Officer/Director:	Mr. Garry Kessler
Title:	Board member
Role:	Director
Officer/Director:	Mr. Sam Kwon
Title:	Board member
Role:	Director
Officer/Director:	Mr. Michael Mahar
Title:	Vice Pres/Sec/CFO
Role:	Officer
Officer/Director:	Mr. Thomas Tedford III
Title:	Vice President
Role:	Officer
Officer/Director:	Mr. Edward Arensdorf
Title:	Vice President
Role:	Officer
Officer/Director:	Mr. George Bergeron
Title:	Vice President

Role: Officer

2. Ownership Information

Please provide ownership information concerning each person or entity that holds, or is anticipated to hold (see next paragraph), a direct or indirect beneficial interest in excess of 7.5% of the Applicant. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate, or other similar entity. Note: Each legal entity below may be required to submit an EDS on its own behalf.

Please disclose present owners below. Please disclose anticipated owners in an attachment submitted through the "Additional Info" tab. "Anticipated owner" means an individual or entity in existence at the time application for City action is made, which is not an applicant or owner at such time, but which the applicant expects to assume a legal status, within six months of the time the City action occurs, that would render such individual or entity an applicant or owner if they had held such legal status at the time application was made.

- URT Holdings, Inc. - 100.0% - EDS 37317
  - Milestone Partners, II, L.P. - 38.3% - EDS 37424
  - Milestone Partners II, L.P. 2 - 12.8% - EDS 37425
  - Milestone Partners II (URT), L.P. - 12.7% - EDS 37426
    - Durham Capital, LLC - 31.89%
    - Conifer Partners I, LLC - 35.43%
    - Mr. Thomas Hagerty - 14.17%
  - CMP/URT Holdings, Inc. - 13.5% - EDS 37427

Owner Details

Name	Business Address
CMP/URT Holdings, Inc.	520 Madison Ave New York, NY 10022 United States
Conifer Partners I, LLC	314 Gordon Avenue Thomasville, GA 31792 United States
Durham Capital, LLC	5772 Holladay Blvd Holladay, UT 84124 United States

Milestone Partners II (URT), L.P.	595 E. Lancaster Avenue Suite 303 St. Davids, PA 19087 United States
Milestone Partners II, L.P. 2	595 E. Lancaster Avenue Suite 303 St. Davids, PA 19087 United States
Milestone Partners, II, L.P.	595 E. Lancaster Avenue Suite 303 St. Davids, PA 19087 United States
Mr. Thomas Hagerty	9550 Bormet Drive Suite 301 Mokena, IL 60448 United States
URT Holdings, Inc.	9550 Bormet Dr. Suite 301 Mokena, IL 60448 United States

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

No

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

1. Has the Disclosing Party retained any legal entities in connection with the Matter?

Yes

2. List below the names of all legal entities which are retained parties.

Name:	C's Towing
Anticipated/Retained:	Retained
Business Address:	426 E. 142nd Street Dolton, IL 60419 United States
Relationship:	Subcontractor - non MWDBE
Fees ($$ or %):	276800.00
Estimated/Paid:	Paid

Name:	Hunter Towing
Anticipated/Retained:	Retained
Business Address:	949 E. 75th Street Chicago, IL 60619 United States
Relationship:	Subcontractor - non MWDBE
Fees ($$ or %):	228934.50
Estimated/Paid:	Paid

Name:	Higinio's Towing
Anticipated/Retained:	
Business Address:	3243 S. 50th Court Cicero, IL 60809 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	135712.50

Estimated/Paid:	Paid

Name:	Numero Uno Towing
Anticipated/Retained:	Retained
Business Address:	4008 W. Nelson Chicago, IL 60641 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	666496.00
Estimated/Paid:	Paid

Name:	Go Go Towing
Anticipated/Retained:	
Business Address:	420 W. Braddock Drive Melrose Park, IL 60160 United States
Relationship:	Subcontractor - non MWDBE
Fees ($$ or %):	670671.83
Estimated/Paid:	Paid

Name:	Gus' Towing
Anticipated/Retained:	Retained
Business Address:	5619 W. 81st Place Burbank, IL 60459 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	511353.67
Estimated/Paid:	Paid

Name:	On Pointe Towing
Anticipated/Retained:	Retained
Business Address:	6510 S. Harvard Dolton, IL 60621 United States
Relationship:	Subcontractor - non MWDBE
Fees ($$ or %):	10895.00
Estimated/Paid:	Paid

Name:	Double E Towing
Anticipated/Retained:	Retained

Business Address:	4 Langford Court Bolingbrook, IL 60440 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	265376.00
Estimated/Paid:	Paid

Name:	Rapid Recovery
Anticipated/Retained:	Retained
Business Address:	8060 S. Roberts Road Oak Lawn, IL 60455 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	45209.83
Estimated/Paid:	Paid

Name:	Auto Recovery
Anticipated/Retained:	Retained
Business Address:	6621 W. 89th Place Oak Lawn, IL 60453 United States
Relationship:	Subcontractor - non MWDBE
Fees ($$ or %):	50641.67
Estimated/Paid:	Paid

Name:	MAC Towing & Recovery
Anticipated/Retained:	Retained
Business Address:	9851 S. 78th Avenue Hickory Hills, IL 60457 United States
Relationship:	Subcontractor - non MWDBE
Fees ($$ or %):	144951.20
Estimated/Paid:	Paid

Name:	Big Pa Pa Towing
Anticipated/Retained:	
Business Address:	545 W Division Chicago, IL 60610 United States
Relationship:	Subcontractor - non MWDBE
Fees	134616.00

($$ or %):

Estimated/Paid: Paid

Name: JIM Recovery

Anticipated/Retained:

Business Address: 949 E. 75th Street
Chicago, IL 60619 United States

Relationship: Subcontractor - non MWDBE

Fees ($$ or %): 91957.00

Estimated/Paid: Paid

Name: S&L Towing

Anticipated/Retained: Retained

Business Address: 6621 W. 89th Place
Oak Lawn, IL 60453 United States

Relationship: Subcontractor - non MWDBE

Fees ($$ or %): 30102.00

Estimated/Paid: Paid

Name: All City Towing

Anticipated/Retained:

Business Address: 7700 W. 79th Street
Bridgeview, IL 60455 United States

Relationship: Subcontractor - non MWDBE

Fees ($$ or %): 1246.00

Estimated/Paid: Paid

Name: Interstate Towing & Recovery

Anticipated/Retained:

Business Address: 2445 W. Washburne
Chicago, IL 60651 United States

Relationship: Subcontractor - non MWDBE

Fees ($$ or %): 4695.00

Estimated/Paid: Paid

Name: Perfect Towing & Recovery

Anticipated/Retained: Retained

Business Address: 2445 W. Washburne Avenue
Chicago, IL 60608 United States

Relationship: Subcontractor - non MWDBE

Fees ($$ or %): 4030.00

Estimated/Paid: Paid

Name: Pro Towing

Anticipated/Retained: Retained

Business Address: 13044 W. Hedge Apple Road
Homer Glenn, IL 60491 United States

Relationship: Subcontractor - non MWDBE

Fees ($$ or %): 35518.83

Estimated/Paid: Paid

Name: Real Deal Towing

Anticipated/Retained: Retained

Business Address: 17035 S. Burnham
Lansing, IL 60438 United States

Relationship: Subcontractor - non MWDBE

Fees ($$ or %): 19042.50

Estimated/Paid: Paid

Name: Dependable Services

Anticipated/Retained: Retained

Business Address: P.O. Box 0741
Dolton, IL 60419 United States

Relationship: Subcontractor - non MWDBE

Fees ($$ or %): 24358.67

Estimated/Paid: Paid

Name: El Penquino Towing

Anticipated/Retained: Retained

Business Address: 677 E. Mulberry
Kankakee, IL 60901 United States

Relationship: Subcontractor - non MWDBE

Fees ($$ or %):	16169.00
Estimated/Paid:	Paid

Name:	Petromex, Inc.
Anticipated/Retained:	Retained
Business Address:	14702 S. Hamlin Midlothian, IL 60445 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	4,543,448.56
Estimated/Paid:	Paid

Name:	Quimex, Inc.
Anticipated/Retained:	Retained
Business Address:	14702 S. Hamlin Midlothian, IL 60445 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	281,138.92
Estimated/Paid:	Paid

Name:	Brad's Tire, Inc.
Anticipated/Retained:	Retained
Business Address:	9100 S. Chicago Avenue Chicago, IL 60617 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	172,743.33
Estimated/Paid:	Paid

Name:	Carson's Tire Service, Inc.
Anticipated/Retained:	Retained
Business Address:	1627 W. Hubbard Street Chicago, IL 60622 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	128,978.34
Estimated/Paid:	Paid

Name:	Sanchez Paving Company
Anticipated/Retained:	Retained
Business Address:	16309 S. Crawford Avenue Markham, IL 60468 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	27,200.00
Estimated/Paid:	Paid

Name:	Granja & Sons Printing
Anticipated/Retained:	Retained
Business Address:	2703 S. Pulaski Road Chicago, IL 60623 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	33,056.00
Estimated/Paid:	Paid

Name:	Kates Security & Detective Agency
Anticipated/Retained:	Retained
Business Address:	7810 S. Claremont Chicago, IL 60620 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	320.022.66
Estimated/Paid:	Paid

Name:	Discovery Promotions & Merchandise
Anticipated/Retained:	Retained
Business Address:	3108 S. Route 59, Suite 124-153 Naperville, IL 60564 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	41,697.74
Estimated/Paid:	Paid

Name:	Multi Products Distribution, Inc.
Anticipated/Retained:	Retained
Business Address:	200 North Garden Avenue Roselle, IL 60172 United States

Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	110,559.86
Estimated/Paid:	Paid

Name:	G & E Sales Corporation
Anticipated/Retained:	Retained
Business Address:	13856 Halsted Street Riverdale, IL 60827 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	280,287.05
Estimated/Paid:	Paid

Name:	West Fuels, Inc.
Anticipated/Retained:	Retained
Business Address:	72 South LaGrange Road, Suite 7 LaGrange, IL 60525 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	905,960.05
Estimated/Paid:	Paid

Name:	Daniel's Printing & Office Supplies, Inc.
Anticipated/Retained:	Retained
Business Address:	14800 S. Cicero Avenue Oak Forest, IL 60452 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	189,295.06
Estimated/Paid:	Paid

Name:	Chicago United Industries, LTD.
Anticipated/Retained:	Retained
Business Address:	53 West Jackson Boulevard Chicago, IL 60604 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	594,651.75
Estimated/Paid:	Paid

Name:	Tri-Angle Fabrication & Body Co.
Anticipated/Retained:	Retained
Business Address:	1344 W. 43rd Street Chicago, IL 60609 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	62,840.52
Estimated/Paid:	Paid

3. Has the Disclosing Party retained any persons in connection with the Matter?

Yes

4. List below the names of all persons who are retained parties.

Name:	Mr. Samieh Jadrawi
Anticipated/Retained:	Retained
Business Address:	6621 W. 89th Place Oak Lawn, IL 60453 United States
Relationship:	Subcontractor - non MWDBE
Fees ($$ or %):	882981.20
Estimated/Paid:	Paid

Name:	Mr. Benjamin Cardenas
Anticipated/Retained:	
Business Address:	5619 W. 81st Place Burbank, IL 60459 United States
Relationship:	Subcontractor - non MWDBE
Fees ($$ or %):	242247.00
Estimated/Paid:	Paid

Name:	Mr. Gerardo Nieto
Anticipated/Retained:	Retained
Business Address:	2745 N. Kedzie Chicago, IL 60647 United States
Relationship:	Subcontractor - non MWDBE
Fees	333428.33

($$ or %):

Estimated/Paid: Paid

Name: Mr. Alan Brown

Anticipated/Retained: Retained

Business Address: 4058 W. 115th Street
Chicago, IL 60655 United States

Relationship: Subcontractor - non MWDBE

Fees ($$ or %): 97917.33

Estimated/Paid: Paid

Name: Mr. Jose Garcia

Anticipated/Retained: Retained

Business Address: 235 E. 24th Street
Chicago Heights, IL 60411 United States

Relationship: Subcontractor - non MWDBE

Fees ($$ or %): 28405.00

Estimated/Paid: Paid

Name: Mr. Rodney Ivery

Anticipated/Retained: Retained

Business Address: 13803 Forest
Dolton, IL 60419 United States

Relationship: Subcontractor - non MWDBE

Fees ($$ or %): 17895.33

Estimated/Paid: Paid

Name: Mr. Joseph Hamilton

Anticipated/Retained:

Business Address: 304 Lancelot Way
Bolingbrookq, IL 60440 United States

Relationship: Subcontractor - non MWDBE

Fees ($$ or %): 12365.00

Estimated/Paid: Paid

Name: Mr. Jaime Muruzumbay

Anticipated/Retained:	Retained
Business Address:	3748 S. Sacramento Chicago, IL 60632 United States
Relationship:	Subcontractor - non MWDBE
Fees ($$ or %):	41032.00
Estimated/Paid:	Paid

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage of any child support obligations by any Illinois court of competent jurisdiction?

No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows:

i. neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and
ii. the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City.

NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

I certify the above to be true

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

I certify the above to be true

3. Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

I certify the above to be true

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of

- bid-rigging in violation of 720 ILCS 5/33E-3;
- bid-rotating in violation of 720 ILCS 5/33E-4; or
- any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

I certify the above to be true

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

I certify the above to be true

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), Chapter 2-56 (Inspector General) and Chapter 2-156 (Governmental Ethics) of the Municipal Code.

I certify the above to be true

7. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago.

None

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

The Disclosing Party certifies that, as defined in Section 2-32-455(b) of the Municipal Code, the Disclosing Party

is not a "financial institution"

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

No

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

If the Disclosing Party cannot make this verification, the Disclosing Party must disclose all required information in the space provided below or in an attachment in the "Additional Info" tab. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

I can make the above verification

SECTION VI -- CERTIFICATIONS FOR FEDERALLY-FUNDED MATTERS

Is the Matter federally funded? For the purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

No

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the

City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. A training program is available on line at www.cityofchicago.org/city/en/depts/ethics.html, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

I acknowledge and consent to the above

The Disclosing Party understands and agrees that:

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

I acknowledge and consent to the above

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

I certify the above to be true

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

I certify the above to be true

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

I certify the above to be true

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This question is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all corporate officers of the Disclosing Party, if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

No

ADDITIONAL INFO

Please add any additional explanatory information here. If explanation is longer than 1000 characters, you may add an attachment below. Please note that your EDS, including all attachments, becomes available for public viewing upon contract award. Your attachments will be viewable "as is" without manual redaction by the City. You are responsible for redacting any non-public information from your documents before uploading.

Attachment of Form ADV for the Carlyle Group per rules on Economic Disclosure Statement and Affidavit relating to a registered investmatn adviser.

List of vendor attachments uploaded by City staff

None.

List of attachments uploaded by vendor

Form ADV Brochure Carlyle Group
Form ADV The Carlyle Group

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and all applicable appendices, on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and all applicable appendices, are true, accurate and complete as of the date furnished to the City. Submission of this form constitutes making the oath associated with notarization.

/s/ 01/29/2013
Mr. Michael Mahar
Officer
United Road Towing, Inc.

This is a printed copy of the Economic Disclosure Statement, the original of which is filed electronically with the City of Chicago. Any alterations must be made electronically, alterations on this printed copy are void and of no effect.

THE CARLYLE GROUP

Form ADV Part 2A – Carlyle Investment Management L.L.C. Brochure

March 30, 2012

Carlyle Investment Management L.L.C.
1001 Pennsylvania Ave NW, Suite 220 South
Washington, DC 20004
www.carlyle.com

This Brochure provides information about the qualifications and business practices of Carlyle Investment Management L.L.C. ("CIM"). CIM is the principal investment adviser to various private funds and managed accounts sponsored by The Carlyle Group ("Carlyle"). If you have any questions about the content of this Brochure, please contact Chris Ullman at (202) 729-5626. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about CIM also is available on the SEC's website at www.adviserinfo.sec.gov (click on the link "Investment Adviser Search" and then select "Investment Adviser Firm" and type in our advisory firm name "Carlyle Investment Management").

CIM is an investment adviser registered with the SEC (a "registered investment adviser"). This registration does not imply a certain level of skill or training.

Item 2. Material Changes

This Brochure is intended to provide potential and existing clients with an overview of CIM. It also contains important disclosures such as certain practices of CIM, potential material conflicts that may arise and key potential investment risks.

The following is a discussion of the material changes to CIM's Brochure since the last annual update filed March 31, 2011.

AlpInvest

On July 1, 2011, Carlyle completed its acquisition of a 60% equity interest in AlpInvest Partners B.V. (formerly known as AlpInvest Partners N.V., and together with its successors, "AlpInvest"). AlpInvest is one of the world's largest investors in private equity and advises a global private equity fund of funds program and related co-investment and secondary activities. AlpInvest is separately registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). For the purposes of this Brochure, references to CIM do not include references to AlpInvest or its subsidiaries.

Emerging Sovereign Group

On July 1, 2011, Carlyle acquired a 55% interest in Emerging Sovereign Group, LLC ("ESG"), a separate investment adviser to emerging markets equities and macroeconomic hedge funds. ESG is separately registered as an investment adviser under the Advisers Act. When Carlyle acquired its equity interest in ESG, ESG became part of Carlyle's Global Market Strategies Group, which focuses on various types of credit, equities, and other alternative investments. For the purposes of this Brochure, references to CIM do not include references to ESG.

TCG Securities

On June 29, 2011, the Financial Industry Regulatory Authority ("FINRA") and the SEC approved the registration of TCG Securities, L.L.C. ("TCG Securities"), an affiliate of CIM, as a limited-purpose broker-dealer. TCG Securities commenced operations on August 8, 2011. TCG Securities acts as placement agent with respect to the offer and sale of certain interests in affiliated private investment vehicles.

Churchill Financial

On November 18, 2011, Carlyle acquired Churchill Financial LLC ("Churchill"), a provider of debt capital to U.S. middle-market companies, and manager of a

collateralized loan obligation ("CLO") focused on senior loans extended to middle-market companies. Churchill is part of Carlyle's Global Market Strategies platform. As described more fully in Item 10, Churchill conducts a single advisory business with CIM and, accordingly, has registered through CIM's Form ADV as a "relying adviser."

The Carlyle Group L.P.

On September 6, 2011, The Carlyle Group L.P., an affiliate of CIM, filed a registration statement on Form S-1 with the SEC for a proposed initial public offering of its common units, which registration statement has since been amended in subsequent filings but has not yet been declared effective.

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Item 4. Advisory Business

The Carlyle Group

Carlyle, founded in 1987, has evolved into one of the largest and most diversified multi-product global alternative asset management firms in the world. Carlyle operates its business, through CIM and several other Carlyle-affiliated investment advisers, across four segments: (i) corporate private equity, (ii) real assets, (iii) global market strategies, and (iv) fund of funds solutions.

Carlyle Investment Management L.L.C.

CIM, a Delaware limited liability company formed in 1996, is registered with the SEC as an investment adviser. It provides investment advisory services, either directly or through sub-advisory arrangements, to Carlyle-sponsored investment vehicles and managed accounts (each an "Advisory Client" [1]). In the context of Carlyle's structured credit investment activities, CIM generally provides advisory services directly to the investment vehicle as collateral/investment manager.

The principal direct and indirect owners of CIM are William E. Conway, Jr., Daniel A. D'Aniello, David M. Rubenstein, TC Group, L.L.C., a Delaware limited liability company, and TCG Holdings, L.L.C., a Delaware limited liability company. Messrs. Conway, D'Aniello and Rubenstein are the co-founders of Carlyle. Together with Glenn Youngkin, Carlyle's Chief Operating Officer and Adena Friedman, Carlyle's Chief Financial Officer, they comprise Carlyle's Management Committee, which sets strategic direction and makes key executive decisions affecting the operations and policies of Carlyle in areas including Carlyle's vision and strategy, corporate mergers and acquisitions, new business initiatives and the incurrence of corporate debt.

Carlyle has also established an Operating Committee, chaired by Mr. Youngkin and comprised of senior management. The Operating Committee reports to and works closely with the Management Committee, and is responsible for executing the

[1] "Advisory Client" means any account or fund for which CIM provides investment advice and/or places trades on a discretionary or nondiscretionary basis. The investors and other persons who invest in CIM's Advisory Clients are generally referred to herein as "investors." Unless otherwise expressly stated herein, the term "Advisory Clients" does not include "investors."

Management Committee's directives, policies and procedures, and managing day-to-day activities of Carlyle.

As of December 31, 2011, CIM managed approximately $95.2 billion of assets in respect of which CIM has full investment discretion (subject to the Advisory Client's established investment guidelines). As of December 31, 2011, CIM also managed approximately $4.7 billion of assets in respect of which CIM does not have full investment discretion.

Although CIM is a separately-registered investment adviser that generally operates independently of other Carlyle-affiliated investment advisers, its status as part of the larger Carlyle organization raises certain actual and potential conflicts of interest, as discussed more fully in Item 10.

CIM also acts as co-investment adviser with unaffiliated investment advisers for certain investment vehicles that are joint ventures between Carlyle and unaffiliated entities, for example, its current joint ventures with Riverstone Holdings, LLC ("Riverstone") with respect to certain power and energy and renewables funds.

In providing its services to each Advisory Client, CIM and its related persons provide advice with respect to the investment and reinvestment of each Advisory Client's assets, and may assist in coordinating reports to investors. CIM manages the assets of each Advisory Client in accordance with the terms of the governing documents (or investment management agreement in the case of a separately managed account) applicable to such Advisory Client.

Interests in Carlyle-sponsored investment vehicles advised by CIM are privately offered only to eligible investors pursuant to exemptions available under the Securities Act of 1933, as amended (the "Securities Act"), and the regulations promulgated thereunder. Such investment vehicles, including parallel and co-investment vehicles, are not registered with the SEC as investment companies based on specific exclusions from the Investment Company Act of 1940, as amended ("1940 Act"). Typically, interests in such investment vehicles are offered to institutional investors and high net worth individuals. Additionally, Carlyle, its affiliates and equity owners, and certain of their respective professionals typically invest in or alongside Advisory Clients. Other qualified individuals who may not be employees of Carlyle, but who have pre-existing business relationships with Carlyle or industry expertise in the sector in which a particular Advisory Client may be investing, also may invest in or alongside Advisory Clients. Some of these outside investors and industry experts are current or former executives of portfolio companies in which an investment vehicle will invest.

The Carlyle Group Business Segments

Carlyle operates its business, through CIM and several other Carlyle-affiliated investment advisers, across four segments: (i) corporate private equity, (ii) real assets, (iii) global market strategies, and (iv) fund of funds solutions.

Corporate Private Equity

Carlyle established its private equity business in 1990 with its first U.S. buyout fund, and expanded it in 1997 to include growth capital and equity opportunities funds. Carlyle also sponsors private equity funds in Asia, Europe, Japan, the Middle East and North Africa ("MENA") and South America. Carlyle's team of corporate private equity investment professionals closely analyzes investment opportunities in a wide range of companies, from small-cap growth companies to market-leading, large-cap companies across its core industries (including, aerospace and defense, automotive and transportation, consumer and retail, financial services, healthcare, industrial, technology and business services, and telecommunications and media) on six continents.

- *Buyout.* Carlyle's buyout teams advise a diverse group of Advisory Clients that invest in buyout transactions that focus either on a particular geography (*e.g.*, United States, Europe, Asia, Japan, Mexico, South America, MENA or Sub-Saharan Africa) or a particular industry (*e.g.*, financial services).

- *Growth Capital and Equity Opportunities.* Carlyle's growth capital and equity opportunities Advisory Clients are advised by three regionally-focused teams in the United States, Europe and Asia, with each team seeking investment opportunities consistent with specific regional investment criteria. Their investment mandate is to seek out leading companies with unrealized growth potential around the world.

CIM, either directly or indirectly, advises the Corporate Private Equity Advisory Clients.

Real Assets

Carlyle's real assets investment program focuses on investments in the real estate, infrastructure, energy and renewables industries. The real assets investment professionals seek opportunities in tangible assets, such as hotels, office and residential buildings, retail outlets, senior-living centers, pipelines, wind farms,

refineries, airports, roads, or similar assets, and in companies providing services thereto.

- *Real Estate*. Carlyle's real estate investment team focuses on real estate opportunities in Asia, Europe and North America. Carlyle's real estate investment professionals generally focus on identifying single- or related-property opportunities, including office buildings, hotels, retail properties, residential properties, industrial properties and senior living facilities, rather than REITS or other real estate-related companies with real estate portfolios.

- *Infrastructure*. Carlyle's infrastructure investment team focuses on investments in infrastructure companies and assets.

- *Energy & Renewables.* Carlyle's energy and renewable resources activities focus on buyouts, growth capital investments and strategic joint ventures in the midstream, upstream, power and oilfield services sectors, as well as the renewable and alternative sectors of the energy industry. Carlyle currently conducts those activities with Riverstone. CIM jointly advises four energy and power funds and two renewables funds with Riverstone Investment Group, L.L.C., a separately registered and unaffiliated investment adviser. Carlyle and Riverstone have mutually decided not to pursue additional jointly managed funds (although Carlyle will continue to advise jointly with Riverstone the six existing energy and renewable resources funds).

CIM, either directly or indirectly, advises or co-advises the Real Assets Advisory Clients.

Global Market Strategies

Carlyle's Global Market Strategies team advises a diverse group of advisory clients that invest across various types of credit, equities, and other alternative instruments and (with regard to certain macroeconomic strategies) currencies, commodities and interest rate products and their derivatives. CIM is one of several affiliated investment advisers that provide advice to Global Market Strategies advisory clients. The Global Market Strategies team includes investment professionals located in the United States, Europe and Asia.

- *Structured Credit*: Carlyle's structured credit investment team focuses on investments primarily in performing senior secured bank loans through structured vehicles and managed accounts. CIM advises the U.S. structured

credit Advisory Clients.

Carlyle's European structured credit funds are independently advised by CELF Advisors LLP ("CELF"), an affiliated investment adviser registered with and subject to the oversight of the U.K. Financial Services Authority. CELF has filed with the SEC as an Exempt Reporting Adviser under the exemption from the SEC's investment adviser registration requirements provided in Rule 203(m)-1 under the Advisers Act.

- *Distressed and Corporate Opportunities*: Carlyle's distressed and corporate opportunities investment team focuses on investments in the debt and equity of operationally sound, financially distressed companies in Carlyle's core industries and seeks to exert influence or obtain control where appropriate. CIM advises the distressed and corporate opportunity Advisory Clients.

- *Corporate Mezzanine*: Carlyle's corporate mezzanine investment team seeks to invest in junior debt and equity securities of middle-market and large-cap leveraged buyouts, recapitalizations, acquisitions and growth-oriented financings. CIM advises the corporate mezzanine Advisory Clients.

- *Energy Mezzanine Opportunities*: Carlyle's energy mezzanine investment team seeks to invest primarily in credit opportunities, including senior secured and mezzanine debt, royalty interests, production payments, net profits interest, secondary debt and equity co-investments, primarily in North America throughout the energy and power sector. CIM advises the energy mezzanine Advisory Clients.

- *GMS Finance:* In November 2011, Carlyle acquired Churchill, a debt capital provider to U.S. middle-market companies, and manager of a CLO focused on senior loans to middle-market companies. The GMS Finance investment team, which comprises former members of Churchill's investment and management teams, seeks to provide financing, primarily through senior secured loans and subordinated debt to U.S. middle-market companies.

- *Long/Short Corporate Credit*: Claren Road Asset Management, LLC ("Claren Road"), acquired by Carlyle in December 2010 and separately registered under the Advisers Act, advises two long-short corporate credit hedge funds.

- *Emerging Markets*: ESG, acquired in July 2011 and separately registered under the Advisers Act, advises six emerging markets equity and macroeconomic hedge funds.

Fund of Funds Solution

Carlyle's Fund of Funds Solutions segment was established on July 1, 2011, when Carlyle acquired a 60% equity interest in AlpInvest. AlpInvest is one of the world's largest investors in private equity and advises a global private equity fund of funds program and related co-investment and secondary activities. AlpInvest's anchor clients are two large Dutch pension funds, which were the founders and previous shareholders of the company. Although Carlyle maintains ultimate control over AlpInvest, AlpInvest's historical management team continues to exercise independent investment authority without involvement by Carlyle. AlpInvest is separately registered as an investment adviser under the Advisers Act.

AlpInvest has three primary areas of focus:

- *Fund Investments*. AlpInvest fund of funds vehicles make investments directly in buyout, growth capital, venture and other alternative asset funds advised by third-party general partners, including Carlyle ("portfolio funds").

- *Co-investments*. AlpInvest invests alongside other private equity and mezzanine funds, including Carlyle, throughout Europe, North America and Asia.

- *Secondary Investments*. AlpInvest also advises funds that acquire interests in portfolio funds in secondary market transactions.

In addition, AlpInvest also offers customized separate accounts and co-mingled vehicles for investors.

CIM and AlpInvest have entered into a coordination agreement to provide joint investment advice to an Advisory Client, with the purpose of making recommendations to such Advisory Client in respect of its overall private equity investment strategy, including its allocations of capital, if any, to investment vehicles sponsored by Carlyle or AlpInvest. Neither CIM nor AlpInvest (nor any of their related persons) will receive any compensation for the provision of investment advice provided under the coordination agreement.

Item 5. Fees and Compensation

CIM or its affiliates[2] generally receive management fees and carried interest or similar profit allocations from Advisory Clients. Advisory Clients may also indirectly incur or generate other fees payable to CIM or its affiliates, depending on the nature of their portfolio activities. CIM or its affiliates may, for example, earn fees and other compensation from prospective and actual portfolio companies, purchasers, sellers and other parties as compensation for services (collectively, "Transaction Fees"). These Transaction Fees can include project, structuring, topping, break-up, directors', organizational, set-up, closing, commitment, advisory, consulting, underwriting, and syndication fees in connection with the purchase, monitoring, or disposition of underlying investments or from unconsummated transactions. In general, the specific legal and/or organizational documents of the relevant Advisory Client, the investment management agreement between CIM (or an affiliate) and such Advisory Client or the agreements in respect of the portfolio investments describe the basic fee structure relevant to the investors in such Advisory Client. To the extent provided in such organizational documents or investment management agreement, CIM's management fees from Advisory Clients in many cases are reduced by a specified portion of the Transaction Fees that arise out of such Advisory Client's investment activities.

Advisory Clients may also bear certain out-of-pocket expenses incurred by CIM or its affiliates in connection with the services provided to such Advisory Clients. The following sections discuss the most common fees and expenses in more detail.

Common Types of Fees

Management Fees

For most Advisory Clients that are pooled investment funds, the annual management fee is typically in the range of 1-2 percent of third-party investors' committed capital during the relevant Advisory Client's investment period. After such investment period, the fee percentage is typically applied only to the amount of third-party capital remaining in investments that have not yet been exited, and also may be reduced. For services provided to certain separately managed accounts, the Advisory

[2] For the purposes of this Brochure, references to "CIM or its affiliates" or "CIM and its affiliates" do not include references to Claren Road, ESG, or AlpInvest.

Client pays a flat rate management fee to CIM or one of its affiliates. In some situations, an Advisory Client pays management fees based on net asset value of the investments held by such Advisory Client.

Management fees are generally paid by or on behalf of an Advisory Client by (i) requiring investors in such Advisory Client to make capital contributions in respect of such fees, or (ii) withholding the amount of such fees from investment proceeds that would otherwise be distributable to the investors of such Advisory Client. In addition, CIM or its affiliates often has the ability to cause an Advisory Client to borrow money for the payment of such fees.

Management fees are negotiable and, depending on the Advisory Client, may be paid in advance or in arrears and may vary for different third-party investors. If management fees with respect to an Advisory Client are assessed in advance, they are generally required to be returned to the investors in such Advisory Client should CIM's and its affiliates' management services to the Advisory Client be terminated prior to the end of the period in respect of which the fees have been paid (including, for example, situations where the final distribution by an Advisory Client occurs prior to the end of a period for which management fees have already been paid). In general, the amount of such fees to be returned is calculated based on the number of days remaining in the applicable period.

Performance-Based Arrangements[3]

Distributions to investors in most Advisory Clients are subject to some form of carried interest or similar profit allocation for the benefit of an affiliate of CIM. Generally, these profit allocations represent a share of distributions made by an Advisory Client in excess of the relevant investors' invested capital, and allocable fees and expenses. Performance-based profit allocations may be applied each time an investment is realized or on an annual (or more frequent) basis with respect to certain Advisory Clients.

Performance fees or carried interest profit allocations are subject to regulation under Section 205 of the Advisers Act and Rule 205-3 thereunder. Therefore, CIM seeks to ensure that any Advisory Client or investors in an Advisory Client that are directly or indirectly assessed performance fees or are subject to carried interest profit

[3] See also Item 6 – "Performance-Based Fees and Side-By-Side Management".

allocations satisfy the qualifications of Rule 205-3 under the Advisers Act and have been advised of such fees or allocations and their risks.

Performance fees or carried interest allocations generally do not exceed 20% of profits, and may be subject to certain preferred return hurdles and high water marks. The manner of calculation and application of performance fees or carried interest profit allocations are disclosed in the offering documents for, and detailed in the governing agreements of, each Advisory Client.

Management fees and carried interest or similar profit allocations are subject to modification, waiver or reduction in connection with an investment in one or multiple Advisory Clients. Furthermore, Carlyle, its affiliates and equity owners, and certain of their respective professionals typically invest in or alongside Advisory Clients. Other qualified individuals who may not be employees of Carlyle, but who have pre-existing business relationships with Carlyle or industry expertise in the sector in which a particular Advisory Client may be investing, also may invest in or alongside Advisory Clients. Fees assessed or profit allocations on such investments may be substantially reduced or, as is more typical, waived altogether for these investors.

Other Fees

To the extent CIM is entitled to receive fees from portfolio companies of an Advisory Client, a portion of such fees paid to CIM (*e.g.*, in general, 80% or, in the case of directors' fees, 100%) typically reduces the management fees otherwise payable to CIM . The governing agreement (or investment management agreement in the case of a separately managed account) of each Advisory Client sets forth the basis on which such fees reduce management fees. Such fees are described below.

Acquisition and disposition fees are one-time fees paid to CIM or one of its affiliates in connection with an investment or disposition by an Advisory Client. Such fees are generally paid by portfolio companies, but in limited circumstances are paid directly by an Advisory Client. Such fees are common to some but not all Advisory Clients.

CIM or its affiliates may receive a fee in connection with consulting, monitoring or other ongoing services provided to a portfolio company.

In the context of real estate pooled investment funds, CIM or an affiliate may charge project fees for providing bona fide asset management (*e.g.*, property management), development, disposition or other similar services.

CIM may have a conflict of interest to the extent that it has an opportunity to earn a fee from an investment held by an Advisory Client. However, CIM believes that the management fee offset provisions described above and the substantial equity commitment by CIM and its affiliates in Advisory Clients substantially mitigates this potential conflict. Other than transactions expressly permitted by the governing agreements of the relevant Advisory Client, any fees paid to CIM or its affiliates by a portfolio company or an Advisory Client are required to be on an arm's-length basis and on terms that are no less favorable to the Advisory Client or portfolio company than would be obtained in a transaction with an unaffiliated party, or approved by the relevant investor advisory committee.

Common Types of Expenses

Brokerage Expenses

Expenses paid to third parties in connection with the acquisition or disposition of investments are borne by the Advisory Clients. These expenses include brokerage commissions (direct or in the form of a spread), account fees, custodial expenses, other bank service fees and other investment costs, fees, and expenses incurred in connection with completed investments. These fees and expenses are also discussed in more detail in Item 12 – "Brokerage Practices".

Organizational/Offering Expenses

Typically, legal, accounting, filing, travel and other expenses incurred in connection with organizing and establishing an Advisory Client and its general partner (or similar managing fiduciary) are borne by the investors in such Advisory Client. Often, the expenses borne by an Advisory Client are capped in the governing documents for the Advisory Client and any excess would offset future management fees. With respect to certain Advisory Clients, such expenses, up to the amount of any applicable cap, are borne solely by the third-party investors in such Advisory Clients that are not affiliated with Carlyle and any excess is borne by Carlyle.

Broken Deal Expenses

Investors in Advisory Clients generally are required to bear out-of-pocket costs and expenses occurred in connection with deals that are not ultimately completed. Typically, these expenses include (i) legal, accounting, advisory, consulting or other third-party expenses in connection with making an investment that is not ultimately consummated and any related travel and accommodation expenses, although CIM and its affiliates may be required to bear travel and accommodation expenses

incurred in connection with the preliminary investigation of investment opportunities, (ii) all fees (including commitment fees), costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment that is not ultimately made, and (iii) any break-up fees, deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not ultimately made (in each case, to the extent such investment is not ultimately made by another Advisory Client).

Other Expenses

There are additional general categories of expenses that may be borne by Advisory Clients, depending on their structure. In the case of Advisory Clients that are pooled investment vehicles, the investors in such Advisory Clients generally are required to pay all costs and expenses related to the operation of the vehicle. These costs and expenses can include fees, costs and expenses related to developing, negotiating, structuring, trading, settling, monitoring, holding and disposing of portfolio investments; fees and expenses of administrators, custodians, attorneys, accountants and other professionals (including the audit and certification fees and the costs of printing and distributing reports); any insurance, indemnity or litigation expense; interest on, and fees and expenses arising out of, borrowings made by the Advisory Client; the out-of-pocket and legal and other expenses of an investor advisory committee; and certain taxes and any fees or other governmental charges levied against the Advisory Client. In the case of Advisory Clients that are separately managed accounts, specific additional expense categories generally will be included in the investment management agreement relating to such Advisory Client.

Item 6. Performance-Based Fees and Side-By-Side Management

CIM currently acts as investment adviser or collateral manager to Advisory Clients, and related persons typically act as a general partner (or similar managing fiduciary) of such Advisory Clients. As discussed in Item 5, CIM and its affiliates may receive carried interest allocations and management fees and other fees in connection with advisory and other services provided to Advisory Clients. The relationship of CIM , the manner of calculation and application of management fees and carried interest profit allocations or other performance-based fees, as applicable, with respect to CIM , the affiliated general partner (or collateral manager or similar managing fiduciary) or other affiliates and known or reasonably anticipated conflicts of interest involving CIM or its affiliates, are disclosed in the offering documents of the applicable Advisory Client provided to potential investors prior to their investment.

Each Advisory Client typically has a specified investment objective that is focused on a particular geography and investment strategy. Investment opportunities that satisfy the investment parameters of a particular Advisory Client typically will be allocated exclusively to that particular Advisory Client. Generally, co-investment vehicles are only allocated investment opportunities if there is excess capacity in a particular investment opportunity. In certain cases, however, an investment opportunity may be appropriate for more than one Advisory Client. As discussed in more detail in Item 11, these investment opportunities are allocated in accordance with CIM's written policies and procedures, taking into account the applicable provisions of the Advisory Client's governing agreement (or investment management agreement in the case of a separately managed account).

In allocating investment opportunities, there could be incentives to favor Advisory Clients with higher potential performance fees or carried interest allocations over Advisory Clients with lower potential performance fees or carried interest allocations[4]. Additionally, as described in Item 8, carried interest allocations may create an incentive for the general partner (or similar managing fiduciary) of a Carlyle-sponsored investment vehicle advised by CIM to make riskier or more speculative investments on behalf of such investment vehicle than would be the case in the absence of this arrangement.

As a control, CIM has adopted a policy pursuant to which it seeks to allocate investment opportunities among Advisory Clients in a fair and equitable manner, bearing in mind, among other things, the size, investment objectives, risk tolerance, return targets, diversification considerations, permissible and preferred asset classes, and liquidity needs of each Advisory Client. CIM's policies prohibit the allocation of investment opportunities based on anticipated compensation or profits to Carlyle, CIM, any affiliates or their professionals. Each Advisory Client typically has its own investment guidelines, governing agreements, and geographical and industry focus that must be taken into account when making investment allocation determinations. Final allocation decisions are under the purview of CIM.

[4] For example, if one Advisory Client is in a net loss position and another Advisory Client is in a net gain position, the Advisory Client in the net loss position will either (i) not generate a carried interest from such investment, or (ii) generate less carried interest from such investment to the extent profits are required to make up for previous losses.

Item 7. Types of Clients

The vast majority of CIM's Advisory Clients are pooled investment vehicles. CIM also provides advisory services on a separately managed account basis to, among others, government entities and instrumentalities and life insurance company trusts and other insurance companies.

CIM and its affiliates require that each third-party investor in an Advisory Client be an "accredited investor" as defined in Regulation D under the Securities Act and a "qualified purchaser" as defined in the 1940 Act. Typically, a minimum investment amount is imposed on third parties investing in the investment vehicles for which CIM acts as investment adviser or collateral manager. This minimum often is set at $5-10 million, but can be subject to a reduction upon prior agreement by CIM or an affiliate (subject to applicable legal requirements). A minimum investment amount can also be established pursuant to the laws of the jurisdiction in which the investment vehicle was established.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

CIM uses a range of methods to identify, analyze and assess potential and existing investment opportunities, descriptions of which are included in the applicable offering documents and other constituent documentation. This may include arrangements with affiliated or unaffiliated advisors for purposes of obtaining analyses that would assist the investment committees in their investment decision-making process. More specific descriptions are provided below regarding the investment strategies and investment processes, as they pertain to each investment group within CIM. As a general matter, analytical methods used by the investment teams can include gain/loss forecast models, cash-flow models, other financial modeling and simulation, risk sensitivity analyses, charting, and fundamental, technical and cyclical analysis.

Corporate Private Equity

CIM corporate private equity Advisory Clients seek to make privately-negotiated equity or equity-related investments, focusing on leveraged buyout transactions in a specified geographic region. In its leveraged buyout transactions, the Advisory Clients seek to (i) acquire portfolio companies primarily in Carlyle's core industries; (ii) finance acquisitions using leverage from debt incurred by such companies; (iii)

motivate and incentivize management of such portfolio companies in an effort to increase shareholder value; and (iv) sell their interests in each portfolio company when the value of the business has significantly increased.

In considering potential investment opportunities in the corporate private equity setting, a number of analytical methods are utilized in an effort to achieve a thorough and in-depth assessment of the potential investment. Typically, these analyses focus on the (i) reputation of shareholders and management; (ii) company size and sensitivity of cash flow generation; (iii) operational, marketing, legal, tax, labor, environmental and accounting factors; (iv) business sector and competitive risks; (v) industry competition, both domestically and abroad; (vi) portfolio fit; (vii) exit alternatives; and (viii) other key factors highlighted by the investment team. Where appropriate, third-party consultants may be engaged to assess business and market conditions, competition, physical and environmental concerns and other factors deemed to be relevant to the evaluation of the investment.

Real Assets

CIM's real assets investment focus is on opportunities in tangible assets, such as hotels, office and residential buildings, retail outlets, senior-living centers, pipelines, wind farms, refineries, airports, roads, or similar assets, and in companies providing services thereto. The principal features of the real assets investment strategy are to seek to acquire high-quality, well-located assets that are unappreciated, under-managed or undervalued at prices that represent a discount to replacement costs; seek to improve the valuation and enhance the current yield through new management, operational strategy or improve the physical attributes or capital structure of such assets; seek to capitalize on secular and cyclical trends that contribute to changes in the relevant market; and seek joint venture partners with significant operational expertise or deal sourcing capability.

Investments that are operating companies are typically pursued after completing analyses that typically include: (i) reputation of the target's management team; (ii) industry and/or market dynamics; (iii) physical and environmental concerns; (iv) competitors and competing technologies; (v) the quality of the target's underlying assets, products and services; (vi) the target's competitive position and strategy; (vii) the target's financial statements, off-balance sheet and contingent liabilities, debt capacity and financing needs; (viii) equity and debt market perspectives; (ix) environmental, political and regulatory risks; and (x) economic risk, exit alternatives and return potential. Where appropriate, third-party consultants, industry experts and/or other advisors may be engaged to assist with aspects of the diligence process,

or to assist with other areas relevant to the potential transaction and/or evaluation of the potential investment.

Global Market Strategies

Those Global Market Strategies investments managed by CIM focus on credit opportunities and other market strategies throughout the entire business cycle. These investment vehicles include structured credit, corporate mezzanine, energy mezzanine, distressed and middle-market financing, and generally invest in loans and bonds, mezzanine, distressed, and synthetic products. CIM's investment goals through Global Market Strategies include generating attractive current income, risk-adjusted returns, and capital appreciation, while avoiding defaults, maximizing recoveries, and preserving principal. Each of CIM's Global Market Strategies teams seeks to use its specialized expertise to identify investment opportunities by employing fundamental and technical analysis subject to eligibility criteria, Advisory Client objectives and investment guidelines.

The structured credit Advisory Clients primarily invest in loans and some bonds. The investment decisions for these Advisory Clients are overseen by a credit committee comprising senior investment professionals of CIM. The credit committee reviews credit, liquidity, interest rate risk and compliance with the conditions of the funds' underlying indentures (such as concentration limitations, collateral quality and collateral obligations). The credit committee also reviews general economic and market conditions, political events, industry trends and changes in interest rates. The structured credit team closely monitors investments through regular meetings and communication with management and equity sponsors. The structured credit team also conducts internal ongoing reviews of individual credits, market activity and the current trading environment.

The investment committee for the energy mezzanine opportunities fund reviews credit opportunities, including senior secured and mezzanine debt, royalty interests, production payments, net profits interest, secondary debt and equity co-investments, primarily in North America throughout the energy and power sector based on investment targets and criteria which include collateralization by hard assets, measured leverage, current cash pay and proven technology, experienced management teams and strong sponsorship. The methods of analysis utilized for such investments include fundamental credit, valuation, technological/operations, structural protections, and market analysis.

The corporate mezzanine investment committee reviews investments typically in privately negotiated debt and equity securities primarily in connection with

leveraged buyouts, recapitalizations, acquisitions and growth-oriented financings. The team considers the followings key investment tenets: focus on principal preservation, invest in market-leading, value-added companies, focus on diversification and the generation of significant current income, seek to invest with proven equity sponsors and management teams, and structure transactions to mitigate risk. With respect to traded debt, the funds' lead investment professional is authorized to grant final approval of an investment in or disposition of traded debt investments with prescribed limits in each fund. The diligence process for such investments typically includes intensive credit analysis, multiple meetings with management, company facility visits, discussions with industry analysts and in-depth examinations of financial results and projections.

The distressed and corporate opportunities investment committee is responsible for reviewing and approving the purchase and sale of all direct equity investments or the acquisition of distressed companies or assets of distressed companies when the value or the prospect of exerting influence or obtaining control is compelling. With respect to traded debt and equity investments, the co-lead investment professionals of each fund are authorized to grant final approval of an investment in or disposition of traded secured or unsecured debt and traded equity investments within prescribed limits of that Advisory Client. The diligence process for such investments includes sourcing investments that are available for purchase at discounts to what CIM believes to be fundamental value and where CIM may have an opportunity to exert influence or obtain control in a restructuring, utilizing traditional private equity disciplines and the restructuring and distressed investing experience of the distressed and corporate opportunities team, and undergoing a bottom-up review of each potential investment's competitive strengths and weaknesses.

GMS Finance's CLO investment committee reviews private debt investments, including senior secured loans and other debt investments, in connection with leveraged buyouts, recapitalizations, acquisitions, refinancings and growth-oriented financings primarily for companies owned or controlled by private investment firms. The investment team considers the following key investment criteria: market leading products and/or services, attractive industry fundamentals, diversification of products, customers and suppliers, defensible market niche and barriers to entry, experienced management team, solid cash flows and ability to service and repay debt as well as significant equity contribution from equity sponsors with proven track records. The diligence process for such debt investments typically includes intensive credit analysis, meetings with management, discussions with industry analysts and in-depth examinations of financial results and projections.

Investment Risks

An investment in any Advisory Client involves a high degree of risk, and is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in such Advisory Client and for which such Advisory Client does not represent a complete investment program. There can be no assurance that the investment objective of any Advisory Client will be achieved, that any Advisory Client will otherwise be able to successfully carry out its investment program, or that an investor will receive a return of its capital contributed to any Advisory Client. The discussion below enumerates certain, but not all, risk factors that apply generally to an investment in any Advisory Client.

Prior to making any investment in an Advisory Client, investors should carefully review the applicable offering documents for a more complete description of the risk factors and conflicts of interest relating to such Advisory Client.

No Assurance of Investment Return

There can be no assurance that any Advisory Client will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments in which such Advisory Client participates. Accordingly, an investment in an Advisory Client should only be considered by persons who can afford a loss of their entire investment. **There can be no assurance that projected or targeted returns for any Advisory Client will be achieved.**

Role of Carlyle and its Professionals

The success of each Advisory Client will depend in part upon the skill and expertise of Carlyle's investment professionals and, where applicable, the management of portfolio companies or other investments. There can be no assurance that such professionals will continue to be associated with Carlyle throughout the life of any Advisory Client and a loss of the services of key personnel could impair Carlyle's ability to provide services to an Advisory Client. In addition, members of the investment team of a particular Advisory Client will work on other projects for Carlyle and, therefore, conflicts may arise in the allocation of such individuals' time.

Reliance on the General Partner (or Similar Managing Fiduciary) and Investment Adviser or Collateral Manager of the Advisory Client

The general partner (or similar managing fiduciary) and investment adviser or collateral manager of an Advisory Client will have exclusive responsibility for an

Advisory Client's activities, and, other than as may be set forth in Advisory Client's governing documents, investors will lack discretion to make investment or any other decisions concerning the management of an Advisory Client.

Material Risk Relating to Methods of Investment Analysis

CIM seeks to conduct reasonable and appropriate analysis and due diligence of its investments based on the facts and circumstances applicable to each investment. The objective of such analysis and due diligence is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment, to identify possible risks associated with that investment and, in the case of private equity, infrastructure and certain natural resources investments, to prepare a framework that may be used from the date of an acquisition to drive operational achievement and value creation. When conducting due diligence and making an assessment regarding an investment, CIM relies on available resources, including information provided by the target of the investment and, in some circumstances, third-party investigations. As a result, the due diligence process may at times be subjective. Accordingly, CIM cannot be certain that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts (including fraud) that may be necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities.

CIM will generally establish the capital structure of an investment and the terms and targeted returns of such investment on the basis of financial, macroeconomic, and other applicable projections. Projected operating results will normally be based primarily on investment professional judgments or third-party advice and reports. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be achieved, and actual results may vary significantly from the projections. General economic, natural, and other conditions, which are not predictable, can have an adverse impact on the reliability of such projections. Assumptions or projections about asset lives; the stability, growth, or predictability of costs; demand; or revenues generated by an investment or other factors associated therewith may, due to various risks and uncertainties including those described herein, differ materially from actual results.

Lack of Operating History

Each Carlyle-sponsored investment vehicle advised by CIM will initially be a newly-formed entity which has not commenced operations and therefore will have no operating history upon which an investor may evaluate its performance. The prior

experience of the investment team or the performance of other investment vehicles does not provide assurance of future investment performance or returns.

Uncertainty in the U.S. and Global Financial Markets

The upheavals in the United States and global financial markets that began in 2008 illustrated the possibility of extraordinary and unprecedented uncertainty and instability in such markets. There can be no assurances that conditions in the global financial markets will not adversely affect one or more of an Advisory Client's portfolio companies or other investments, its access to capital or leverage or its overall performance.

Market Conditions and Financial Market Fluctuations

A lack of liquidity in the capital markets may make it significantly more difficult for sponsors like Carlyle to obtain favorable financing for investments, and the financing that is available may be on much less favorable terms than had been prevailing in the past. Carlyle may be required to finance transactions with a greater proportion of equity relative to prior periods. General fluctuations in the market prices of securities may affect the value of the investments held by an Advisory Client. Instability in the securities markets may also increase the risks inherent in an Advisory Client's investments.

Highly Competitive Market for Investment Opportunities

The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that an Advisory Client will be able to locate, consummate and exit investments that satisfy its rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital.

Illiquid and Long-Term Investments

Investment in an Advisory Client may require a long-term commitment with no certainty of return. Many of an Advisory Client's investments will be highly illiquid, and there can be no assurance that an Advisory Client will be able to realize on such investments in a timely manner. Although investments may occasionally generate some current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition or refinancing of such investment.

Investments Longer than Term

A Carlyle-sponsored investment vehicle may make investments which may not be advantageously disposed of prior to the date such investment vehicle will be dissolved, either by expiration of its term or otherwise. In addition, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to investors will occur.

Risk of Limited Number of Investments

An Advisory Client may participate in a limited number of investments and, as a consequence, the aggregate return of such Advisory Client may be substantially adversely affected by the unfavorable performance of even a single investment. In addition, other than as set forth in the applicable Advisory Client's governing documents (or investment management agreement in the case of a separately managed account), investors have no assurance as to the degree of diversification of an Advisory Client's investments, either by geographic region, industry or transaction type.

Material, Non-Public Information

By reason of their responsibilities in connection with other activities of Carlyle, certain Carlyle investment professionals may acquire confidential or material, non-public information concerning an entity in which Advisory Clients have invested, or propose to invest, and the possession of such information may limit the ability of CIM to buy or sell particular securities of such entity on behalf of Advisory Clients, thereby limiting the investment opportunities or exit strategies available to the Advisory Clients. In addition, holdings in the securities of an issuer by Carlyle or its affiliates may affect the ability of Advisory Clients to make certain acquisitions of or enter into certain transactions with such issuer.

Separately registered investment advisers affiliated with CIM may acquire confidential or material, non-public information concerning an entity in which Advisory Clients of CIM have invested, or propose to invest, and the possession of such information may limit the ability of CIM to buy or sell particular securities of such entity on behalf of certain of its Advisory Clients, thereby limiting the investment opportunities or exit strategies available to the Advisory Clients of CIM. Certain information barriers have been introduced to limit the flow of such material, non-public information; however, this risk still exists, including in the context of Advisory Clients of the Global Market Strategies Group.

Although Carlyle has historically imposed information barriers only in limited circumstances to restrict the internal flow of material, non-public information across the enterprise, effective January 1, 2011, Carlyle erected an information barrier to segregate the flow of material, non-public information between the Global Market Strategies Group and the rest of Carlyle. The purpose of this information barrier is, among other things, to insulate material, non-public information, such that the investment activities of the Global Market Strategies Group, on the one hand, and the rest of Carlyle, on the other hand, are not otherwise restricted because one business unit may have material, non-public information that would be imputed to the other business unit in the absence of an information barrier.

The establishment and maintenance of the information barrier discussed above means the Global Market Strategies Group will generally not be able to use, act on or otherwise be aware of confidential information otherwise known by or in the possession of the rest of Carlyle (and vice-versa), and collaboration between personnel of the Global Market Strategies Group, on the one hand, and personnel of the rest of CIM and Carlyle, on the other hand, may be limited, reducing potential synergies.

At the same time, as discussed more fully in Item 10, within the Global Market Strategies Group, there is no information barrier between supervised persons of CIM and supervised persons of other Carlyle-affiliated advisers that are part of the group. Therefore, CIM may in some cases be unable to trade on behalf of certain Advisory Clients because all of Global Market Strategies is restricted from trading.

Carlyle also has erected an information barrier between AlpInvest and the rest of Carlyle. Due to this information barrier, Carlyle will generally not be able to use, act on or otherwise be aware of confidential information otherwise known by or in the possession of AlpInvest (and vice-versa). In addition, consistent with the independent operation of AlpInvest, collaboration between AlpInvest personnel and Carlyle personnel will be limited. From time to time, AlpInvest may cause an advisory client to hold, when otherwise permitted under its investment restrictions, interests in one or more Carlyle funds. Any such investment will be made on arm's-length terms, subject in any case to the information barrier between the firms and the confidentiality restrictions arising from particular fund or vehicle agreements.

Currency and Exchange Rate Risks

A portion of an Advisory Client's investments, and the income received by an Advisory Client with respect to such investments, may be denominated in foreign currencies. However, unless otherwise provided in an Advisory Client's governing

documents, the books of an Advisory Client generally will be maintained and capital contributions to and distributions from such Advisory Client generally will be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of investments, interest and dividends received by an Advisory Client, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by an Advisory Client.

Interests in Advisory Clients may be denominated in different currencies. For example, a US-dollar denominated Advisory Client and a Euro-denominated Advisory Client may invest in the same European transaction. Because currency-exchange rates can be volatile and fluctuate sharply, one Advisory Client may benefit from an exchange rate fluctuation, while another may not, creating the potential that one Advisory Client may benefit more from the same investment relative to another Advisory Client denominated in a different currency.

Hedging Policies/Risks

In connection with certain investments, an Advisory Client may employ hedging techniques designed to reduce the risk of adverse movements in interest rates, securities prices and currency exchange rates. While an Advisory Client may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates or the transactional fees associated with such mechanisms may result in a poorer overall performance for such Advisory Client than if it had not entered into such hedging transactions.

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes could occur during the term of a Carlyle-sponsored investment vehicle that may adversely affect such Advisory Client (or term of the applicable investment management agreement in the case of a separately managed account). There is a material risk that regulatory agencies in the United States, Europe, or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private equity industry, or other changes that could adversely affect private equity firms and the funds they sponsor, including an Advisory Client.

Regulatory Approvals

A portfolio company could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of

existing laws and regulations that impose more comprehensive or stringent requirements on such company. There can be no assurance that a portfolio company will be able (i) to obtain all required regulatory approvals that it does not yet have or that it may require in the future; (ii) to obtain any necessary modifications to existing regulatory approvals; or (iii) to maintain required regulatory approvals.

Non-U.S. Investments

An Advisory Client that invests in a non-U.S. country, investments involve certain factors not typically associated with investing in the United States, including risks relating to (i) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (ii) certain economic and political risks, including potential exchange-control regulations and restrictions on non-U.S. investments and repatriation of capital, the risks associated with political, economic or social instability and the possibility of expropriation or confiscatory taxation; (iii) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; (iv) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and differences in government supervision and regulation; and (v) less developed laws regarding corporate governance, fiduciary duties and the protection of investors.

Industry-Specific Investments

An Advisory Client that invests in a particular industry, investments involve certain additional material risks. Financial services institutions are directly affected by many factors, including domestic and international economic and political conditions, broad trends in business and finance, legislation and regulation affecting the national and international business and financial communities, monetary and fiscal policies, interest rates, inflation, currency values, market conditions, the availability and cost of short-term or long-term funding and capital, the credit capacity or perceived creditworthiness of customers and counterparties, and the level and volatility of trading markets. The profitability of the financial services industry may be adversely affected by a worsening of general economic conditions in domestic and international markets and by monetary, fiscal or other policies that are adopted by various governmental authorities and international bodies. Monetary policies have had, and will continue to have, significant effects on the operations and results of financial services institutions. In addition, financial services institutions operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities.

ERISA Considerations

Operating a Carlyle-sponsored investment vehicle as a "venture capital operating company" ("VCOC") within the meaning of the regulations promulgated under Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") would require that such investment vehicle obtain rights to substantially participate in or influence the conduct of the management of a number of its portfolio investments. The designation of directors and other measures contemplated could expose the assets of such investment vehicle to claims by a portfolio company, its security holders and its creditors.

In the event a Carlyle-sponsored investment vehicle is operated to qualify as a VCOC or a "real estate operating company" ("REOC") within the meaning of the regulations promulgated under ERISA in order to avoid holding "plan assets" within the meaning of ERISA, such investment vehicle may be restricted or precluded from making certain investments. In addition, it could be necessary to liquidate investments at a disadvantageous time in order to avoid holding ERISA "plan assets," resulting in lower proceeds to such investment vehicle than might have been the case without the need to qualify as a VCOC or REOC.

Taxation in Other Jurisdictions

If an Advisory Client makes investments in a jurisdiction outside the United States, such Advisory Client or its investors (as applicable) may be subject to income or other tax in that jurisdiction. Additionally, withholding tax or branch tax may be imposed on earnings from investments in such jurisdictions. In addition, local tax incurred in non-United States jurisdictions by an Advisory Client or vehicles through which it invests may not be creditable to or deductible by investors. Income or gains of an Advisory Client may be subject to withholding, income, net wealth or other tax in the jurisdictions where its investments are located.

Proposed Tax Legislation Adversely Affecting Carlyle Employees and Other Service Providers

The Obama administration has proposed and the United States Congress has previously considered proposed legislation that would subject carried interest and gain on the sale of investment partnership interests to higher rates of U.S. federal income tax than under current law. Enactment of any such legislation could cause Carlyle's investment professionals to incur a material increase in their tax liability with respect to their entitlement to carried interest. This might make it more difficult for Carlyle to incentivize, attract and retain these professionals, which may have an

adverse effect on Carlyle's ability to achieve the investment objectives of the Carlyle-sponsored investment vehicles advised by CIM.

Phantom Income

Each U.S. investor will be, and non-U.S. investors may be, required to take into account its distributive share of all items of partnership income, gain, loss, deduction and credit, whether or not distributed. Because of the nature of the investment activities of a Carlyle-sponsored investment vehicle, such investment vehicle may generate taxable income in excess of cash distributions to investors and no assurance can be given that a Carlyle-sponsored investment vehicle will be able to make cash distributions to cover such tax liabilities as they arise.

No Internal Revenue Service Rulings

The Carlyle-sponsored investment vehicles generally will not seek rulings from the U.S. Internal Revenue Service (the "IRS") with respect to any U.S. federal income tax considerations. Thus, positions to be taken by the IRS as to tax consequences could differ from positions taken by such investment vehicles.

Absence of Regulatory Oversight

Notwithstanding that CIM is registered as an investment adviser under the Advisers Act, and that the Carlyle-sponsored investment vehicles may be considered similar in some ways to an investment company, such investment vehicles are not required and do not intend to register as such under the 1940 Act and, accordingly, investors are not afforded the protections of the 1940 Act.

Litigation

In the ordinary course of business, Carlyle is a party to litigation, disputes and other potential claims.

Indemnification

Each Carlyle-sponsored investment vehicle generally will be required to indemnify its general partner (or similar managing fiduciary), its investment adviser, their affiliates and each of their respective members, officers, directors, employees, consultants, advisors, senior advisors, stockholders, shareholders, partners and other persons who serve at the request of its general partner on behalf of such investment vehicle for liabilities incurred in connection with the affairs of such Carlyle-

sponsored investment vehicle. Where applicable, members of an investment committee of investors unaffiliated with Carlyle (the "Investor Advisory Committee") of such investment vehicle will also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the applicable investment vehicle's governing documents. As a result of the provisions contained in the governing agreement of an Advisory Client, investors in such Advisory Client may in certain cases have a more limited right of action against the general partner than it would in the absence of such limitations.

Recycling; Reinvestment

Under certain circumstances, proceeds distributable (or previously distributed) to the investors in a Carlyle-sponsored investment vehicle may be retained and reinvested (or recalled for reinvestment) by its general partner or used (or recalled for use) by its general partner. Accordingly, due to the recycling of capital commitments, an investor may, in certain circumstances, be required to fund an aggregate amount in excess of its capital commitment during the term of such investment vehicle.

Failure to Make Capital Contributions

If an investor fails to pay when due installments of its commitment to a Carlyle-sponsored investment vehicle, and the capital contributions made by non-defaulting investors and borrowings by such investment vehicle are inadequate to cover the defaulted capital contribution, a Carlyle-sponsored investment vehicle may be unable to pay its obligations when due. As a result, such investment vehicle may be subjected to significant penalties that could materially adversely affect the returns to the investors (including non-defaulting investors).

Dilution from Subsequent Closings

Where applicable, investors subscribing for interests at subsequent closings of a Carlyle-sponsored investment vehicle generally will participate in existing investments, diluting the interest of existing investors therein. Although such investors generally will contribute their pro rata share of previously made draws (plus an additional amount thereon), there can be no assurance that this payment will reflect the fair value of such investment vehicle's existing investments at the time such additional investors subscribe for interests.

Diverse Investor Group

Investors may have conflicting investment, tax and other interests with respect to their investments in a Carlyle-sponsored investment vehicle. As a consequence, conflicts of interest may arise in connection with decisions made by the general partner (or similar managing fiduciary) or investment adviser or collateral manager of such investment vehicle, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to limited partners' individual tax situations.

Public Disclosure

Some of the interests in the Carlyle-sponsored investment vehicle will be held by investors, such as public pension plans and listed investment vehicles, which are subject to public disclosure requirements. To the extent that disclosure of confidential information relating to such investment vehicle or its portfolio companies results from interests being held by public investors, such investment vehicle may be adversely affected.

Limited Access to Information

Investors' rights to information regarding a Carlyle-sponsored investment vehicle will be specified, and strictly limited, in such investment vehicle's governing documents.

No Market for Interests; Restrictions on Transfers

Interests in the Carlyle-sponsored investment vehicles advised by CIM have not been registered under the Securities Act, or applicable securities laws of any U.S. state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and any other applicable securities laws or an exemption from such registration is available. There is no public market for the interests in such investment vehicles and one is not expected to develop. An investor will not be permitted to directly or indirectly assign, sell, pledge, exchange or transfer any of its interests or any of its rights or obligations with respect to its interests without the prior written consent of the general partner (or other similar managing fiduciary) of such applicable investment vehicle, which consent may be given or withheld in accordance with the governing documents of such applicable investment vehicle.

Recently Enacted Legislation Applicable to Non-U.S. Investment Funds

A bill was recently enacted that requires all entities in a broadly defined class of foreign financial institutions ("FFIs") to comply with a complicated and expansive reporting regime or, beginning in 2014, be subject to a 30% U.S. withholding tax on certain U.S. payments (and beginning in 2015, a 30% U.S. withholding tax on gross proceeds from the sale of U.S. stocks and securities) and requires non-U.S. entities which are not FFIs to either certify they have no substantial U.S. beneficial ownership or to report certain information with respect to their substantial U.S. beneficial ownership or, beginning in 2014, be subject to a 30% U.S. withholding tax on certain U.S. payments (and beginning in 2015, a 30% U.S. withholding tax on gross proceeds from the sale of U.S. stocks and securities). In general, these requirements will apply to non-U.S. investment funds, such as any non-U.S. Carlyle-sponsored investment vehicle advised by CIM. The reporting obligations imposed under the bill require FFIs to enter into agreements with the IRS to obtain and disclose information about certain investors to the IRS. In the event they are unable to do so, certain payments made to the FFIs may be subject to a U.S. withholding tax, which would reduce the cash available to investors. These reporting requirements may apply to investors who are FFIs and the general partner (or similar managing fiduciary) will have no control over whether such investors comply with the reporting regime. Prospective investors in any non-U.S. Carlyle-sponsored investment vehicle should consult their own tax advisors regarding all aspects of this recently enacted legislation as it affects their particular circumstances.

In addition to the generally-applicable material risks described above, CIM's significant investment strategies involve additional material risks. The following is a list of material risks that are generally applicable to these investment strategies:

<u>Corporate Private Equity: Buyout</u>

Reliance on Portfolio Company Management

Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although CIM (and any relevant CIM sub-adviser) and the relevant general partner (or similar managing fiduciary) of the applicable Advisory Client will be responsible for monitoring the performance of each investment, there can be no assurance that the existing management team, or any successor, will be able to successfully operate a portfolio company in accordance with the applicable Advisory Client's plans.

Risks in Effecting Operating Improvements

In some cases, the success of an Advisory Client's investment strategy will depend, in part, on the ability to restructure and effect improvements in the operations of a portfolio company. There can be no assurance that Carlyle will be able to successfully identify and implement such restructuring programs and improvements.

Investments in Highly Leveraged Companies; Use of Leverage

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. Investments may involve varying degrees of leverage, which could magnify the impact of circumstances such as unfavorable market or economic conditions, operating problems and other changes that affect the relevant portfolio company or its industry, resulting in a more pronounced effect of such circumstances on the profitability or prospects of such companies.

Corporate Private Equity: Growth Capital & Equity Opportunities

Risk of Investments in Less Established Companies

An Advisory Client may invest a portion of its assets in less established companies. Investments in such early-stage companies may involve greater risks than are generally associated with investments in more established companies. To the extent there is any public market for the securities held by the Advisory Client, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources, and therefore, are often more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow.

Global Market Strategies: General Risks

Bankruptcy Risks

Given that the Global Market Strategy Group's investment strategies focus primarily on investments in debt, its investments entail risks associated with bankruptcy of portfolio companies. Bankruptcy proceedings are inherently litigious, time consuming, highly complex and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes. The equitable power of

bankruptcy judges also can result in uncertainty as to the ultimate resolution of claims. Security interests held by creditors are closely scrutinized and frequently challenged in bankruptcy proceedings and may be invalidated for a variety of reasons. To the extent CIM personnel serve on an official or unofficial committee of a portfolio company, it increases the possibility that an Advisory Client will be deemed an "insider" or a "fiduciary" of such company and may restrict the Advisory Client's trading of its investments in such company. Should such assistance be provided before a company enters bankruptcy proceedings, the Bankruptcy court, under certain conditions such as a finding of fraud or inequitable conduct, may invoke the doctrine of "equitable subordination" with respect to any claim or equity interest held by the Advisory Client in such company and subordinate any such claim or equity interest in whole or in part to other claims or equity interests in such company. If a security interest is invalidated, the secured creditor loses the value of the collateral and because loss of the secured status causes the claim to be treated as an unsecured claim, the holder of such claim will almost certainly experience a significant loss of its investment.

Global Market Strategies: Structured Credit and GMS Finance

Below Investment-Grade Assets Involve Particular Risks

An Advisory Client may invest in non-investment grade loans or interests in non-investment grade loans and high-yield debt securities, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks and generally will be subject to greater risks than investment grade corporate obligations and overall greater risk of timely payment of principal and interest.

Lender Liability Considerations and Equitable Subordination

A number of judicial decisions have upheld judgments of borrowers against lending institutions on the basis of various evolving legal theories, collectively termed "lender liability." Because of the nature of the assets in which an Advisory Client may invest, it may be subject to allegations of lender liability. In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (a) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to

subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called “equitable subordination.”

Investing in Loans Involves Particular Risks

An Advisory Client may acquire interests in loans either directly (by way of assignment from the selling institution) or indirectly (by purchasing a participation interest from the selling institution or through the acquisition of synthetic securities). Holders of participation interests and synthetic securities are subject to additional risks not applicable to a holder of a direct interest in a loan. Such risks might include risk that a counterparty other than the borrower is not creditworthy.

Interest Rate Fluctuations

General interest rate fluctuations may have a substantial negative impact on an Advisory Client’s investment and investment opportunities and accordingly may have a material adverse effect on an Advisory Client’s investment objectives and the rate of return on invested capital. The securities in which an Advisory Client will invest have valuations which are based on numerous factors, including specific company characteristics. However, such securities are also susceptible to fluctuations in interest rates and, like treasury bonds, the prices of securities can increase when interest rates fall and decline when interest rates rise.

Investing in Structured Finance Obligations Involves Particular Risks

An Advisory Client that invests in structured finance obligations may be subject to prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk (which may be exacerbated if the interest rate payable on a structured finance obligation changes based on multiples of changes in interest rates or inversely to changes in interest rates).

Investing in Synthetic Securities Involves Particular Risks

A portion of the investments of an Advisory Client may consist of synthetic securities, the reference obligations of which may be leveraged loans, high-yield debt securities or similar securities. Investments in such types of assets through the purchase of synthetic securities present risks in addition to those resulting from direct purchases of such collateral obligations. With respect to each synthetic security, the Advisory Client will usually have a contractual relationship only with the counterparty of such synthetic security, and not the reference obligor on the

reference obligation. As such, the Advisory Client may not have the rights or the ability to enforce rights of a typical lender.

Global Market Strategies: Distressed and Corporate Opportunities

Distressed Investments

An Advisory Client's investment program may include making distressed investments (*e.g.*, investments in defaulted, out-of-favor or distressed bank loans and securities), including in companies that are experiencing financial or operational difficulties or are otherwise out-of-favor. Such investments may be premised on a turnaround strategy. If turnarounds are not achieved, these companies could experience failures or substantial declines in value, and the Advisory Client may not be able to divest itself of such unprofitable investments in a timely fashion or at all. Additionally, turnarounds may not be achieved within the contemplated investment horizons.

In certain circumstances the execution of a distressed investing strategy involves the ability to identify and exploit the relationships between movements in different securities and instruments within an issuer's or borrower's capital structure (*e.g.*, senior bank debt, second liens, debt securities and other obligations, convertible and non-convertible senior and subordinated debt, preferred equity and common stock). In the event that the perceived pricing inefficiencies underlying an issuer's securities or instruments were to fail to materialize as expected, an Advisory Client could incur a loss.

Global Market Strategies: Corporate Mezzanine and Energy Mezzanine

Nature of Investments

The debt securities in which an Advisory Client will invest typically will be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. The ability to influence a company's affairs, especially during periods of financial distress or following an insolvency is likely to be substantially less than that of senior creditors. In addition, the debt securities may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and may not be rated by a credit rating agency.

Energy Industry Risks

Investments in the energy industry are subject to certain special risks, including the volatility of commodity prices, regulatory risk, regulatory approvals, political and social changes, documentation and other legal risk, sovereign risk, change of law, renewable energy policy risk, uncertainty of estimates, land title risk, construction risk, environmental matters, catastrophe risk, terrorist activities, climate change risk and new technology risk.

Real Assets: Real Estate

Real Estate Risks Generally

An Advisory Client that invests in real estate will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include, but are not limited to, the burdens of ownership of real property, general and local economic conditions, the supply and demand for properties, energy and supply shortages, fluctuations in the average occupancy and room rates for hotel properties, the financial resources of tenants, changes in availability of debt financing which may render the sale or refinancing of properties difficult or impracticable, changes in building, environmental and other laws and/or regulations, zoning laws, changes in real property tax rates, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, negative developments in the economy that depress travel or leasing activity, environmental liabilities, contingent liabilities on disposition of assets, uninsured or uninsurable casualties, acts of God, terrorist attacks and war and other factors which are beyond the control of the general partner or the investment adviser of such Advisory Client. There is no assurance that there will be a ready market for resale of investments because investments will generally not be liquid. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by the Advisory Client.

Real Assets: Infrastructure

Operational Risks/Force Majeure

The operation and maintenance of infrastructure facilities involve various operational risks, including labor issues, failure of technology (*e.g.,* electronic tolling) to perform as anticipated, structural failures and accidents. Events outside the control of a portfolio company, such as demographic changes, economic growth, increasing fuel

prices, government macroeconomic policies, toll rates, social stability, competition from untolled or other forms of transportation, or force majeure events, could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring infrastructure facilities.

Risks in Effecting Capital Improvements or Expansion

In connection with any expansion of a facility or acquisition of a facility in late-stage development, a portfolio company may also face construction risks typical for infrastructure businesses, including, without limitation, (i) labor disputes, shortages of material and skilled labor or work stoppages, (ii) slower than projected construction progress and the unavailability or late delivery of necessary equipment, (iii) less than optimal coordination with public utilities in the relocation of their facilities, (iv) adverse weather conditions and unexpected construction conditions, (v) accidents or the breakdown or failure of construction equipment or processes, and (vi) catastrophic events such as explosions, fires and terrorist activities and other similar events beyond an Advisory Client's control.

Operating Pursuant to Complex Government Licenses, Leases, Concessions or Contracts; Regulatory Approvals

A portfolio company may be subject to substantial regulation by government agencies. In addition, a portfolio company's operations may rely on government licenses, concessions, leases or contracts that are generally very complex and may result in a dispute over interpretation or enforceability. Where a portfolio company holds a concession or lease from the government, the concession or lease may restrict the portfolio company's ability to operate the business in a way that maximizes cash flows and profitability. Moreover, additional regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and regulations, a change in the portfolio companies' customer(s) or for other reasons.

Real Assets: Energy & Renewables

Volatility of Oil and Natural Gas Prices

The performance of certain investments will be substantially dependent upon prevailing prices of oil and natural gas. Historically, the markets for oil and natural gas have been volatile, and such markets are likely to continue to be volatile in the future.

Environmental Matters

Environmental laws, regulations and regulatory initiatives play a significant role in the energy and power industry and can have a substantial impact on investments in this industry. There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified.

Potential Conflicts of Interest

Investors should be aware that there will be occasions when CIM and its affiliates may encounter potential conflicts of interest in connection with an Advisory Client. There can be no assurance that CIM will resolve any conflict of interest in a manner that is favorable to a particular Advisory Client. Moreover, when and if Carlyle becomes a public company, as a consequence of such status, the officers, directors, members, managers and employees of Carlyle may take into account certain considerations and other factors in connection with the management of the business and affairs of an Advisory Client that would not necessarily be taken into account if Carlyle were not a public company. In addition to the conflicts of interest discussed elsewhere in this Brochure, the following discussion enumerates certain potential conflicts of interest:

Carried Interest

As described in Items 5 and 6, carried interest may create incentives to make riskier or more speculative investments on behalf of such investment vehicle than would be the case in the absence of this arrangement.

Valuations of Investments

There may be situations in which CIM is incented to influence or manipulate the valuation of investments. For example, CIM could be motivated to: (i) overstate valuation in order to improve a fund's track record, (ii) minimize losses from writedowns that must be returned prior to an affiliate receiving carried interest, or (iii) for certain funds, and to a lesser extent, overstate valuation in order to increase fees due to the adviser, such as a management fee that is calculated as a percentage of the value of the client assets.

CIM values securities and instruments at their fair value in accordance with the Financial Accounting Standard Board's Accounting Standards Codification ("ASC") Topic 820-10, "Fair Value Measurements." Generally, CIM values securities at

their market price if active market quotations are readily available, with a discount in the case of restricted securities. Otherwise, securities are valued based on management's judgment and estimation in accordance with the valuation policies and procedures of CIM.

The valuation procedures may differ based on the type of security and/or instrument and the observability of market inputs, and may include reliance on analyses of similar companies, recent comparable transactions, and discounted cash flow models. For instance, a real asset will be subject to valuation methodologies and procedures that are different from those methodologies and procedures used to value a portfolio company or a derivative. CIM may alter its valuation procedures based on market events, such as trading suspensions, unreliability of pricing sources, or macro-economic events. Investors typically receive disclosure of CIM's valuation policy in the offering documents for the relevant Advisory Client.

Other Fees

As described in Items 5 and 6, CIM and its affiliates may be entitled to receive cash and non-cash fees in connection with the purchase, monitoring or disposition of investments or from unconsummated transactions. Investors will receive the benefit of certain such fees only as set forth in the governing documents of the relevant Advisory Client.

Other Activities of Management

CIM personnel will devote such time as shall be reasonably necessary to conduct the business affairs of each Advisory Client in an appropriate manner. However, CIM personnel will work on other projects, including CIM's existing corporate investments and other Advisory Clients, and, therefore, conflicts may arise in the allocation of management resources.

Allocation of Investment Opportunities with Other Advisory Clients and Conflicting Fiduciary Duties

CIM may, from time to time, be presented with investment opportunities that fall within the investment objectives of multiple Advisory Clients, and in such circumstances, except as otherwise provided in the governing documents of the applicable Advisory Client (or investment management agreement in the case of a separately managed account), CIM will allocate such opportunities among the Advisory Clients on a basis that CIM determines in good faith to be fair and reasonable taking into account the relevant facts and circumstances and parameters

of the governing documents of the applicable Advisory Clients (or investment management agreement in the case of a separately managed account), the sourcing of the transaction, the nature of the investment focus of each Advisory Client, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for each such Advisory Client and other considerations deemed relevant by CIM in good faith.

Investments in Which Another Advisory Client (or in Which a Vehicle or Account Managed by a Carlyle-Affiliated Investment Adviser) Has a Different Principal Investment

An Advisory Client may make investments in portfolio companies in which other Advisory Clients (and/or other vehicles or accounts managed by an investment adviser affiliated with CIM) have made or are concurrently making a different principal investment at the time of such Advisory Client's investment (*e.g.*, in different parts of the capital structure). In such situations, the Advisory Clients (and/or other vehicles or accounts managed by an investment adviser affiliated with CIM) may have conflicting interests (*e.g.*, over the terms of their respective investments).

Carlyle Policies and Procedures

Policies and procedures implemented by Carlyle or its affiliates from time to time (including as may be implemented in the future) to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the synergies across CIM's areas of operation or expertise that an Advisory Client expects to draw on for purposes of pursuing attractive investment opportunities.

Service Providers

Administrators, lenders, brokers, attorneys, consultants, investment banking firms and other service providers may provide services to a Carlyle-sponsored investment vehicle. Those same service providers or their affiliates may also be investors in or co-investors alongside a Carlyle-sponsored investment vehicle or sources of investment opportunities or counterparties therewith. This may influence, or have the appearance of influencing, the decision whether to select such service provider (especially for work related to Advisory Clients).

Certain service providers to the Carlyle-sponsored investment vehicles may be owned by another Carlyle-sponsored investment vehicle or Carlyle or its affiliates. This may influence, or have the appearance of influencing, the decision whether to select such service provider (especially for work related to Advisory Clients).

Certain service providers to such Carlyle-sponsored investment vehicles may also be service providers to Carlyle, CIM, its affiliates and/or its employees. This may influence, or have the appearance of influencing, the decision whether to select such service provider (especially for work related to Advisory Clients).

Side Letters

The general partner (or similar managing fiduciary) of a Carlyle-sponsored investment vehicle advised by CIM may enter into side letters or other similar agreements with investors in connection with their admission to such Carlyle-sponsored investment vehicle without the approval of any other investor. The side letters or other similar agreements have the effect of establishing rights under, altering or supplementing the terms of the governing documents of such applicable Carlyle-sponsored investment vehicle with respect to one or more such investors in a manner more favorable to such investors than those applicable to other investors. Such rights or terms in any such side letter may include, without limitation, (i) fee arrangements with respect to such investors; (ii) excuse rights applicable to particular investments; (iii) reporting obligations of the applicable general partner (or similar managing fiduciary); (iv) waiver of certain confidentiality obligations; (v) consent of the applicable general partner (or similar managing fiduciary) to certain transfers by such investor; (vi) special rights with respect to co-investment; or (vii) rights or terms necessary in light of particular legal, public policy or regulatory characteristics of an investor.

CIM may enter into strategic partnerships directly or indirectly with investors that commit significant capital to a range of products and investment ideas sponsored by CIM. Such arrangements may include CIM granting certain preferential terms to such investors, including blended fee and carried interest rates that are lower than those applicable to an Advisory Client when applied to the entire strategic partnership. Such preferential terms may not be subject to the "most favored nation" provisions of the governing documents of a particular Advisory Client because they are not benefits (economic or otherwise) with respect to the Advisory Client and do not alter the terms of the governing documents of the specific Advisory Client with respect to the investor that has entered into the strategic partnership and therefore are not available to investors in Advisory Client that have not entered into a comparable arrangement with CIM. Investors may be able to elect to benefit from such

arrangements if they comply with the general parameters of the entire strategic partnership.

Item 9. Disciplinary Information

Except as described below, neither CIM, its affiliates nor any of their professionals have been the subject of any legal or disciplinary finding of an investment-related nature that would be material to an existing or prospective Advisory Client's evaluation of the CIM's advisory business or the integrity of its management.

In the ordinary course of business, Carlyle is a party to litigation, disputes, shareholder actions and other potential claims. On May 14, 2009, Carlyle reached a resolution with the Attorney General in connection with its inquiry into the use of placement agents in regards to the New York Common Retirement Fund ("NYCRF"). The Attorney General made no finding that Carlyle violated any law. Carlyle was the first company to adopt the New York Attorney General's Code of Conduct. Carlyle also agreed to make a $20 million payment to New York State to resolve this matter.

In July 2009, a former shareholder of Carlyle Capital Corporation Limited ("CCC"), claiming to have lost $20.0 million, filed a claim against CCC, Carlyle and certain officers and affiliates of Carlyle, including CIM, alleging violations of Massachusetts "blue sky" law provisions relating to claims involving material misrepresentations and omissions allegedly made during and after the marketing of CCC. In March 2010, the U.S. District Court for the District of Massachusetts dismissed the plaintiffs' complaint on the grounds that it should have been filed in Delaware instead of Massachusetts, and the U.S. Court of Appeals for the First Circuit affirmed such dismissal. Plaintiff has refiled his claim in Delaware state court and the defendants are vigorously contesting all claims alleged by the plaintiff. Further, the Guernsey liquidators who took control of CCC in March 2008 have filed suit against Carlyle, certain of its affiliates, including CIM, and the former directors of CCC, seeking $1.0 billion in damages. They allege that Carlyle (in its capacity as the external manager of CCC) and the CCC board of directors were negligent, grossly negligent or willfully mismanaged the CCC investment program and breached certain fiduciary duties allegedly owed to CCC and its shareholders. The Guernsey liquidators further allege (among other things) that the directors and Carlyle put the interests of Carlyle ahead of the interests of CCC and its shareholders and gave priority to preserving and enhancing Carlyle's reputation and its "brand" over the best interests of CCC. The defendants filed a comprehensive motion to dismiss in Delaware in October 2010. In December 2010, the Guernsey liquidators dismissed the complaint in Delaware voluntarily and without prejudice and

expressed an intent to proceed against the defendants in Guernsey. Carlyle filed an action in Delaware seeking an injunction against the Guernsey liquidators to preclude them from proceeding in Guernsey in violation of a Delaware exclusive jurisdiction clause contained in the investment management agreement. In July 2011, the Royal Court of Guernsey held that the case should be litigated in Delaware pursuant to the exclusive jurisdiction clause. That ruling was appealed by the Guernsey liquidators, and in February 2012 was reversed by the Guernsey Court of Appeal, which held that the case should proceed in Guernsey. Carlyle intends to seek review of that ruling pursuant to an application for special leave to the Privy Council of the United Kingdom. Also, in October 2011, the plaintiffs obtained an ex parte anti-anti-suit injunction in Guernsey against Carlyle's anti-suit claim in Delaware. That ruling also is on appeal in Guernsey. The Guernsey liquidators' lawsuits in New York and the District of Columbia were dismissed in December 2011 without prejudice. In November 2009, another CCC investor instituted legal proceedings on similar grounds in Kuwait's Court of First Instance seeking to recover losses incurred in connection with an investment in CCC. In July 2011, the Delaware Court of Chancery issued a decision restraining the plaintiff from proceeding in Kuwait against either CIM or TC Group, L.L.C., based on the forum selection clause in the plaintiff's subscription agreement, which provided for exclusive jurisdiction in Delaware courts. In September 2011, the plaintiff reissued its complaint in Kuwait naming CCC only, but, in December 2011, expressed an intent to reissue its complaint joining CIM as a defendant. Carlyle believes these claims are without merit and intend to vigorously contest all such allegations.

In June 2011, August 2011, and September 2011, three putative shareholder class actions were filed against Carlyle, certain of our affiliates, including CIM, and former directors of CCC alleging that the fund offering materials and various public disclosures were materially misleading or omitted material information. Two of the shareholder class actions were filed in the United States District Court for the District of Columbia. The most recent shareholder class action was filed in the Supreme Court of New York, New York County and has subsequently been removed to the United States District Court for the Southern District of New York. The two original D.C. cases were consolidated into one case, under the caption of Phelps v. Stomber, and the Phelps named plaintiffs have been designated "lead plaintiffs" by the Court. The New York case has been transferred to the D.C. federal court and the plaintiffs have requested that it be consolidated with the other two D.C. actions. The defendants have opposed and have moved to dismiss the case as duplicative. The defendants have filed a comprehensive motion to dismiss. Carlyle believes the claims are without merit and will vigorously contest all claims.

In September 2006 and March 2009, Carlyle received requests for certain documents

and other information from the Antitrust Division of the U.S. Department of Justice ("DOJ") in connection with the DOJ's investigation of global alternative asset firms to determine whether they have engaged in conduct prohibited by U.S. antitrust laws. Carlyle has fully cooperated with the DOJ's investigation. There can be no assurance as to the direction this inquiry may take in the future. Further, on February 14, 2008, a private class-action lawsuit challenging "club" bids and other alleged anti-competitive business practices was filed in the U.S. District Court for the District of Massachusetts. The complaint alleges, among other things, that certain global alternative asset firms, including Carlyle, violated Section 1 of the Sherman Act by forming multi-sponsor consortiums for the purpose of bidding collectively in certain going private transactions, which the plaintiffs allege constitutes a "conspiracy in restraint of trade." While Carlyle believes the lawsuit is without merit and is contesting it vigorously, it is difficult to determine what impact, if any, this litigation (and any future related litigation), together with any increased governmental scrutiny or regulatory initiatives, will have on Carlyle.

Along with many other companies and individuals in the financial sector, Carlyle and one of our corporate mezzanine funds ("CMP I"), have been named as a defendant in Foy v. Austin Capital, pending in New Mexico state court, which purports to be a qui tam suit on behalf of the State of New Mexico. The suit alleges that investment decisions by New Mexico public investment funds were improperly influenced by campaign contributions and payments to politically connected placement agents. In May 2011, the Attorney General of New Mexico moved to dismiss certain defendants including Carlyle and CMP I on the ground that separate civil litigation by the Attorney General is a more effective means to seek recovery for the State from these defendants. The Attorney General has brought two civil actions against certain of those defendants, not including the Carlyle defendants. The Attorney General has stated that its investigation is continuing and it may bring additional civil actions. There can be no assurance that the foregoing will not have an adverse impact on Carlyle or otherwise impede CIM's ability to conduct business.

Item 10. Other Financial Industry Activities and Affiliations

The following discussion enumerates certain potential conflicts of interest arising from certain of the financial industry activities and affiliations of CIM and its affiliates.

Affiliated Broker-Dealers

An affiliate of CIM, TCG Securities, is registered with FINRA and the SEC as a limited-purpose broker-dealer. TCG Securities acts as placement agent (and provides related services) with respect to the offer and sale of certain interests in affiliated, private investment vehicles (including Advisory Clients). TCG Securities does not currently intend to offer investment products sponsored or issued by unaffiliated third-parties. TCG Securities does not intend to act as a broker-dealer or agent for transactions effected on behalf of affiliated, private investment vehicles and does not intend to hold funds or securities for, or owe money or securities to, clients generally.

Certain registered representatives of TCG Securities may also be providing investment advisory services to Advisory Clients and to advisory clients of Carlyle-affiliated investment advisers. These individuals are subject to the policies and procedures of TCG Securities when engaging in securities-related transactional activities in addition to CIM's (or the Carlyle-affiliated advisers') policies and procedures.

A subsidiary of CIM, Carlyle Australia Equity Management Pty Limited ("CAEM"), is incorporated in Australia and is licensed by the Australian Securities and Investments Commission as an Australian financial services licensee. As an Australian financial services licensee, CAEM is authorized to carry on a financial services business to (a) provide financial product advice in respect of interests in managed investment programs and securities to wholesale clients and (b) deal in financial products by arranging for another person to issue, apply for, acquire, vary or dispose of financial products in respect of interests in managed investment programs and securities to wholesale clients in Australia. CAEM does not intend to market and promote investment products sponsored or issued by unaffiliated third-parties, and it does not currently intend to hold client monies or securities for, or owe money or securities to, clients generally.

CAEM and its individual staff members are subject to the policies and procedures of CAEM when performing its authorized financial services activities in addition to CIM's (or the Carlyle-affiliated advisers') policies and procedures.

Participating Affiliates

CIM controls, or is under common control with, several affiliates established outside of the United States, as listed below (the "Participating Affiliates"), to assist CIM in rendering investment advice. As noted below, certain Participating Affiliates are

registered with the regulatory authorities in their local jurisdiction based on their particular business and requirements of local law. Typically, these Participating Affiliates identify, evaluate and monitor investment opportunities and investments in the foreign jurisdictions in which they are located solely to advise CIM on investment opportunities for an Advisory Client.

CIM subjects each of the Participating Affiliates and their respective employees to CIM's regulatory oversight and its Code of Conduct (see Item 11 below) together with its other compliance policies and procedures, including books and records maintenance, as adopted pursuant to the requirements of the Advisers Act, as applicable (in addition to applicable local laws and regulations).

None of the Participating Affiliates conducts a stand-alone business apart from providing internal analysis and advice to CIM.

CECP Advisors LLP (registered with the United Kingdom Financial Services Authority)
CECP Investment Advisors France S.A.R.L.
CEP Advisors, S.r.l.
Carlyle Asia Investment Advisors Limited
Carlyle Australia Investment Advisors Limited
Carlyle Singapore Investment Advisors Pte Ltd
Carlyle Korea Ltd.
Carlyle India Advisors Private Limited
Carlyle Investment Consulting (Shanghai) Co., Ltd.
Carlyle Japan, LLC
Carlyle Mauritius Investment Advisors, Ltd (registered with the Mauritius Financial Services Commission)
Carlyle Nigeria Investment Advisors Limited
The Carlyle Group España, SL
Carlyle Real Estate Advisors LLP
Carlyle Real Estate Advisors S.a.r.l. (a/k/a Carlyle Real Estate Advisors France S.a.r.l.)
Carlyle Real Estate Advisors Spain, S.L.
Carlyle Real Estate Advisors Sweden AB
Carlyle Real Estate Advisors Italy S.r.l.
Carlyle South Africa Advisors (Pty) Limited (registration with the South Africa Financial Services Board pending)
Carlyle Management Hong Kong Limited
Carlyle Japan Asset Management YK (registered with the Japan Financial Services

Authority)
CREA Germany GmbH
Carlyle MENA Investment Advisors Limited (registered with the Dubai Financial Services Authority)
Carlyle MENA Investment Advisors, LLC
Carlyle Brasil Consultoria em Investimentos Ltda.
Chengdu Carlyle Investment Consulting Co., Ltd.
CRP Asset Management Group, LLC
Carlyle Mauritius CIS Investment Management Limited (registered with the Mauritius Financial Services Commission)
Carlyle Mexico Advisors, S. de R.L. de C.V.
Carlyle Mexico Holdings, S.C.

Affiliated Advisers under Common Control – Separate Registrants

CIM is also under common control with, or controls, several investment advisers that are separately registered as investment advisers under the Advisers Act, as follows: (i) Claren Road, ESG and AlpInvest, which were described above in Item 4; and (ii) Avalon Advisors LLC ("Avalon"), a Houston-based wealth advisor and asset manager that is controlled by an Advisory Client.

Each of Claren Road, ESG, AlpInvest and Avalon has an existence independent of CIM and each functions independently of CIM.

Relying Advisers

As discussed in Items 2 and 4 above, CIM controls Churchill, a part of Carlyle's Global Market Strategies Group. Churchill provides debt capital to middle-market companies, and acts as a collateral manager to a CLO focused on providing senior loans to middle-market companies.

Additionally, CIM is under common control with CIM Global, L.L.C. ("CIM Global"), an investment adviser through which CIM provides advisory services to certain Advisory Clients located outside of the United States. CIM is also under common control with CIM Global Asia, L.L.C. ("CIM Global Asia"), an entity controlled by CIM Global that provides advisory services with respect to a real estate asset located in Australia. Additionally, CIM is under common control with Carlyle Realty Essex II, L.L.C., a Carlyle vehicle empowered to approve acquisitions and dispositions of real estate-related debt investments by CRP/Essex Holdings II, L.L.C.

CIM and each of Churchill, CIM Global, CIM Global Asia and CR Essex conduct a single advisory business. Pursuant to reliance on SEC staff interpretation, Churchill, CIM Global, CIM Global Asia and CR Essex would be deemed to have registered through CIM's Form ADV as "relying advisers".

Exempt Reporting Adviser

As discussed in Item 4, Carlyle's European structured credit funds are independently advised by CELF, an investment adviser controlled by CIM and registered with and subject to the oversight of the U.K. Financial Services Authority. CELF has filed with the SEC as an Exempt Reporting Adviser under the exemption from the SEC's investment adviser registration requirements provided in Rule 203(m)-1 under the Advisers Act.

Related General Partners/Managing Members

CIM is under common control with several general partners/managing members of Carlyle-sponsored investment vehicles. CIM, either directly or indirectly, enters into investment advisory agreements to provide all investment advisory services regulated by the Advisers Act to certain Carlyle-sponsored investment vehicles.

Strategic Alliances

Carlyle has entered into one or more strategic alliances (*e.g.*, RLJ Equity Partners) with other investment firms which involve certain of its personnel and for which Carlyle may have an ownership interest and may receive some financial benefit for such alliances (*e.g.*, carried interest).

Hedge Fund Competitive Activities

As noted in Item 4, Carlyle has acquired a 55% interest in each of Claren Road and ESG. Carlyle may in the future form or have a financial or operational interest in the management of one or more additional hedge funds or similar alternative investment vehicles. Claren Road and ESG and such other vehicles may be permitted to allocate a portion of their portfolios to long-dated, illiquid, restricted or other similar securities and investment opportunities (which may include mezzanine, distressed debt and equity, high-yield debt, bank loans and private-equity investments), and whose investment strategies may therefore overlap with those of CIM's Advisory Clients. It is therefore possible that Claren Road and ESG and such other vehicles may independently consider the same investment opportunities as the Advisory

Clients, and thereby, on any given occasion, compete with Carlyle for the same investment opportunity.

Fund of Funds Competitive Activities

As noted in Item 4, Carlyle has acquired AlpInvest, a fund of funds business, which operates independently of CIM. AlpInvest may be permitted to allocate a portion of their client portfolios to long-dated, illiquid, restricted or other similar securities and investment opportunities (which may include mezzanine, distressed debt and equity, high-yield debt, bank loans and private-equity investments), and whose investment strategies may therefore overlap with those of CIM's Advisory Clients. It is therefore possible that AlpInvest may independently consider the same investment opportunities as the Advisory Clients, and thereby, on any given occasion, compete with Carlyle for the same investment opportunity.

Due to the information barrier between Carlyle and AlpInvest, and the separate nature of the operations of AlpInvest and the rest of Carlyle, such potentially competitive activities could occur, and Carlyle may not be aware of such activity and/or be in a position to remedy such activity.

Other Competitive Activities

Other investment advisers affiliated with Carlyle (and their employees), including Claren Road, ESG and AlpInvest, may conduct other business activity that could present a potential conflict of interest with Carlyle, CIM and/or CIM's Advisory Clients.

CIM has also agreed to provide certain services, without compensation, to a company majority-owned by an Advisory Client**.** CIM has established a series of compliance protocols to address potential and actual conflicts of interest arising therefrom. For example, CIM may introduce the company to portfolio companies held by Carlyle-sponsored investment vehicles, but any resulting service agreement between the company and the portfolio company will be on arm's-length terms no less favorable than otherwise obtainable from an unaffiliated party.

Possession of Material, Non-Public Information and other Trading Restrictions

As discussed in Item 8, Carlyle has implemented an information barrier to segregate the flow of material, non-public information between the Global Market Strategies Group and the rest of Carlyle. The purpose of this information barrier is, among other things, to insulate material, non-public information, such that the investment

activities of the Global Market Strategies Group, on the one hand, and the rest of Carlyle, on the other hand, are not otherwise restricted because one business unit may have material, non-public information that would be imputed to the other business unit in the absence of an information barrier.

At the same time, within the Global Market Strategies Group, there is no information barrier between CIM and other separately registered investment advisers affiliated with CIM that are part of the group (*e.g.*, Claren Road and ESG). The Global Market Strategies Group operates a single restricted list to which CIM's Global Market Strategies Advisory Clients are subject. As a consequence, CIM may not be able to buy or sell a particular security on behalf of certain of its Advisory Clients because the entire Global Market Strategies Group may be deemed to be in possession of material, non-public information. Similarly, in such circumstances, CIM may not be able to dispose of a security owned by an Advisory Client, even in a declining market, until the information becomes publicly available or no longer material and the security is no longer restricted.

An information barrier also has been erected between AlpInvest and the rest of Carlyle, restricting the flow of information between Carlyle and AlpInvest (which, as described above, carries out its investment operations independently of CIM and other Carlyle-affiliated investment advisers).

Carlyle also may from time to time erect information barriers on an interim basis for reasons of insulating material, non-public information and Carlyle may decide to remove information barriers. Carlyle has established policies and procedures regarding the implementation and operation of information barriers and trains its professionals on such policies and procedures.

Other Activities and Relationships

The employees of Carlyle and its affiliates may serve on the boards of directors of portfolio companies of Advisory Clients. Serving in such capacity may give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director may conflict with the interests of an Advisory Client.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Codes of Conduct

CIM has established and approved a Code of Conduct that sets forth standards of ethical conduct for employees and is designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act. Among other things, the Code of Conduct prescribes standards for dealing with clients ethically, addresses conflicts of interest issues, and supplements personal trading and operating procedures. The Code of Conduct provides guidance in specific areas, including but not limited to, confidentiality of Carlyle information, personal investments, gifts and entertainment and personal political activities. This Code of Conduct is available to clients, investors or prospective clients by writing to Carlyle Investment Management L.L.C., 1001 Pennsylvania Avenue, NW, Suite 220 South, Washington, DC, 20004, Attn: Investor Relations.

In addition to the Code of Conduct referred to in the paragraph above, Carlyle has adopted the New York Attorney General's Public Pension Fund Reform Code of Conduct. Such code of conduct governs Carlyle's interactions with public pension funds in the United States and, among other matters, (a) bans the use of outside placement agents and lobbyists in connection with obtaining investments from such public pension funds, (b) bans certain campaign contributions in the United States and (c) provides for (i) increased disclosure, (ii) strengthened employment, confidentiality and gift policies, and (iii) conflicts of interest procedures as they relate to public pension funds in the United States. This code of conduct is available to clients, investors or prospective clients by writing to the address noted above. The policies and procedures adopted pursuant to the code of conduct have been revised to account for the pay-to-play regulations promulgated by the SEC.

In 2008, Carlyle developed and integrated into its investment process a set of responsible investment guidelines that consider the environmental, social and governance implications of its control-oriented U.S. corporate buyout investments. Those guidelines are available to clients, investors or prospective clients or investors by writing to the address noted above or by visiting Carlyle's website (www.carlyle.com).

Principal Transactions

CIM, as investment manager, or an affiliate may engage in principal transactions (*i.e.*, transactions in which CIM or an affiliate is deemed to be acting for its own

account by buying a security from, or selling a security to, an Advisory Client). These transactions introduce a potential conflict of interest between its own interests and those of the Advisory Client.

CIM has established policies and procedures to comply with the Advisers Act when engaging in principal transactions with Advisory Clients. Additionally, investment guidelines and an Advisory Client's charter documents may limit principal transactions on a more restrictive basis than the Advisers Act. In general, CIM avoids transactions in which it knowingly transacts, directly or through a broker-dealer, with advisory clients of Claren Road and ESG.

Fund Notice and Consent

In certain cases, a principal transaction may occur prior to the initial closing of an Advisory Client (*e.g.,* where an affiliate warehouses loans prior to selling them to an Advisory Client). Details of any such transaction typically are disclosed in the offering documents of an Advisory Client. In other cases, principal transactions may occur after an Advisory Client has held an initial closing. In those cases (other than certain Global Market Strategies Advisory Clients), either the Advisory Client or an independent representative of the Advisory Client must receive notice of the transaction and consent to the transaction prior to CIM or an affiliate settling the principal transaction. An Investor Advisory Committee is typically established for each Advisory Client to, among other things, receive notice of, advise on and provide consent to certain conflicts of interest matters, such as principal transactions.

Certain of the Global Market Strategies Advisory Clients may follow a different procedure because of the absence of a separate Investor Advisory Committee. In the case of a principal transaction, investors may approve of a qualified independent agent to approve of such transactions, where the independent agent determines, in its sole judgment, that the monetary or business consideration arising therefrom would be substantially as advantageous to the Advisory Client as the monetary or business consideration which the Advisory Client would obtain in a comparable arm's-length transaction with a person who is not an affiliate of the Advisory Client. In the case of the Global Market Strategies Advisory Clients, principal transactions generally require that the price reflect the average of the midpoints of the then-prevailing related bid and ask quotations of at least two independent brokers and/or pricing services as a condition to the engaging in the transaction. If two market or pricing service quotations are not available, the instrument will be fair valued in accordance with CIM's valuation policies and procedures.

Separate Account Notice and Consent

In the case of an Advisory Client that is a separately managed account, CIM will notify the Advisory Client itself or a duly appointed, independent representative of the Advisory Client to obtain consent for any principal transaction.

Other Notice and Consent Considerations

In general, CIM will not engage in principal transactions with accounts of a retirement plan subject to ERISA unless approved by Carlyle's General Counsel, Chief Compliance Officer, and, if necessary, competent ERISA counsel.

Cross Transactions

CIM may allow Advisory Clients to engage in cross transactions, which occur when a transaction is effected directly between two or more of CIM's Advisory Clients.

Cross transactions may benefit clients because they can avoid transaction fees. They also create conflicts of interest because, by not exposing buy and sell transactions to market forces, Advisory Clients may not receive the benefits of best price, or, an adviser might seek to prop up the performance of one Advisory Client by selling under-performing assets to another Advisory Client in order, for example, to earn higher fees.

CIM has established policies and procedures that address permissible cross transactions. Subject to the terms of the Advisory Client's (other than certain Advisory Clients managed by the Global Market Strategies Group) organizational documents: (i) notice must be provided to each Advisory Client or an independent representative of each such Advisory Client prior to proceeding with the cross transaction; (ii) if an Investor Advisory Committee of a particular Advisory Client has been established under the Advisory Client's charter and organizational documents, it must provide consent (generally by majority of the Committee's members) prior to engaging in such cross transaction; and (iii) records of such notices and consents must be maintained as part of CIM's books and records.

Typically, the governing agreements for each of the Advisory Clients address permissible cross transactions. In the case of a separately managed account, the investment management agreement or similar documentation addresses cross transactions.

The Global Market Strategies Group follows separate procedures when a cross transaction involves Structured Credit Advisory Clients. CIM has established the

following procedures in such context: (i) unless otherwise preapproved by Carlyle's Chief Compliance Officer or General Counsel, no consideration should be paid (aside from customary fees for advice and management) other than the current market price of the instrument (including brokerage commissions); (ii) generally, the execution price reflects the average of the midpoints of the then-prevailing related bid and ask quotations of at least two independent brokers and/or pricing services (and if two market or pricing service quotations are not available, the instrument will be fair valued in accordance with CIM's valuation policies and procedures); (iii) settled cross transactions must be reviewed by the Global Market Strategies Brokerage Committee, a committee comprising senior personnel from Carlyle's compliance department and Global Market Strategies Group, to determine compliance with CIM's procedures; (iv) internal documentation of the cross transaction must be established and maintained, including (among other things) internal transaction reports that contain material transaction information, such as independent pricing of the investment crossed between Advisory Clients; (v) Advisory Clients will receive notification of cross transactions in periodic reports; and (vi) Carlyle's Chief Compliance Officer or designee must pre-approve the cross transaction.

ERISA accounts generally will not participate in cross trades absent the written consent of Carlyle's Chief Compliance Officer, General Counsel, and/or competent ERISA counsel.

Financial Interests in Advisory Client Recommendations

As described in Item 5 – "Fees and Compensation", in addition to management fees payable and carried interest allocable to CIM and its affiliates, CIM and its affiliates may receive acquisition, disposition and ongoing fees with respect to advisory and related services provided in connection with investments by Advisory Clients.

CIM may have a conflict of interest to the extent that it has an opportunity to earn a fee from an acquisition or disposition by an Advisory Client. However, CIM believes that the management fee offset provisions described in Item 5 and the substantial equity commitment by CIM and its affiliates in Advisory Clients substantially mitigates this incentive. Any fees paid to CIM by a portfolio company or an Advisory Client are required to be on an arm's-length basis and on terms that are no less favorable to the Advisory Client or portfolio company than would be obtained in a transaction with an unaffiliated party. CIM's policies prohibit the allocation of investment opportunities based on anticipated compensation or profits to Carlyle, CIM, any affiliates or their professionals.

Further, CIM may recommend the securities or loan instruments of portfolio companies for acquisition by an Advisory Client where Carlyle, its affiliates (including a portfolio company of a different Advisory Client), or a Carlyle professional renders services to, engages in transactions with, or has a business relationship with (*i.e.*, board seat), and receives fees from, the portfolio company.

In addition, CIM or its affiliates currently own equity interests in four CLOs to which CIM provides advisory services pursuant to separate collateral management agreements. In the future, CIM (or its affiliates) may own similar interests in other such Advisory Clients having similar collateral management arrangements. CIM's equity interests in these four funds give it voting rights on certain matters relevant to the funds. On matters involving retention of, and payments to, the collateral manager (CIM, in these cases), CIM does not, and would not be expected to, have any voting rights. On other matters, CIM's voting interest can be significant enough to affect the outcome depending on the governance matter, especially matters that may require a super majority to effectuate a particular outcome, such as an early wind up of a fund, which, if blocked by CIM, would continue the collateral management arrangement and fees to CIM or a Carlyle affiliate. CIM expects that, as an equity owner, its economic interests would in most, if not all, cases align with the economic interests of other equity owners in a fund; however, the possibility exists that CIM could take a position on governance matters that would be adverse to other equity holders and indirectly, any noteholders in these particular collateralized loan obligation funds. Should CIM's interests diverge from the interests of other equity owners, decisions on how to vote CIM's interest will be presented to Carlyle's Conflicts Committee, a committee comprising senior management to help manage conflicts of interest that may arise during the conduct of Carlyle's business, for review and resolution.

Allocation of Investments

When allocating investment opportunities across Advisory Clients, there could be differences in the financial structure of the Advisory Clients potentially participating in the opportunity that could introduce an incentive for CIM to favor one Advisory Client over another.

Company Procedures

CIM has established trade allocation policies and procedures addressing CIM's duties to allocate investment opportunities among Advisory Clients in a fair and equitable manner. Most investment opportunities that satisfy the investment parameters of a particular Advisory Client will be allocated exclusively to that

particular Advisory Client. In certain cases, however, an investment opportunity may be appropriate for more than one Advisory Client. Any such allocation decisions are initially raised with the Investment Committee of the relevant Advisory Client that originated the investment opportunity. That particular Investment Committee, together with the Chief Investment Officer, will review the opportunity to determine if an allocation to any other Advisory Client may be appropriate in the first instance, taking into account, among other things, whether the investment satisfies each of the relevant Advisory Client's investment objectives and the Advisory Client's expected allocation based on its available capital commitments. If an investment opportunity will be allocated, CIM will, to the extent practicable, determine in good faith that the allocation is fair and reasonable taking into account the relevant facts and circumstances and parameters of the governing documents of the Carlyle-sponsored investment vehicle advised by CIM (or investment management agreement in the case of a separately managed account), the sourcing of the transaction, the nature of the investment focus of each Advisory Client, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for each such Advisory Client and other considerations deemed relevant by CIM in good faith. In certain situations, participation of multiple Advisory Clients in a single transaction may require consent of the Investor Advisory Committee or the investors of the participating Advisory Clients (or duly appointed representative in the case of a separately managed account). Allocation decisions are periodically reviewed to determine the reasonableness and fairness of the allocation decisions. CIM's policies prohibit the allocation of investment opportunities based on anticipated compensation or profits to Carlyle, CIM, any affiliates or their professionals.

Parallel and successor Carlyle-sponsored investment vehicles advised by CIM are subject to specialized allocation procedures set forth in the governing agreements of the applicable Advisory Clients. For such Carlyle-sponsored parallel investment vehicles, allocation decisions will be made on the basis of the investment vehicles' relative capital commitments, subject to the vehicle's governing documents. Carlyle generally does not introduce successor Carlyle-sponsored investment vehicles until the capital commitments of a predecessor Carlyle-sponsored investment vehicle have been substantially invested. Subject to legal, regulatory and tax considerations (in addition to any other exceptions set forth in an Advisory Client's governing agreements), a Carlyle-sponsored successor investment vehicle advised by CIM may only co-invest alongside a predecessor investment vehicle on materially the same terms and conditions, and, if so, investments must be allocated between the two investment vehicles on a basis that CIM believes, in good faith, to be fair and reasonable. In making allocations between such a Carlyle-sponsored successor and a

predecessor investment vehicle, CIM may take into consideration, among other things, the relative available capital of the investment vehicles and the investment limitations of the predecessor vehicle. In certain cases, the Investor Advisory Committee may be required to approve any co-investment by a successor investment vehicle in accordance with the terms of the vehicles' governing agreements. In certain cases, where the equity portion of a private equity investment may exceed that which is believed appropriate for one or more of such Carlyle-sponsored investment vehicles, a successor vehicle may be allocated 100% of an investment opportunity.

CIM may permit one or more strategic investors to invest in transactions in which the Advisory Client invests if CIM determines in good faith that their investment would be beneficial in consummating the Advisory Client's investment (including where an investor can invest or commit to invest a significant amount of capital in a short period of time), successfully operating the portfolio company or its assets, disposing of the investment or otherwise adding value to the investment because of certain skills or attributes of the strategic investor. CIM may also give investors in an Advisory Client or third parties the right to co-invest in a particular investment, including where a portion of the equity required would unreasonably limit diversification. The Advisory Client may bridge such investments until capital is called from coinvestors. As discussed in Item 8. Methods of Analysis, Investment Strategies and Risk of Loss – Potential Conflicts of Interest – Side Letters, the general partner (or similar managing fiduciary) of an Advisory Client may enter into side letters or other similar agreements with investors in connection with their admission to such Advisory Client which may include special rights with respect to co-investment.

In addition to Carlyle's obligation to invest in investments made by CIM's Advisory Clients, the governing documents of many Advisory Clients permit Carlyle to elect, on an investment-by-investment basis, to invest an additional amount in any investment made by such an Advisory Client up to a specified percentage (generally 5%) of the investment opportunity available to Carlyle.

Global Market Strategies: Structured Credit Group Allocation Procedures

A Credit Committee generally oversees the selection of investments appropriate for Advisory Clients within the Structured Credit Group. Because multiple Advisory Clients with this strategy often seek similar investments (*e.g.*, loans), allocating investment opportunities among multiple Structured Credit Advisory Clients is more prevalent relative to the private equity or real assets contexts.

An allocation to an Advisory Client in the Structured Credit Group is prepared via an automated trade order system specifying the Advisory Client(s) that should receive a particular investment opportunity in accordance with the allocation guidelines established by CIM. Generally, initial allocations are prepared on a pro rata basis based upon the assets of the Advisory Client, and, depending on the circumstances, may be augmented, reduced, or excluded for reasons that CIM believes are fair and equitable to the Advisory Clients. CIM may employ other methods of allocation based on the facts and circumstances, including percentage allocation, pro rata by exposure, rotation, and fill rotation.

Allocation methods are documented in the automated trade order system. If an order may be filled in its entirety, the investment will be allocated in accordance with the allocation, unless reallocated, as described below, in a manner that CIM believes is fair and equitable to the Advisory Clients. If a partial fill, the investment is generally allocated on a pro rata basis in accordance with the initial allocation amounts unless reallocated, as described below, in a manner that CIM believes is fair and equitable to the Advisory Clients.

Exceptions, variations in pro rata allocations, and reallocations are documented. For example, orders may be reallocated, especially if a partial fill, but must be documented and the reallocation decision explained to and reviewed by Carlyle's Chief Compliance Officer or designee.

Allocations of investment opportunities among Structured Credit Advisory Clients are periodically reviewed and monitored on an ongoing basis by the Global Market Strategies Brokerage Committees to determine the reasonableness and fairness of the allocations. From time to time, allocation issues may arise between Structured Credit Advisory Clients and other Advisory Clients outside of the Structured Credit Group. CIM seeks to allocate such investments in a fair and reasonable manner in accordance with its established policies.

Global Real Estate Allocation Procedures

Certain Advisory Clients within Carlyle's Global Real Estate Group invest in real estate mortgage-backed securities ("RMBS"). When RMBS investment opportunities are available to more than one Advisory Client, such investments generally are allocated based upon the relative amounts of capital available for investment, which amounts are determined periodically on a fair and reasonable basis taking into consideration the diversification requirements of each Advisory Client, recent capital events, targeted returns of such Advisory Client, opportunity

costs of other potential investments, and such other considerations deemed relevant by CIM in good faith.

Possession of Material, Non-Public Information and other Trading Restrictions

Carlyle espouses a management philosophy of collaboration and information sharing among investment professionals to create a unified global network. Carlyle, its affiliates, and their professionals may come into contact with material, non-public information in connection with their activities for Carlyle, CIM, or their affiliates. Carlyle has established policies and procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Under no circumstances may a professional trade in a security while in possession of material, non-public information about that security for his or her own account, the accounts of certain family members or the account of an Advisory Client. Further to this end, as discussed in Item 8, Carlyle has implemented various information barriers to segregate the flow of material, non-public information between its business segments.

Item 12. Brokerage Practices

Broker Selection

CIM has discretion to select brokers and dealers to execute securities transactions for Advisory Clients. CIM is obligated by law and under its investment management agreements to seek to obtain the best prices and executions for orders executed for Advisory Clients, taking into account quantitative and qualitative factors affecting the execution quality of portfolio transactions. In particular, CIM reviews factors, such as the experience of the broker or the dealer, its ability to handle the order to the best advantage of the Advisory Client, the nature of the investments to be bought or sold, special circumstances affecting the instrument (*e.g.*, redemption features), and the overall price of the order. As a result, although CIM will seek competitive commissions and spreads, it may not necessarily obtain the most competitive price/commission/spread for portfolio transactions.

From time to time, brokerage firms may provide services to CIM in addition to securities execution. As discussed in Item 8, certain large investment banks that may act as service providers to CIM and its affiliates, Advisory Clients and Carlyle portfolio companies may also invest in an Advisory Client (directly, or by sponsoring a feeder fund).

CIM may select brokers and dealers to execute securities transactions for Advisory Clients who are owned in part by another Advisory Client. For example, an Advisory Client has an ownership interest in Sandler O'Neill, an investment bank and broker-dealer. Certain other Advisory Clients, CIM affiliates or affiliated investment advisers may utilize Sandler O'Neill for securities execution or other investment-related services.

Portfolio trades of certain investment vehicles, generally within Global Market Strategies, can be expected to generate commissions, mark-ups/mark-downs, and other transaction charges that each Advisory Client is responsible for paying. CIM has complete discretion in deciding the brokers and dealers to execute Advisory Client transactions and the fees that will be paid to selected broker-dealers for their services. CIM seeks to obtain best execution of Advisory Client transactions based on a number of factors that include net price for the order, experience of the broker-dealer, order handling ability (particularly block orders), and the nature of the investments to be bought or sold. Global Market Strategies maintains approved broker-dealer lists and the Global Market Strategies Brokerage Committees meet periodically to evaluate the execution capabilities of approved broker-dealers and maintain efforts to seek best execution for their respective Advisory Client transactions.

In assessing the quality of execution for Advisory Client transactions, the Global Market Strategies Brokerage Committees will consider the full range of services available from and the characteristics of each broker-dealer, including, but not limited to execution capabilities, responsiveness, trading experience, reputation and integrity, overall reliability, access to underwritten offerings and secondary market trades, and the value of any "research" services provided to CIM. Typically, trade allocations are made to full service broker-dealers that provide research reports (typically on an unsolicited basis), services related to settlement and clearance, trade seminars, or access to certain professionals in connection with portfolio transactions. From time to time, depending on the certain circumstances, brokerage firms may pay for trade seminars, travel to such seminars, and lodging and entertainment of Carlyle professionals. Because these benefits, while providing Carlyle employees opportunities for education and fostering of business relationships, can create potential conflicts of interest, the compliance department assesses the types of research or other services that are provided (whether solicited or unsolicited) to determine if they are appropriate under the circumstances and if the provision of such research or services appears to have had any effect on the execution quality for client accounts.

From time to time, the Global Market Strategies Group will engage in transactions with broker-dealers that also have other dealings with Carlyle or its affiliates, including investor referrals and investments in Advisory Clients. Such business relationships could present a potential conflict of interest for CIM. However, the Global Market Strategies Group performs an analysis and review of each broker-dealer's trading and execution capabilities as part of its requirement to seek best execution. That analysis and review is presented to the Global Market Strategies Brokerage Committees for assessment. In the context of investment activity outside of these groups, CIM periodically reviews its relationships and levels of business allocated to key service providers, especially investment banks.

Bunching or Aggregating Trades

Structured Credit Advisory Client trades may be aggregated if aggregation is believed to benefit the Advisory Client and to be consistent with CIM's obligation to seek best execution. CIM is not obligated to aggregate Advisory Client trades, however, and there may be reasons, such as Advisory Client specifications or logistics of the trade itself, where aggregation is not possible. In such situations, the inability to aggregate the trade could result in an increase in transaction costs for the Advisory Client.

CIM may trade the same instruments for multiple Advisory Clients with a particular broker throughout the day. Where possible, the price at which that particular broker handles these multiple orders generally will be averaged among the multiple Advisory Client accounts during a trading day. Trades with a particular broker that occur in the same securities for multiple Advisory Clients on the same day may be averaged across multiple Advisory Client accounts if determined by CIM to be fair, reasonable and appropriate under the circumstances. All exceptions to CIM's policy on the aggregation of trades must be approved by Carlyle's Chief Compliance Officer or designee.

Item 13. Review of Accounts

Oversight and Monitoring

The portfolio investments of certain Advisory Clients are regularly reviewed by a team of investment professionals. Depending on the Advisory Client, the team generally includes principal executive officers of CIM, the co-founders of Carlyle, Managing Directors and other investment professionals. These professionals monitor operations, overall performance, financial performance, and strategic direction of each portfolio company owned by the Advisory Clients.

The specific parameters relating to the oversight and monitoring of the portfolio investments of the Advisory Clients for which there is shared oversight (*i.e.*, joint ventures) are set forth in the related offering documents.

The portfolio investments in leveraged bank loans, high yield debt, distressed debt and equity, and other mezzanine securities made by certain of the Advisory Clients are monitored by professionals at CIM under an organizational structure deemed appropriate to provide oversight. The portfolio assets are reviewed and monitored consistent with trading guidelines and events in the capital markets.

Reports to Advisory Clients and Investors

Investors in CIM-advised (and co-advised) Advisory Clients (excluding certain Global Market Strategies Advisory Clients) typically receive quarterly financial reports and audited annual reports. Investors have the ability to access these reports via a password-protected website. Each of the Global Market Strategies Advisory Clients is required to fulfill reporting obligations to investors based on the terms and conditions of the particular Advisory Client organizational documents (or investment management agreement in the case of a separately managed account). Certain of the Global Market Strategies Advisory Clients deliver annual audited financial statements to investors. Depending on the particular Advisory Client, investors may receive monthly reports or letters, quarterly financial and capital account statements. Reports to separately managed account Advisory Clients are based on the terms of the particular investment management agreement.

Certain investors may have the right to obtain information relating to an Advisory Client. Accordingly, such investors may possess information regarding the business and affairs of an Advisory Client that may not be known to other investors. As a result, certain investors may be able to take actions on the basis of such information which, in the absence of such information, other investors do not take.

For new Advisory Clients or investors in CIM-advised investment vehicles, a copy of this Brochure is delivered prior to or at the time of entering into an advisory contract.

Item 14. Client Referrals and Other Compensation

As described in Item 5 – "Fees and Compensation", in addition to management fees payable and carried interest allocable to CIM and its affiliates, CIM and its affiliates may receive acquisition, disposition and ongoing fees with respect to advisory and related services provided in connection with investments by Advisory Clients.

CIM and its affiliates may enter into cash compensation arrangements with TCG Securities, unaffiliated placement agents or third parties for introducing investors to Carlyle in respect of an Advisory Client. Any sales charge associated therewith will ultimately be payable by CIM or its affiliates, either directly or through an offset of the management fee payable by the relevant Advisory Client.

In accordance with CIM's policies, no investor may bear any portion of any fee paid to any third-party solicitor with respect to such investment (whether in the form of higher management fees or other types of fees) without the consent of Carlyle's General Counsel, Chief Financial Officer and Operating Committee.

Item 15. Custody

CIM uses unaffiliated, qualified, third-party custodians to hold the assets of its Advisory Clients in a manner that it believes complies with current SEC standards and guidance. For example, these qualified custodians maintain the client assets in a manner that segregates them from assets for other clients of the custodian

CIM is deemed to have custody of the underlying assets of many of its Advisory Clients. CIM relies on an exception available to "pooled investment vehicles" from the reporting and surprise audit obligations imposed by the SEC's custody rule. In addition to holding client assets with an unaffiliated, qualified, third-party custodian, these client assets (where CIM is deemed to have custody) are generally also subject to a year-end audit by a major accounting firm that is a member of, and examined by, the Public Company Accounting Oversight Board ("PCAOB"). The audited financial statements are then provided to the underlying investors of these Advisory Clients within 120 days of the end of the fiscal year.

To the extent that CIM is deemed to have custody of the underlying assets of an Advisory Client that is not deemed to be a "pooled investment vehicle", CIM engages a PCAOB major accounting firm to subject such assets to a surprise audit and requests requisite reporting to the Advisory Client. Such Advisory Clients may also have a statutory obligation to perform a year-end audit.

Item 16. Investment Discretion

Typically, CIM provides investment advice to its Advisory Clients on a discretionary basis, either directly or indirectly through sub-advisory arrangements. An affiliate of CIM, typically the general partner of the applicable Advisory Client, accepts discretionary investment authority for each Advisory Client. CIM, in turn, is

retained as investment adviser in order to provide advice with respect to Advisory Client investments. Generally this discretion is subject only to the investment guidelines set forth in the governing agreements (or investment management agreement in the case of a separately managed account) of an Advisory Client. Such governing agreements generally expressly provide that the applicable general partner has the authority to make all decisions concerning the investigation, evaluation, selection, negotiation, structuring, commitment to, monitoring of and disposition of investments.

Item 17. Voting Client Securities

Because CIM has, or will accept, authority to vote public company securities and other debt instruments (*e.g.*, loans) held by an Advisory Client, it has adopted policies and procedures (the "Proxy Voting Policies and Procedures") that it believes are reasonably designed to comply with the requirements of the Advisers Act. The Proxy Voting Policies and Procedures reflect CIM's commitment to vote such instruments in a manner consistent with the best interests of the Advisory Clients.

Under the Proxy Voting Policies and Procedures, unless faced with a conflict of interest between or among Advisory Clients, CIM will vote proxies in a manner that serves the best interest of its Advisory Clients, as determined by CIM in its discretion, taking into account relevant factors, including (i) the impact on the value of the securities owned by the Advisory Client and the returns on those securities; (ii) alignment of portfolio company management's interest with the Advisory Client's interest, including establishing appropriate incentives for management; (iii) the ongoing relationship between the Advisory Client and the portfolio companies in which it invests, including the continued or increased availability of portfolio information; (iv) industry business and practices; and (v) the requirements imposed on CIM and its affiliates in the Advisory Client operating agreements.

CIM reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the applicable Advisory Client. As a result, depending on the Advisory Client's particular circumstances, CIM may vote one Advisory Client's securities differently than it votes those of another Advisory Client, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, CIM may determine that it is in the Advisory Client's best interest for CIM to "abstain" from voting or not to vote at all, and will do so accordingly.

At times, conflicts may arise between the interest of an Advisory Client, on the one hand, and the interest of either another Advisory Client or Carlyle or its affiliates on

the other hand in consideration of a proxy vote. For example, a vote could arise in relation to a single company that (i) has issued stock to an Advisory Client with a buyout investment mandate, and (ii) has issued bonds or other debt instruments that are owned, in part, by an Advisory Client that invests primarily in debt instruments. To address such potential conflicts, CIM follows the procedures outlined in the Proxy Voting Policies and Procedures, which include the potential involvement of Carlyle's General Counsel, the Chief Compliance Officer and/or the Conflicts Committee, a committee comprising senior management to help manage conflicts of interest that may arise during the conduct of Carlyle's business. The Proxy Voting Policies and Procedures require that in all situations involving a potential conflict between two Advisory Clients, the vote will be made without regard to Carlyle's actual or anticipated compensation.

Proxy voting reports, identifying how proxies were voted where Carlyle has been delegated proxy voting authority, and CIM's Proxy Voting Policies and Procedures are available upon written request to Carlyle Investment Management L.L.C., 1001 Pennsylvania Avenue, NW, Suite 220 South, Washington, DC, 20004, Attn: Investor Relations.

Item 18. Financial Information

At this time, CIM is not aware of any financial condition that could impair CIM's ability to meet its contractual obligations to its clients. CIM has not been the subject of any bankruptcy petitions, including in the past ten years.

Item 1. Cover Page

Form ADV Part 2B –Brochure Supplement

April 18, 2012

Carlyle Investment Management L.L.C.
1001 Pennsylvania Ave NW, Suite 220 South
Washington, DC 20004
(202) 729-5626
www.carlyle.com

This brochure supplement ("Supplement") provides information about the following professionals who are associated with Carlyle Investment Management L.L.C. ("CIM") and certain "relying advisors" affiliated with CIM:[1] William E. Conway, Jr., Daniel A. D'Aniello, David M. Rubenstein, Adena T. Friedman, Glenn A. Youngkin, Michael W. Arpey, Jeffrey W. Ferguson, David Marchick, Michael (Mitch) Petrick, Bruce E. Rosenblum, Greg Summe, James A. Attwood, Jr., John Bresnan, James F. Burr, Peter J. Clare, Jonathan E. Colby, Christopher Finn, Louis V. Gerstner, Jr., James H. Hance, Jr., Allan M. Holt, Sandra Horbach, Greg Kares, Thomas B. Mayrhofer, Jean-Pierre Millet, P. Olivier Sarkozy, Brooke B. Coburn, Rodney S. Cohen, Edward J. Mathias, David A. Stonehill, Paul B. Brady, Andrew Chung, David Daniel, Jason H. Lee, Christopher S. Lippman, Barbara Murphy, Thaddeus A. Paul, George Ruhlen, Ed Samek, Eric S. Sasson, Mark J. Schoenfeld, Robert G. Stuckey, Robert Dove, David Albert, Christopher B. Cox, Rahul Culas, Glori Holzman Graziano, Leo Helmers, Kenneth J. Kencel, George F. Kurteson, Linda Pace, Durant (Randy) D. Schwimmer, Raymond Whiteman and Brett Wyard. The disclosure herein supplements CIM's

[1] CIM is registered with the Securities and Exchange Commission ("SEC") as an investment adviser under the Investment Advisers Act of 1940. The following "relying advisors" that conduct a single advisory business with CIM have registered with the SEC as investment advisers through a single registration on CIM's Form ADV in accordance with a 2012 letter to the American Bar Association from the SEC staff: (i) Churchill Financial LLC ("Churchill Financial"), (ii) CIM Global, L.L.C., (iii) CIM Global Asia, L.L.C. and (iv) Carlyle Realty Essex II, L.L.C. For purposes of this Supplement, general references to CIM and its advisory business also include references to such relying advisors.

brochure. You should have received a copy of that brochure for CIM. Please contact Catherine Ziobro at (202) 729-5626 if you did not receive a copy of CIM's brochure or if you have questions about the contents of this Supplement.

Additional information about CIM is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Educational Background and Business Experience

Carlyle Investment Management L.L.C.

CIM, a Delaware limited liability company formed in 1996, is registered with the SEC as an investment adviser, and is one of several Carlyle-affiliated investment advisers to private funds sponsored by The Carlyle Group ("Carlyle" or "Firm") or other advisory clients across the following segments: (i) corporate private equity, (ii) real assets, and (iii) global market strategies.

CIM is also affiliated with The Carlyle Group L.P., which has filed a registration statement on Form S-1 with the SEC for a proposed initial public offering of its common units. This registration statement has since been amended in subsequent filings but has not yet been declared effective.

The principal direct and indirect owners of CIM are William E. Conway, Jr., Daniel A. D'Aniello, David M. Rubenstein, TC Group, L.L.C., a Delaware limited liability company, and TCG Holdings, L.L.C., a Delaware limited liability company.

Messrs. Conway, D'Aniello and Rubenstein are the co-founders of Carlyle. Together with Glenn Youngkin and Adena Friedman, they comprise Carlyle's Management Committee, which sets strategic direction and makes key executive decisions affecting the operations and policies of the Firm in areas including Firm vision and strategy, corporate mergers and acquisitions, new business initiatives and the incurrence of corporate debt.

The Firm has also established an Operating Committee, chaired by Mr. Youngkin and comprising senior management. The Operating Committee reports to and works closely with the Management Committee, and is responsible for executing the Management Committee's directives, policies and procedures, and managing day-to-day activities of Carlyle.

Educational and professional background information about these and certain other professionals at Carlyle is included below.

Co-Founders:

William E. Conway, Jr., born 1949, A.B. Economics, Dartmouth College, M.B.A., University of Chicago; Managing Director and Co-Founder, The Carlyle Group since 1987.

Daniel A. D'Aniello, born 1946, B.S., Syracuse University, M.B.A., Harvard University Graduate School of Business; Managing Director and Co-Founder, The Carlyle Group since 1987.

David M. Rubenstein, born 1949, B.A., Duke University, J.D., University of Chicago; Managing Director and Co-Founder, The Carlyle Group since 1987.

In addition to the Co-Founders, the other members of the Management Committee are:

Adena T. Friedman, born 1969, Bachelor's Degree, Williams College, M.B.A., Owen Graduate School of Management, Vanderbilt University; Managing Director and Chief Financial Officer, associated with The Carlyle Group since March 2011; previously Executive Vice President and Chief Financial Officer for The NASDAQ OMX Group, Inc. from 2003 to 2011.

Glenn A. Youngkin, born 1966, Bachelor's Degree, Rice University, M.B.A., Harvard Business School; Managing Director and Chief Operating Officer, associated with The Carlyle Group since 1995.

In addition to Ms. Friedman and Mr. Youngkin, the other members of the Operating Committee are:

Michael W. Arpey, born 1963, Bachelor's Degree., St. Lawrence University, J.D., Dickinson School of Law; Managing Director, associated with The Carlyle Group since 2010; previously was a Co-Founder, Managing Director and Co-Head of the Customized Fund Investment Group at Credit Suisse from 1999 to 2010.

Jeffrey W. Ferguson, born 1965, Bachelor's Degree and J.D., University of Virginia, Managing Director, Firm's General Counsel, associated with The Carlyle Group since 1999.

David Marchick, born 1966, J.D., The George Washington University Law School, M.A. from the University of Texas and B.A., University of California, Managing Director, associated with The Carlyle Group since 2007; previously, Partner/Attorney, Covington & Burling from 2002 to 2007.

Michael (Mitch) Petrick, born 1961, Bachelor's Degree, Grinnell College, M.B.A., University of Chicago; Managing Director and head of Carlyle Global Market Strategies, associated with The Carlyle Group since 2010; previously Global Head of Institutional Sales and Trading of Morgan Stanley from 2005 to 2010.

Bruce E. Rosenblum, born 1953, Bachelor's Degree, Yale University, J.D., Columbia University; Managing Director, associated with The Carlyle Group since 2000.

Greg Summe, born 1956, Bachelor's Degree, University of Kentucky, Master's Degree, University of Cincinnati, M.B.A., Wharton School at the University of Pennsylvania; Managing Director and Vice Chairman of Global Buyout, associated with The Carlyle Group since 2010; previously Chairman and CEO of PerkinElmer, Inc. from 1999 to 2010.

Other Carlyle Professionals

Typically, CIM provides investment advice to its advisory clients through an investment committee structure, or through a credit committee structure in the context of certain advisory clients for Global Market Strategies.

Managing Directors, as well as other professionals, participate on these investment committees and credit committees. For Carlyle-sponsored investment vehicles, members of the various investment committees are the Co-founders, certain members of the Management Committee, certain

members of the Operating Committee, or certain of the individuals identified below.

The educational and professional background information about these individuals has been organized by business group.**Corporate Private Equity**

Buyout:

James A. Attwood, Jr., born 1958, Bachelor's Degree and M.A., Yale University, J.D. and M.B.A., Harvard University; Managing Director, associated with The Carlyle Group since 2000.

John Bresnan, born 1948, Bachelor's Degree, Georgetown University; Managing Director, associated with The Carlyle Group since 2010; formerly Managing Director and Chief Capital Officer of Corporate and Investment Bank at Wachovia from 1999 to 2010.

James F. Burr, born 1966, Bachelor's Degree, Appalachian State University; Managing Director, associated with The Carlyle Group since 2008; previously Executive Vice President and Corporate Treasurer of Wachovia Corp. from 2006 to 2008.

Peter J. Clare, born 1965, Bachelor's Degree, Georgetown University, M.B.A., University of Pennsylvania, Wharton School; Managing Director, associated with The Carlyle Group since 1992.

Jonathan E. Colby, born 1946, Bachelor's Degree, Princeton University, J.D., Yale Law School; Managing Director, associated with The Carlyle Group since 1998.

Christopher Finn, born 1957, Bachelor's Degree, Harvard College; Managing Director, associated with The Carlyle Group since 1996.

Louis V. Gerstner, Jr., born 1942, Bachelor's Degree, Dartmouth College, M.B.A., Harvard University; Senior Advisor to The Carlyle Group since 2008; previously Chairman, The Carlyle Group since 2003.

James H. Hance, Jr., born 1944, Bachelor's Degree, Westminster College, M.B.A., Washington University; Senior Advisor, associated with The Carlyle Group since 2005.

Allan M. Holt, born 1952, Bachelor's Degree, Rutgers University, M.B.A., University of California at Berkeley; Managing Director, associated with The Carlyle Group since 1991.

Sandra Horbach, born 1960, Bachelor's Degree, Wellesley College, M.B.A., Stanford University Graduate School; Managing Director, associated with The Carlyle Group since 2005.

Greg Kares, born 1968, Bachelor's Degree, Wake Forest University, M.B.A., University of South Florida; Managing Director, associated with The Carlyle Group since 2010; formerly Senior Vice President at Wachovia from 2004 to 2010.

Thomas B. Mayrhofer, born 1972, Bachelor's Degree, The College of William and Mary; Managing Director, associated with The Carlyle Group since 2000.

Jean-Pierre Millet, born 1957, undergraduate degree, Institut Superior de Gestion (Paris), M.B.A., Kellogg Graduate School of Management at Northwestern University; Managing Director, associated with The Carlyle Group since 1997.

P. Olivier Sarkozy, born 1969, Master's Degree, St. Andrew's University (Scotland); Managing Director, associated with The Carlyle Group since 2008; previously, a Managing Director and Global Co-Head of the Financial Institutions Group at UBS Investment Bank from 2003 to 2008.

Growth Capital and Equity Opportunities:

Brooke B. Coburn, born 1969, Bachelor's Degree, Princeton University; Managing Director and Head of Carlyle Growth Partners, associated with The Carlyle Group since 1996.

Rodney S. Cohen, born 1965, Bachelor's Degree, Franklin and Marshall College, J.D., Columbia Law School; Managing Director, associated with The Carlyle Group since 2010; previously Co-Managing Partner at Pegasus Capital Advisors from 1996 to 2010.

Edward J. Mathias, born 1941, Bachelor's Degree, University of Pennsylvania, M.B.A., Harvard Business School; Managing Director, associated with The Carlyle Group since 1994.

David A. Stonehill, born 1968, Bachelor's Degree, Harvard University, M.B.A., Harvard Business School, J.D., Harvard Law School; Managing Director, associated with The Carlyle Group since 2010; previously Executive Managing Director and Head of U.S. Private Investments at Och-Ziff Capital Management from 2005 to 2010.

Real Assets

Global Real Estate:

Paul B. Brady, born 1965, Bachelor's Degree, University of Notre Dame, M.B.A., J.L. Kellogg Graduate School of Management of Northwestern University; Managing Director, associated with The Carlyle Group since 1997.

Andrew Chung, born 1972, Bachelor's Degree, Wharton School at the University of Pennsylvania; Managing Director, associated with The Carlyle Group since 2000.

David Daniel, born 1967, Bachelor's Degree, Texas A&M University, M.B.A., Rice University; Managing Director, associated with The Carlyle Group since 2000.

Jason H. Lee, born 1970, Bachelor's Degree, University of California, Berkeley, M.B.A., Harvard Business School; Managing Director and Head of Asia Real Estate, associated with The Carlyle Group since 1996.

Christopher S. Lippman, born 1968, Bachelor's Degree, Harvard University; Managing Director, associated with The Carlyle Group since 1998.

Barbara Murphy, born 1966, Bachelor's Degree, Virginia Polytechnic Institute; Managing Director, associated with The Carlyle Group since 2000.

Thaddeus A. Paul, born 1975, Bachelor's Degree, Cornell University; Managing Director, associated with The Carlyle Group since 2000.

George Ruhlen, born 1950, Bachelor's Degree, Rice University, J.D., University of Texas; Managing Director, associated with The Carlyle Group since 2007; previously a Partner/Attorney at Mayer Brown LLP from 1993 to 2007.

Ed Samek, born 1976, Bachelor's Degree, Wharton School at the University of Pennsylvania; Managing Director, associated with The Carlyle Group since 2000.

Eric S. Sasson, born 1964, Engineering Degree, Ecole Speciale des Travaux Publics, Master's Degree, M.I.T., M.B.A., INSEAD in Fontainebleau; Managing Director, associated with The Carlyle Group since 2001.

Mark J. Schoenfeld, born 1959, Bachelor's Degree, Michigan State University; Managing Director, associated with The Carlyle Group since 1992.

Robert G. Stuckey, born 1962, Bachelor's Degree, University of Nebraska, M.B.A. Harvard University; Managing Director, associated with The Carlyle Group since 1998.

Global Infrastructure:

Robert Dove, born 1954, graduate of the Forest (High) School in London; Managing Director, associated with The Carlyle Group since 2006, previously a Senior Vice President at Bechtel Enterprises, Inc. from 1996 to 2006.

Global Market Strategies

David Albert, born 1969, Bachelor's Degree, University of Pennsylvania, M.B.A., Wharton School of the University of Pennsylvania; Managing Director and Co-Head of the Energy Mezzanine Opportunities Group, associated with The Carlyle Group since 2010; previously a Managing Director and Global Head of the Project and Structured Finance Group at Morgan Stanley from 1998 to 2010.

Christopher B. Cox, born 1964, Bachelor's Degree, Tufts University, M.B.A, Fordham Graduate School of Business; Principal, associated with the Carlyle Group since 2011; previously, Managing Director and Chief Risk Officer of Churchill Financial from 2006-2011.

Rahul Culas, born 1980, Bachelor's Degree, Indian Institute of Technology, Master's Degree, Carnegie Mellon University; Managing Director and Co-Head of the Energy Mezzanine Opportunities Group, associated with The Carlyle Group since 2010; previously at Morgan Stanley from 2005 to 2010 (Executive Director in the Project and Structured Finance Group 2009-2010).

Glori Holzman Graziano, born 1955, Bachelor's Degree, Washington University, M.B.A., George Washington University; Managing Director, associated with The Carlyle Group since 2001.

Leo Helmers, born 1965, Bachelor's Degree, Lafayette College, M.B.A., Temple University; Managing Director, associated with The Carlyle Group since 2003.

Kenneth J. Kencel, born 1959, Bachelor's Degree, Georgetown University, J.D., Northwestern University School of Law; Managing Director and Group Head of Churchill Financial, associated with The Carlyle Group since 2011; previously, Founder of Churchill Financial since 2006.

George F. Kurteson, born 1950, Bachelor's Degree and M.B.A., Lehigh University; Managing Director, associated with The Carlyle Group since 2011; previously Senior Managing Director and a Founder of Churchill Financial from 2006-2011.

Linda Pace, born 1962, Bachelor's Degree, Douglass College, M.B.A., New York University; Managing Director, associated with The Carlyle Group since 1999.

Durant (Randy) D. Schwimmer, born 1956, Bachelor's Degree, Trinity College, Master's Degree, University of Chicago; Managing Director, associated with The Carlyle Group since 2011; previously, a Senior Managing Director and Head of Capital Markets at Churchill Financial from 2006-2011.

Raymond Whiteman, born 1959, Bachelor's Degree, Williams College, M.B.A., New York University; Managing Director, associated with The Carlyle Group since 1996.

Brett Wyard, born 1969, Bachelor's Degree, Boston College; Managing Director, associated with The Carlyle Group since 2005.

Item 3. Disciplinary Information

None of the professionals included in this Supplement has been the subject of any material legal or disciplinary finding of an investment-related nature that would be material to the evaluation of such professionals or the business of the Firm. Certain of these professionals, however, have been named in private civil actions alleging, among other things, violations of investment-related statutes in connection with the offering, operation and liquidation of Carlyle Capital Corporation Limited, an investment fund. Carlyle believes the allegations in each of these actions are without merit and is vigorously contesting all actions.

Item 4. Other Business Activities

Affiliated Broker-Dealer

TCG Securities, L.L.C. ("TCG Securities"), an affiliate of CIM, is a limited-purpose broker-dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). TCG Securities acts as placement agent with respect to the offer and sale of certain interests in affiliated, private investment vehicles, including advisory clients of CIM. TCG Securities does not currently intend to offer investment products sponsored or issued by unaffiliated third-parties. TCG Securities does not intend to act as a broker-dealer or agent for transactions effected on behalf of affiliated, private investment vehicles and does not intend to hold funds or securities for, or owe money or securities to, clients generally.

Certain associated persons of TCG Securities also provide investment advisory services to advisory clients. Specifically, Michael W. Arpey acts as CEO of TCG Securities, and Christopher S. Lippman, Jonathan E. Colby and Mitch Petrick are associated persons of TCG Securities. These individuals are subject to the policies and procedures of TCG Securities when engaging in securities-related transactional activities in addition to CIM's policies and procedures, and they receive a salary and discretionary bonus from Carlyle. This bonus is based upon a number of factors including

overall profitability of Carlyle, the responsiveness, quality, breadth and depth of investor relationship services provided, commitment to key Carlyle policies and philosophies, and the level of commitments secured from new and existing investors.

Other Business Activities for Certain Individuals

Key investment professionals of Carlyle may participate in outside business activities, including board memberships of Carlyle portfolio companies, other companies, and/or charitable organizations. These activities may involve a substantial amount of their time and may provide a substantial source of their income. In particular, the following individuals participate in certain financial or other outside organizations, as described below.

Co-Founder

David M. Rubenstein, Buyout, Growth Capital and Equity Opportunities, Real Assets

> *Among other philanthropic endeavors, Mr. Rubenstein is the Chairman of the John F. Kennedy Center for the Performing Arts, a Regent of the Smithsonian Institute, President of the Economic Club of Washington, and on the Boards of Directors or Trustees of Duke University (Vice Chair), the Brookings Institution (Vice Chair), and the Council on Foreign Relations, the Institute for Advanced Study.*
>
> *Mr. Rubenstein is also a member of several advisory boards including the Harvard Business School Board of Dean's Advisors, the Board of Trustees of the Young Global Leaders Foundation, the Advisory Board of the School of Economics and Management at Tsinghua University, and the International Business Council of the World Economic Forum.*

Other Managing Directors

Brooke B. Coburn, Growth Capital and Equity Opportunities

Mr. Coburn is currently a member of the Boards of Directors of Apollo Global, Catapult Learning, Gemcom Software, RevShare, Signal Hill, VSGi, and Worldstrides. Signal Hill is a service provider to Carlyle and/or its funds.

Adena T. Friedman, Chief Financial Officer

Ms. Friedman is a member of the Board of Directors of iLevel Solutions, a software company that services the private equity industry and is a service provider to Carlyle.

Louis V. Gerstner, Jr., Buyout

Mr. Gerstner is a member of the Board of Directors of Bessemer Securities Corporation, a member of the Advisory Board of Sony Corporation, and the former Chairman and CEO of International Business Machines. Mr. Gerstner is a Director of the Board Institute of MIT and Harvard, Vice Chairman of the Board of Memorial Sloan-Kettering Cancer Center and Vice Chairman of the Board of the American Museum of Natural History.

James H. Hance, Jr., Buyout, Global Market Strategies

Mr. Hance is a member of the Boards of Directors of Cousins Properties, Ford Motor Company, Duke Energy, Morgan Stanley, and Sprint Nextel. Morgan Stanley is a service provider to Carlyle and/or its funds.

Leo Helmers, Global Market Strategies

Mr. Helmers is the Chair of the Investment Committee for the Endowment Fund of the Shipley School, and also serves as a member of the Board of Trustees, the Finance Committee and the Development Committee.

Edward J. Mathias, Growth Capital and Equity Opportunities, Buyout

Mr. Mathias is the chairman of the investment committee for a private equity fund focused on private equity investments in Mexico and advised by a team partially composed of former Carlyle employees, a member of the Board of Directors of Brown Advisory, and is on the Advisory Boards of Aberleen Group, BlackStreet Capital, Promontory Financial Group, Trident Capital and Valhalla Partners. Brown Advisory is a service provider to Carlyle and/or its funds.

P. Olivier Sarkozy, Buyout

Mr. Sarkozy is currently a member of the Board of Directors of BankUnited and UniRush, each a Carlyle portfolio company. Mr. Sarkozy is also a member of the Advisory Committee of SOP Holdings LLC, a holding company of Sandler O'Neill, another Carlyle portfolio company. Sandler O'Neill is a service provider to Carlyle, its affiliates, and/or its portfolio companies.

Greg Summe, Buyout, Real Assets

Mr. Summe serves as a member of the Boards of Directors of Automatic Data Processing Inc., State Street Corporation, Veyance, Inc. and Freescale Semiconductor, Inc. State Street and ADP are service providers to Carlyle and/or its funds.

Ray Whiteman, Global Market Strategies

Mr. Whiteman is a member of the investment committee of RLJ Equity Partners, a middle-market private equity firm.

Item 5. Additional Compensation

In the context of serving as a member of a board of directors, advisory board, or similar body of certain outside companies, some of which are publicly-traded companies, several of the individuals included in this

Brochure Supplement receive some form of compensation. Typically, such board members are compensated in the form of cash and/or company stock.

Item 6. Supervision

Operational Supervision

Carlyle's Management Committee sets strategic direction and makes key executive decisions affecting the operations and policies of Carlyle in areas including its vision and strategy, corporate mergers and acquisitions, new business initiatives and the incurrence of corporate debt.

Carlyle's Operating Committee is responsible for implementing the Management Committee's directives, policies and procedures, and managing day-to-day activities of Carlyle. The Operating Committee works with and is supervised by the Management Committee.

Investment Supervision

Typically, CIM provides investment advisory services, either directly or through sub-advisory arrangements, to investment vehicles sponsored by Carlyle or separately managed accounts (each, an advisory client). This investment advice is generally rendered through an investment committee structure, or through a credit committee structure in the context of certain advisory clients within Global Market Strategies.

Managing Directors, as well as other professionals, participate on these investment committees and credit committees. For Carlyle-sponsored investment vehicles, members of the various investment committees generally include one or more of the Co-Founders, certain members of the Management Committee, certain members of the Operating Committee, and/or certain other investment professionals identified in this Supplement. These investment and credit committees consider the investment recommendations made by the members of the fund team and/or affiliated sub-advisory teams. In addition, Mr. Conway acts as Carlyle's Chief

Investment Officer and as such oversees the allocation decisions that are determined by the various investment and credit committees for CIM's Corporate Private Equity and certain other advisory clients. Mr. D'Aniello is a voting member of all investment committees for CIM's Real Estate advisory clients, and performs a similar oversight function for Carlyle's Real Estate investment activities.

CIM and Riverstone Investment Group, L.L.C. ("Riverstone"), an unaffiliated investment advisor, act as co-investment advisers to certain Carlyle-Riverstone energy, power and/or renewable funds. Mr. D'Aniello and Mr. Mathias are voting members of the investment committees for these funds.

Compliance Oversight

Carlyle's Legal and Compliance team includes a dedicated team of compliance professionals, headed by Catherine Ziobro, the Chief Compliance Officer ("CCO"). The primary mandate of the CCO and compliance team is to oversee CIM's investment advisory regulatory compliance obligations. The compliance team spans the globe, which provides compliance professionals participation and oversight of the investment activities described above.

Any questions regarding compliance issues may be directed to Catherine Ziobro at (202) 729-5626.

FORM ADV

OMB: 3235-0049

UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

Primary Business Name: THE CARLYLE GROUP	IARD/CRD Number: 111128
	Rev. 11/2011

WARNING: Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

Item 1 Identifying Information

Responses to this Item tell us who you are, where you are doing business, and how we can contact you.

A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):
CARLYLE INVESTMENT MANAGEMENT L.L.C.

B. Name under which you primarily conduct your advisory business, if different from Item 1.A.:
THE CARLYLE GROUP

List on Section 1.B. of Schedule D any additional names under which you conduct your advisory business.

C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.), enter the new name and specify whether the name change is of ☐ your legal name or ☐ your primary business name:

D. (1) If you are registered with the SEC as an investment adviser, your SEC file number: **801-52462**

(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:

E. If you have a number ("*CRD* Number") assigned by the *FINRA's CRD* system or by the IARD system, your *CRD* number: **111128**

If your firm does not have a *CRD* number, skip this Item 1.E. Do not provide the *CRD* number of one of your officers, *employees*, or affiliates.

F. *Principal Office and Place of Business*

(1)Address (do not use a P.O. Box):

Number and Street 1:		Number and Street 2:	
1001 PENNSYLVANIA AVENUE, N.W.		SUITE 220 SOUTH	
City:	State:	Country:	ZIP+4/Postal Code:
WASHINGTON	District of Columbia	UNITED STATES	20004-2505

If this address is a private residence, check this box: ☐

List on Section 1.F. of Schedule D any office, other than your *principal office and place of business*, at which you conduct investment advisory business. If you are applying for registration, or are registered, with one or more state securities authorities, you must list all of your offices in the state or states to which you are applying for registration or with whom

you are registered. If you are applying for SEC registration, if you are registered only with the SEC, or if you are reporting to the SEC as an *exempt reporting adviser*, list the largest five offices in terms of numbers of *employees*.

(2) Days of week that you normally conduct business at your *principal office and place of business:*

(●) Monday - Friday ( ) Other:

Normal business hours at this location:

9:00 A.M. TO 6:00 P.M.

(3) Telephone number at this location:

202-729-5626

(4) Facsimile number at this location:

202-347-1818

G. Mailing address, if different from your *principal office and place of business* address:

Number and Street 1: Number and Street 2:

City: State: Country: ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

H. If you are a sole proprietor, state your full residence address, if different from your *principal office and place of business* address in Item 1.F.:

Number and Street 1: Number and Street 2:

City: State: Country: ZIP+4/Postal Code:

I. Do you have one or more websites? **Yes** (●) **No** ( )

If "yes," list all website addresses on Section 1.I. of Schedule D. If a website address serves as a portal through which to access other information you have published on the web, you may list the portal without listing addresses for all of the other information. Some advisers may need to list more than one portal address. Do not provide individual electronic mail (e-mail) addresses in response to this Item.

J. Provide the name and contact information of your Chief Compliance Officer: If you are an *exempt reporting adviser*, you must provide the contact information for your Chief Compliance Officer, if you have one. If not, you must complete Item 1.K. below.

Name: Other titles, if any:

Telephone number: Facsimile number:

Number and Street 1: Number and Street 2:

City: State: Country: ZIP+4/Postal Code:

Electronic mail (e-mail) address, if Chief Compliance Officer has one:

K. Additional Regulatory Contact Person: If a person other than the Chief Compliance Officer is authorized to receive information and respond to questions about this Form ADV, you may provide that information here.

Name: Titles:

Telephone number: Facsimile number:

Number and Street 1: Number and Street 2:

City: State: Country: ZIP+4/Postal Code:

Electronic mail (e-mail) address, if contact person has one:

		Yes	No
L.	Do you maintain some or all of the books and records you are required to keep under Section 204 of the Advisers Act, or similar state law, somewhere other than your *principal office and place of business*?	◉	○

If "yes," complete Section 1.L. of Schedule D.

		Yes	No
M.	Are you registered with a *foreign financial regulatory authority*?	○	◉

Answer "no" if you are not registered with a *foreign financial regulatory authority*, even if you have an affiliate that is registered with a *foreign financial regulatory authority*. If "yes," complete Section 1.M. of Schedule D.

		Yes	No
N.	Are you a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934?	○	◉

If "yes," provide your CIK number (Central Index Key number that the SEC assigns to each public reporting company):

		Yes	No
O.	Did you have $1 billion or more in assets on the last day of your most recent fiscal year?	◉	○

P. Provide your *Legal Entity Identifier* if you have one:

A *legal entity identifier* is a unique number that companies use to identify each other in the financial marketplace. In the first half of 2011, the *legal entity identifier* standard was still in development. You may not have a *legal entity identifier*.

Next

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT and AFFIDAVIT
Related to Contract/Amendment/Solicitation
EDS # 37317

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting the EDS:

URT Holdings, Inc.

Enter d/b/a if applicable:

The Disclosing Party submitting this EDS is:

a legal entity holding a direct or indirect interest in the Applicant

The Disclosing Party holds an interest in

United Road Towing, Inc. and EDS is 37315

B. Business address of the Disclosing Party:

9550 Bormet Dr. Suite 301
Mokena, IL 60448
United States

C. Telephone:

708-333-7348

Fax:

D. Name of contact person:

Ms. Elizabeth Runkle

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

Privately held business corporation

Is the Disclosing Party incorporated or organized in the State of Illinois?

No

State or foreign country of incorporation or organization:

Delaware

Registered to do business in the State of Illinois as a foreign entity?

Yes

B. DISCLOSING PARTY IS A LEGAL ENTITY:

1.a.1 Does the Disclosing Party have any directors?

Yes

1.a.3 List below the full names and titles of all executive officers and all directors, if any, of the entity. Do not include any directors who have no power to select the entity's officers.

Officer/Director:	Mr. Gerald Corcoran
Title:	Chairman/CEO
Role:	Both
Officer/Director:	Mr. John Shoemaker
Title:	Board member
Role:	Director
Officer/Director:	Mr. Brooke Hayes
Title:	Board Member
Role:	Director
Officer/Director:	Mr. Sam Kwon
Title:	Board Member
Role:	Director

Officer/Director:	Mr. Patrick Fodale
Title:	Board Member
Role:	Director

Officer/Director:	Mr. Gary Kessler
Title:	Board Member
Role:	Director

Officer/Director:	Mr. Michael Mahar
Title:	Vice Pres/Secty/CFO
Role:	Officer

Officer/Director:	Mr. Thomas Tedford III
Title:	Vice President
Role:	Officer

Officer/Director:	Mr. Edward Arensdorf
Title:	Vice President
Role:	Officer

Officer/Director:	Mr. George Bergeron
Title:	Vice President
Role:	Officer

2. Ownership Information

Please confirm ownership information concerning each person or entity that having a direct or indirect beneficial interest in excess of 7.5% of the Disclosing Party (your entity). Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a limited lability company, or interest of a beneficiary of a trust, estate, or other similar entity. Note: Each legal entity below may be required to submit an EDS on its own behalf.

As reported by the Disclosing Party, the immediate owner(s) of the Disclosing Party is/ are listed below:

- Milestone Partners, II, L.P. - 38.3%
- Milestone Partners II, L.P. 2 - 12.8%
- Milestone Partners II (URT), L.P. - 12.7%
- CMP/URT Holdings, Inc. - 13.5%

Owner Details

Name	Business Address
CMP/URT Holdings, Inc.	520 Madison Ave New York, NY 10022 United States
Milestone Partners II (URT), L.P.	595 E. Lancaster Avenue Suite 303 St. Davids, PA 19087 United States
Milestone Partners II, L.P. 2	595 E. Lancaster Avenue Suite 303 St. Davids, PA 19087 United States
Milestone Partners, II, L.P.	595 E. Lancaster Avenue Suite 303 St. Davids, PA 19087 United States

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

No

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage of any child support obligations by any Illinois court of competent jurisdiction?

No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows:

i. neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and
ii. the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City.

NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

I certify the above to be true

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

I certify the above to be true

3. Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

I certify the above to be true

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of

- bid-rigging in violation of 720 ILCS 5/33E-3;
- bid-rotating in violation of 720 ILCS 5/33E-4; or
- any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

I certify the above to be true

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

I certify the above to be true

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), Chapter 2-56 (Inspector General) and Chapter 2-156 (Governmental Ethics) of the Municipal Code.

I certify the above to be true

7. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago.

None

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

The Disclosing Party certifies that, as defined in Section 2-32-455(b) of the Municipal Code, the Disclosing Party

is not a "financial institution"

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

If the Disclosing Party cannot make this verification, the Disclosing Party must disclose all required information in the space provided below or in an attachment in the "Additional Info" tab. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

I can make the above verification

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. A training program is available on line at www.cityofchicago.org/city/en/depts/ethics.html, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

I acknowledge and consent to the above

The Disclosing Party understands and agrees that:

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

I acknowledge and consent to the above

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

I certify the above to be true

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This question is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all corporate officers of the Disclosing Party, if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

No

ADDITIONAL INFO

Please add any additional explanatory information here. If explanation is longer than 1000 characters, you may add an attachment below. Please note that your EDS, including all attachments, becomes available for public viewing upon contract award. Your attachments will be viewable "as is" without manual redaction by the City. You are responsible for redacting any non-public information from your documents before uploading.

List of attachments uploaded by vendor

None.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and all applicable appendices, on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and all applicable appendices, are true, accurate and complete as of the date furnished to the City. Submission of this form constitutes making the oath associated with notarization.

/s/ 10/15/2012
Mr. Michael Mahar
V. Pres/Secretary/CFO
URT Holdings, Inc.

This is a printed copy of the Economic Disclosure Statement, the original of which is filed electronically with the City of Chicago. Any alterations must be made electronically, alterations on this printed copy are void and of no effect.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT and AFFIDAVIT
Related to Contract/Amendment/Solicitation
EDS # 37424

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting the EDS:

Milestone Partners, II, L.P.

Enter d/b/a if applicable:

The Disclosing Party submitting this EDS is:

a legal entity holding a direct or indirect interest in the Applicant

The Disclosing Party holds an interest in

United Road Towing, Inc. and EDS is 37315

B. Business address of the Disclosing Party:

595 E. Lancaster Avenue
Suite 303
St. Davids, PA 19087
United States

C. Telephone:

708-390-2200

Fax:

D. Name of contact person:

Mr. Michael Mahar

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

Limited partnership

Is the Disclosing Party incorporated or organized in the State of Illinois?

No

State or foreign country of incorporation or organization:

Delaware

Registered to do business in the State of Illinois as a foreign entity?

No

B. CERTIFICATION REGARDING Controlling Interest

1.b.1 Are there any individuals who control the day-to-day management of the Disclosing Party as a general partner, managing member, manager, or other capacity?

No

1.b.3 Are there any legal entities that control the day-to-day management of the Disclosing Party as a general partner, managing member, manager, or other capacity?

Yes

1.b.4 List all legal entities that function as general partners, managing members, managers, and any others who control the day-to-day management of the Disclosing Party. Each legal entity listed below must submit an EDS on its own behalf.

Name:	MIlestone Partners II G.P. L.P.
Title:	
Business Address:	555 East Lancaster Avenue Suite 500 Radnor, 19087 United States

2. Ownership Information

Please confirm ownership information concerning each person or entity that having a direct or indirect beneficial interest in excess of 7.5% of the Disclosing Party (your entity). Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a limited lability company, or interest of a beneficiary of a trust, estate, or other similar entity. Note: Each legal entity below may be required to submit an EDS on its own behalf.

As reported by the Disclosing Party, the immediate owner(s) of the Disclosing Party is/ are listed below:

There are no owners with greater than 7.5 percent ownership in the Disclosing Party.

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

No

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage of any child support obligations by any Illinois court of competent jurisdiction?

No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows:

i. neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to

commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and

ii. the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City.

NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

I certify the above to be true

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

I certify the above to be true

3. Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

I certify the above to be true

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of

- bid-rigging in violation of 720 ILCS 5/33E-3;
- bid-rotating in violation of 720 ILCS 5/33E-4; or
- any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

I certify the above to be true

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

I certify the above to be true

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), Chapter 2-56 (Inspector General) and Chapter 2-156 (Governmental Ethics) of the Municipal Code.

I certify the above to be true

7. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago.

None

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to

an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

The Disclosing Party certifies that, as defined in Section 2-32-455(b) of the Municipal Code, the Disclosing Party

is a "financial institution"

The Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

The Disclosing Party

makes the above pledge

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

If the Disclosing Party cannot make this verification, the Disclosing Party must disclose all required information in the space provided below or in an attachment in the "Additional Info" tab. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

I can make the above verification

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. A training program is available on line at www.cityofchicago.org/city/en/depts/ethics.html, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

I acknowledge and consent to the above

The Disclosing Party understands and agrees that:

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract

requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

I acknowledge and consent to the above

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

I certify the above to be true

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This question is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all corporate officers of the Disclosing Party, if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers"

means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

N/A because the Disclosing party is not the Applicant nor has a direct ownership interest.

ADDITIONAL INFO

Please add any additional explanatory information here. If explanation is longer than 1000 characters, you may add an attachment below. Please note that your EDS, including all attachments, becomes available for public viewing upon contract award. Your attachments will be viewable "as is" without manual redaction by the City. You are responsible for redacting any non-public information from your documents before uploading.

List of attachments uploaded by vendor

None.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and all applicable appendices, on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and all applicable appendices, are true, accurate and complete as of the date furnished to the City. Submission of this form constitutes making the oath associated with notarization.

/s/ 10/15/2012
Mr. Michael Mahar
URT CFO/ POA Agent
Milestone Partners, II, L.P.

This is a printed copy of the Economic Disclosure Statement, the original of which is filed electronically with the City of Chicago. Any alterations must be made electronically, alterations on this printed copy are void and of no effect.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT and AFFIDAVIT
Related to Contract/Amendment/Solicitation
EDS # 37425

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting the EDS:

Milestone Partners II, L.P. 2

Enter d/b/a if applicable:

The Disclosing Party submitting this EDS is:

a legal entity holding a direct or indirect interest in the Applicant

The Disclosing Party holds an interest in

United Road Towing, Inc. and EDS is 37315

B. Business address of the Disclosing Party:

595 E. Lancaster Avenue
Suite 303
St. Davids, PA 19087
United States

C. Telephone:

708-390-2200

Fax:

D. Name of contact person:

Mr. Michael Mahar

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

Limited partnership

Is the Disclosing Party incorporated or organized in the State of Illinois?

No

State or foreign country of incorporation or organization:

Delaware

Registered to do business in the State of Illinois as a foreign entity?

No

B. CERTIFICATION REGARDING Controlling Interest

1.b.1 Are there any individuals who control the day-to-day management of the Disclosing Party as a general partner, managing member, manager, or other capacity?

No

1.b.3 Are there any legal entities that control the day-to-day management of the Disclosing Party as a general partner, managing member, manager, or other capacity?

Yes

1.b.4 List all legal entities that function as general partners, managing members, managers, and any others who control the day-to-day management of the Disclosing Party. Each legal entity listed below must submit an EDS on its own behalf.

Name:	Milestone Partners II G.P. L.P.
Title:	General Partner
Business Address:	555 East Lancaster Avenue Suite 500 Radnor, 19087 United States

2. Ownership Information

Please confirm ownership information concerning each person or entity that having a direct or indirect beneficial interest in excess of 7.5% of the Disclosing Party (your entity). Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a limited lability company, or interest of a beneficiary of a trust, estate, or other similar entity. Note: Each legal entity below may be required to submit an EDS on its own behalf.

As reported by the Disclosing Party, the immediate owner(s) of the Disclosing Party is/ are listed below:

There are no owners with greater than 7.5 percent ownership in the Disclosing Party.

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

No

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage of any child support obligations by any Illinois court of competent jurisdiction?

Not applicable because no person directly or indirectly owns 10% or more of the Disclosing Party

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows:

i. neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to

commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and

ii. the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City.

NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

I certify the above to be true

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

I certify the above to be true

3. Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

I certify the above to be true

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of

- bid-rigging in violation of 720 ILCS 5/33E-3;
- bid-rotating in violation of 720 ILCS 5/33E-4; or
- any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

I certify the above to be true

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

I certify the above to be true

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), Chapter 2-56 (Inspector General) and Chapter 2-156 (Governmental Ethics) of the Municipal Code.

I certify the above to be true

7. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago.

None

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to

an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

The Disclosing Party certifies that, as defined in Section 2-32-455(b) of the Municipal Code, the Disclosing Party

is a "financial institution"

The Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

The Disclosing Party

makes the above pledge

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

If the Disclosing Party cannot make this verification, the Disclosing Party must disclose all required information in the space provided below or in an attachment in the "Additional Info" tab. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

I can make the above verification

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. A training program is available on line at www.cityofchicago.org/city/en/depts/ethics.html, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

I acknowledge and consent to the above

The Disclosing Party understands and agrees that:

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract

requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

I acknowledge and consent to the above

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

I certify the above to be true

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This question is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all corporate officers of the Disclosing Party, if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers"

means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

N/A because the Disclosing party is not the Applicant nor has a direct ownership interest.

ADDITIONAL INFO

Please add any additional explanatory information here. If explanation is longer than 1000 characters, you may add an attachment below. Please note that your EDS, including all attachments, becomes available for public viewing upon contract award. Your attachments will be viewable "as is" without manual redaction by the City. You are responsible for redacting any non-public information from your documents before uploading.

List of attachments uploaded by vendor

None.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and all applicable appendices, on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and all applicable appendices, are true, accurate and complete as of the date furnished to the City. Submission of this form constitutes making the oath associated with notarization.

/s/ 10/15/2012
Mr. Michael Mahar
URT CFO/ POA AGENT
Milestone Partners II, L.P. 2

This is a printed copy of the Economic Disclosure Statement, the original of which is filed electronically with the City of Chicago. Any alterations must be made electronically, alterations on this printed copy are void and of no effect.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT and AFFIDAVIT
Related to Contract/Amendment/Solicitation
EDS # 37426

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting the EDS:

Milestone Partners II (URT), L.P.

Enter d/b/a if applicable:

The Disclosing Party submitting this EDS is:

a legal entity holding a direct or indirect interest in the Applicant

The Disclosing Party holds an interest in

United Road Towing, Inc. and EDS is 37315

B. Business address of the Disclosing Party:

595 E. Lancaster Avenue
Suite 303
St. Davids, PA 19087
United States

C. Telephone:

708-390-2200

Fax:

D. Name of contact person:

Mr. Michael Mahar

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

Limited partnership

Is the Disclosing Party incorporated or organized in the State of Illinois?

No

State or foreign country of incorporation or organization:

Delaware

Registered to do business in the State of Illinois as a foreign entity?

No

B. CERTIFICATION REGARDING Controlling Interest

1.b.1 Are there any individuals who control the day-to-day management of the Disclosing Party as a general partner, managing member, manager, or other capacity?

No

1.b.3 Are there any legal entities that control the day-to-day management of the Disclosing Party as a general partner, managing member, manager, or other capacity?

Yes

1.b.4 List all legal entities that function as general partners, managing members, managers, and any others who control the day-to-day management of the Disclosing Party. Each legal entity listed below must submit an EDS on its own behalf.

Name:	Milestone Partners II G.P L.P.
Title:	General Partner
Business Address:	555 East Lancaster Avenue Suite 500 Radnor, 19087 United States

2. Ownership Information

Please confirm ownership information concerning each person or entity that having a direct or indirect beneficial interest in excess of 7.5% of the Disclosing Party (your entity). Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a limited lability company, or interest of a beneficiary of a trust, estate, or other similar entity. Note: Each legal entity below may be required to submit an EDS on its own behalf.

As reported by the Disclosing Party, the immediate owner(s) of the Disclosing Party is/ are listed below:

- Durham Capital, LLC - 31.89%
- Conifer Partners I, LLC - 35.43%
- Mr. Thomas Hagerty - 14.17%

Owner Details

Name	Business Address
Conifer Partners I, LLC	314 Gordon Avenue Thomasville, GA 31792 United States
Durham Capital, LLC	5772 Holladay Blvd Holladay, UT 84124 United States
Mr. Thomas Hagerty	9550 Bormet Drive Suite 301 Mokena, IL 60448 United States

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

No

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage of any child support obligations by any Illinois court of competent jurisdiction?

Not applicable because no person directly or indirectly owns 10% or more of the Disclosing Party

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows:

i. neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and
ii. the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City.

NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

I certify the above to be true

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

I certify the above to be true

3. Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

I certify the above to be true

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of

- bid-rigging in violation of 720 ILCS 5/33E-3;
- bid-rotating in violation of 720 ILCS 5/33E-4; or
- any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

I certify the above to be true

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the

Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

I certify the above to be true

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), Chapter 2-56 (Inspector General) and Chapter 2-156 (Governmental Ethics) of the Municipal Code.

I certify the above to be true

7. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago.

None

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

The Disclosing Party certifies that, as defined in Section 2-32-455(b) of the Municipal Code, the Disclosing Party

is a "financial institution"

The Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

The Disclosing Party

makes the above pledge

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

If the Disclosing Party cannot make this verification, the Disclosing Party must disclose all required information in the space provided below or in an attachment in the "Additional Info" tab. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

I can make the above verification

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. A training program is available on line at www.cityofchicago.org/city/en/depts/ethics.html, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

I acknowledge and consent to the above

The Disclosing Party understands and agrees that:

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or

in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

I acknowledge and consent to the above

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

I certify the above to be true

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This question is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner

thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all corporate officers of the Disclosing Party, if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

N/A because the Disclosing party is not the Applicant nor has a direct ownership interest.

ADDITIONAL INFO

Please add any additional explanatory information here. If explanation is longer than 1000 characters, you may add an attachment below. Please note that your EDS, including all attachments, becomes available for public viewing upon contract award. Your attachments will be viewable "as is" without manual redaction by the City. You are responsible for redacting any non-public information from your documents before uploading.

List of attachments uploaded by vendor

None.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and all applicable appendices, on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and all applicable appendices, are true, accurate and complete as of the date

furnished to the City. Submission of this form constitutes making the oath associated with notarization.

/s/ 10/15/2012
Mr. Michael Mahar
URT CFO / POA AGENT
Milestone Partners II (URT), L.P.

This is a printed copy of the Economic Disclosure Statement, the original of which is filed electronically with the City of Chicago. Any alterations must be made electronically, alterations on this printed copy are void and of no effect.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT and AFFIDAVIT
Related to Contract/Amendment/Solicitation
EDS # 37427

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting the EDS:

CMP/URT Holdings, Inc.

Enter d/b/a if applicable:

The Disclosing Party submitting this EDS is:

a legal entity holding a direct or indirect interest in the Applicant

The Disclosing Party holds an interest in

United Road Towing, Inc. and EDS is 37315

B. Business address of the Disclosing Party:

520 Madison Ave
New York, NY 10022
United States

C. Telephone:

708-390-2200

Fax:

D. Name of contact person:

Mr. Michael Mahar

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

Publicly registered business corporation

Is the Disclosing Party incorporated or organized in the State of Illinois?

No

State or foreign country of incorporation or organization:

Delaware

Registered to do business in the State of Illinois as a foreign entity?

No

B. DISCLOSING PARTY IS A LEGAL ENTITY:

1.a.1 Does the Disclosing Party have any directors?

Yes

1.a.3 List below the full names and titles of all executive officers and all directors, if any, of the entity. Do not include any directors who have no power to select the entity's officers.

Officer/Director:	Mr. Leo Helmers
Title:	Managing Director
Role:	Both

2. Ownership Information

Please confirm ownership information concerning each person or entity that having a direct or indirect beneficial interest in excess of 7.5% of the Disclosing Party (your entity). Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a limited lability company, or interest of a beneficiary of a trust, estate, or other similar entity. Note: Each legal entity below may be required to submit an EDS on its own behalf.

As reported by the Disclosing Party, the immediate owner(s) of the Disclosing Party is/ are listed below:

- Carlyle Investment Management L.L.C. dba The Carlyle Group - 100.0%

Owner Details

Name	Business Address
Carlyle Investment Management L.L.C. dba The Carlyle Group	101 Pennsylvania Avenue, N.W. Washington DC, DC 20004 United States

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

No

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage of any child support obligations by any Illinois court of competent jurisdiction?

Not applicable because no person directly or indirectly owns 10% or more of the Disclosing Party

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows:

i. neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to

commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and

ii. the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City.

NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

I certify the above to be true

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

I certify the above to be true

3. Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

I certify the above to be true

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of

- bid-rigging in violation of 720 ILCS 5/33E-3;
- bid-rotating in violation of 720 ILCS 5/33E-4; or
- any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

I certify the above to be true

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

I certify the above to be true

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), Chapter 2-56 (Inspector General) and Chapter 2-156 (Governmental Ethics) of the Municipal Code.

I certify the above to be true

7. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago.

None

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to

an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

The Disclosing Party certifies that, as defined in Section 2-32-455(b) of the Municipal Code, the Disclosing Party

is not a "financial institution"

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

If the Disclosing Party cannot make this verification, the Disclosing Party must disclose all required information in the space provided below or in an attachment in the "Additional Info" tab. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

I can make the above verification

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations

on persons or entities seeking City contracts, work, business, or transactions. A training program is available on line at www.cityofchicago.org/city/en/depts/ethics.html, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

I acknowledge and consent to the above

The Disclosing Party understands and agrees that:

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

I acknowledge and consent to the above

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

I certify the above to be true

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This question is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all corporate officers of the Disclosing Party, if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

N/A because the Disclosing party is not the Applicant nor has a direct ownership interest.

ADDITIONAL INFO

Please add any additional explanatory information here. If explanation is longer than 1000 characters, you may add an attachment below. Please note that your EDS, including all attachments, becomes available for public viewing upon contract award. Your attachments will be viewable "as is" without manual redaction by the City. You are responsible for redacting any non-public information from your documents before uploading.

CMP/URT Holdings, Inc. is a wholly owned subsidiary of Carlyle Mezzanine Partners, which is a subsidary of the Carlyle group and managed by Carlyle Investment Management LLC. Carlyle is a registered investment advisor.

List of attachments uploaded by vendor

Carlyle Group Form ADV - Registered Investment Advisor
Ownership Affidavit
Form ADV brochure addendum

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and all applicable appendices, on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and all applicable appendices, are true, accurate and complete as of the date furnished to the City. Submission of this form constitutes making the oath associated with notarization.

/s/ 01/25/2013
Mr. Michael Mahar
URT CFO / POA AGENT
CMP/URT Holdings, Inc.

This is a printed copy of the Economic Disclosure Statement, the original of which is filed electronically with the City of Chicago. Any alterations must be made electronically, alterations on this printed copy are void and of no effect.

FORM ADV

OMB: 3235-0049

UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

Primary Business Name: THE CARLYLE GROUP	IARD/CRD Number: 111128
	Rev. 11/2011

WARNING: Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

Item 1 Identifying Information

Responses to this Item tell us who you are, where you are doing business, and how we can contact you.

A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):
CARLYLE INVESTMENT MANAGEMENT L.L.C.

B. Name under which you primarily conduct your advisory business, if different from Item 1.A.:
THE CARLYLE GROUP

List on Section 1.B. of Schedule D any additional names under which you conduct your advisory business.

C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.), enter the new name and specify whether the name change is of ☐ your legal name or ☐ your primary business name:

D. (1) If you are registered with the SEC as an investment adviser, your SEC file number: **801-52462**

(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:

E. If you have a number ("*CRD* Number") assigned by the *FINRA's CRD* system or by the IARD system, your *CRD* number: **111128**

If your firm does not have a *CRD* number, skip this Item 1.E. Do not provide the *CRD* number of one of your officers, *employees*, or affiliates.

F. *Principal Office and Place of Business*

(1)Address (do not use a P.O. Box):

Number and Street 1:		Number and Street 2:	
1001 PENNSYLVANIA AVENUE, N.W.		SUITE 220 SOUTH	
City:	State:	Country:	ZIP+4/Postal Code:
WASHINGTON	District of Columbia	UNITED STATES	20004-2505

If this address is a private residence, check this box: ☐

List on Section 1.F. of Schedule D any office, other than your *principal office and place of business*, at which you conduct investment advisory business. If you are applying for registration, or are registered, with one or more state securities authorities, you must list all of your offices in the state or states to which you are applying for registration or with whom

you are registered. If you are applying for SEC registration, if you are registered only with the SEC, or if you are reporting to the SEC as an *exempt reporting adviser*, list the largest five offices in terms of numbers of *employees*.

(2) Days of week that you normally conduct business at your *principal office and place of business:*

(●) Monday - Friday ( ) Other:

Normal business hours at this location:

9:00 A.M. TO 6:00 P.M.

(3) Telephone number at this location:

202-729-5626

(4) Facsimile number at this location:

202-347-1818

G. Mailing address, if different from your *principal office and place of business* address:

Number and Street 1: Number and Street 2:

City: State: Country: ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

H. If you are a sole proprietor, state your full residence address, if different from your *principal office and place of business* address in Item 1.F.:

Number and Street 1: Number and Street 2:

City: State: Country: ZIP+4/Postal Code:

I. Do you have one or more websites? **Yes** (●) **No** ( )

If "yes," list all website addresses on Section 1.I. of Schedule D. If a website address serves as a portal through which to access other information you have published on the web, you may list the portal without listing addresses for all of the other information. Some advisers may need to list more than one portal address. Do not provide individual electronic mail (e-mail) addresses in response to this Item.

J. Provide the name and contact information of your Chief Compliance Officer: If you are an *exempt reporting adviser*, you must provide the contact information for your Chief Compliance Officer, if you have one. If not, you must complete Item 1.K. below.

Name: Other titles, if any:

Telephone number: Facsimile number:

Number and Street 1: Number and Street 2:

City: State: Country: ZIP+4/Postal Code:

Electronic mail (e-mail) address, if Chief Compliance Officer has one:

K. Additional Regulatory Contact Person: If a person other than the Chief Compliance Officer is authorized to receive information and respond to questions about this Form ADV, you may provide that information here.

Name: Titles:

Telephone number: Facsimile number:

Number and Street 1: Number and Street 2:

City: State: Country: ZIP+4/Postal Code:

Electronic mail (e-mail) address, if contact person has one:

		Yes	No
L.	Do you maintain some or all of the books and records you are required to keep under Section 204 of the Advisers Act, or similar state law, somewhere other than your *principal office and place of business*?	◉	○

If "yes," complete Section 1.L. of Schedule D.

		Yes	No
M.	Are you registered with a *foreign financial regulatory authority*?	○	◉

Answer "no" if you are not registered with a *foreign financial regulatory authority*, even if you have an affiliate that is registered with a *foreign financial regulatory authority*. If "yes," complete Section 1.M. of Schedule D.

		Yes	No
N.	Are you a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934?	○	◉

If "yes," provide your CIK number (Central Index Key number that the SEC assigns to each public reporting company):

		Yes	No
O.	Did you have $1 billion or more in assets on the last day of your most recent fiscal year?	◉	○

P. Provide your *Legal Entity Identifier* if you have one:

A *legal entity identifier* is a unique number that companies use to identify each other in the financial marketplace. In the first half of 2011, the *legal entity identifier* standard was still in development. You may not have a *legal entity identifier*.

Next

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

Addendum to Disclosure by Carlyle Mezzanine Partners, L.P.

"There is no individual holding a beneficial interest in Carlyle Mezzanine Partners, L.P., either directly or indirectly, in an amount that would exceed 7.5% beneficial interest in United Road Towing, Inc."

CERTIFICATION

Under penalties of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

CARLYLE MEZZANINE PARTNERS, L.P.

By: Carlyle Mezzanine Partners, L.P., its sole member

By: CMP General Partner, L.P., its general partner

By: TC Group CMP, L.L.C., its general partner

By: _____

Name: Leo A. Helmers

Title: Managing Director

Signed and sworn before me on (date) Oct 18, 2012, by Deborah A Evans, at New York County, New York (state).

Deborah A Evans Notary Public

DEBORAH A. EVANS
Notary Public - State of New York
No. 01EV6190077
Qualified in Nassau County
My Commission Expires July 14, 2016

Commission expires: 7/14/2016

THE CARLYLE GROUP

Form ADV Part 2A – Carlyle Investment Management L.L.C. Brochure

March 30, 2012

Carlyle Investment Management L.L.C.
1001 Pennsylvania Ave NW, Suite 220 South
Washington, DC 20004
www.carlyle.com

This Brochure provides information about the qualifications and business practices of Carlyle Investment Management L.L.C. ("CIM"). CIM is the principal investment adviser to various private funds and managed accounts sponsored by The Carlyle Group ("Carlyle"). If you have any questions about the content of this Brochure, please contact Chris Ullman at (202) 729-5626. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about CIM also is available on the SEC's website at www.adviserinfo.sec.gov (click on the link "Investment Adviser Search" and then select "Investment Adviser Firm" and type in our advisory firm name "Carlyle Investment Management").

CIM is an investment adviser registered with the SEC (a "registered investment adviser"). This registration does not imply a certain level of skill or training.

Item 2. Material Changes

This Brochure is intended to provide potential and existing clients with an overview of CIM. It also contains important disclosures such as certain practices of CIM, potential material conflicts that may arise and key potential investment risks.

The following is a discussion of the material changes to CIM's Brochure since the last annual update filed March 31, 2011.

AlpInvest

On July 1, 2011, Carlyle completed its acquisition of a 60% equity interest in AlpInvest Partners B.V. (formerly known as AlpInvest Partners N.V., and together with its successors, "AlpInvest"). AlpInvest is one of the world's largest investors in private equity and advises a global private equity fund of funds program and related co-investment and secondary activities. AlpInvest is separately registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). For the purposes of this Brochure, references to CIM do not include references to AlpInvest or its subsidiaries.

Emerging Sovereign Group

On July 1, 2011, Carlyle acquired a 55% interest in Emerging Sovereign Group, LLC ("ESG"), a separate investment adviser to emerging markets equities and macroeconomic hedge funds. ESG is separately registered as an investment adviser under the Advisers Act. When Carlyle acquired its equity interest in ESG, ESG became part of Carlyle's Global Market Strategies Group, which focuses on various types of credit, equities, and other alternative investments. For the purposes of this Brochure, references to CIM do not include references to ESG.

TCG Securities

On June 29, 2011, the Financial Industry Regulatory Authority ("FINRA") and the SEC approved the registration of TCG Securities, L.L.C. ("TCG Securities"), an affiliate of CIM, as a limited-purpose broker-dealer. TCG Securities commenced operations on August 8, 2011. TCG Securities acts as placement agent with respect to the offer and sale of certain interests in affiliated private investment vehicles.

Churchill Financial

On November 18, 2011, Carlyle acquired Churchill Financial LLC ("Churchill"), a provider of debt capital to U.S. middle-market companies, and manager of a

collateralized loan obligation ("CLO") focused on senior loans extended to middle-market companies. Churchill is part of Carlyle's Global Market Strategies platform. As described more fully in Item 10, Churchill conducts a single advisory business with CIM and, accordingly, has registered through CIM's Form ADV as a "relying adviser."

The Carlyle Group L.P.

On September 6, 2011, The Carlyle Group L.P., an affiliate of CIM, filed a registration statement on Form S-1 with the SEC for a proposed initial public offering of its common units, which registration statement has since been amended in subsequent filings but has not yet been declared effective.

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Item 4. Advisory Business

The Carlyle Group

Carlyle, founded in 1987, has evolved into one of the largest and most diversified multi-product global alternative asset management firms in the world. Carlyle operates its business, through CIM and several other Carlyle-affiliated investment advisers, across four segments: (i) corporate private equity, (ii) real assets, (iii) global market strategies, and (iv) fund of funds solutions.

Carlyle Investment Management L.L.C.

CIM, a Delaware limited liability company formed in 1996, is registered with the SEC as an investment adviser. It provides investment advisory services, either directly or through sub-advisory arrangements, to Carlyle-sponsored investment vehicles and managed accounts (each an "Advisory Client" [1]). In the context of Carlyle's structured credit investment activities, CIM generally provides advisory services directly to the investment vehicle as collateral/investment manager.

The principal direct and indirect owners of CIM are William E. Conway, Jr., Daniel A. D'Aniello, David M. Rubenstein, TC Group, L.L.C., a Delaware limited liability company, and TCG Holdings, L.L.C., a Delaware limited liability company. Messrs. Conway, D'Aniello and Rubenstein are the co-founders of Carlyle. Together with Glenn Youngkin, Carlyle's Chief Operating Officer and Adena Friedman, Carlyle's Chief Financial Officer, they comprise Carlyle's Management Committee, which sets strategic direction and makes key executive decisions affecting the operations and policies of Carlyle in areas including Carlyle's vision and strategy, corporate mergers and acquisitions, new business initiatives and the incurrence of corporate debt.

Carlyle has also established an Operating Committee, chaired by Mr. Youngkin and comprised of senior management. The Operating Committee reports to and works closely with the Management Committee, and is responsible for executing the

[1] "Advisory Client" means any account or fund for which CIM provides investment advice and/or places trades on a discretionary or nondiscretionary basis. The investors and other persons who invest in CIM's Advisory Clients are generally referred to herein as "investors." Unless otherwise expressly stated herein, the term "Advisory Clients" does not include "investors."

Management Committee's directives, policies and procedures, and managing day-to-day activities of Carlyle.

As of December 31, 2011, CIM managed approximately $95.2 billion of assets in respect of which CIM has full investment discretion (subject to the Advisory Client's established investment guidelines). As of December 31, 2011, CIM also managed approximately $4.7 billion of assets in respect of which CIM does not have full investment discretion.

Although CIM is a separately-registered investment adviser that generally operates independently of other Carlyle-affiliated investment advisers, its status as part of the larger Carlyle organization raises certain actual and potential conflicts of interest, as discussed more fully in Item 10.

CIM also acts as co-investment adviser with unaffiliated investment advisers for certain investment vehicles that are joint ventures between Carlyle and unaffiliated entities, for example, its current joint ventures with Riverstone Holdings, LLC ("Riverstone") with respect to certain power and energy and renewables funds.

In providing its services to each Advisory Client, CIM and its related persons provide advice with respect to the investment and reinvestment of each Advisory Client's assets, and may assist in coordinating reports to investors. CIM manages the assets of each Advisory Client in accordance with the terms of the governing documents (or investment management agreement in the case of a separately managed account) applicable to such Advisory Client.

Interests in Carlyle-sponsored investment vehicles advised by CIM are privately offered only to eligible investors pursuant to exemptions available under the Securities Act of 1933, as amended (the "Securities Act"), and the regulations promulgated thereunder. Such investment vehicles, including parallel and co-investment vehicles, are not registered with the SEC as investment companies based on specific exclusions from the Investment Company Act of 1940, as amended ("1940 Act"). Typically, interests in such investment vehicles are offered to institutional investors and high net worth individuals. Additionally, Carlyle, its affiliates and equity owners, and certain of their respective professionals typically invest in or alongside Advisory Clients. Other qualified individuals who may not be employees of Carlyle, but who have pre-existing business relationships with Carlyle or industry expertise in the sector in which a particular Advisory Client may be investing, also may invest in or alongside Advisory Clients. Some of these outside investors and industry experts are current or former executives of portfolio companies in which an investment vehicle will invest.

The Carlyle Group Business Segments

Carlyle operates its business, through CIM and several other Carlyle-affiliated investment advisers, across four segments: (i) corporate private equity, (ii) real assets, (iii) global market strategies, and (iv) fund of funds solutions.

Corporate Private Equity

Carlyle established its private equity business in 1990 with its first U.S. buyout fund, and expanded it in 1997 to include growth capital and equity opportunities funds. Carlyle also sponsors private equity funds in Asia, Europe, Japan, the Middle East and North Africa ("MENA") and South America. Carlyle's team of corporate private equity investment professionals closely analyzes investment opportunities in a wide range of companies, from small-cap growth companies to market-leading, large-cap companies across its core industries (including, aerospace and defense, automotive and transportation, consumer and retail, financial services, healthcare, industrial, technology and business services, and telecommunications and media) on six continents.

- *Buyout.* Carlyle's buyout teams advise a diverse group of Advisory Clients that invest in buyout transactions that focus either on a particular geography (*e.g.*, United States, Europe, Asia, Japan, Mexico, South America, MENA or Sub-Saharan Africa) or a particular industry (*e.g.*, financial services).

- *Growth Capital and Equity Opportunities.* Carlyle's growth capital and equity opportunities Advisory Clients are advised by three regionally-focused teams in the United States, Europe and Asia, with each team seeking investment opportunities consistent with specific regional investment criteria. Their investment mandate is to seek out leading companies with unrealized growth potential around the world.

CIM, either directly or indirectly, advises the Corporate Private Equity Advisory Clients.

Real Assets

Carlyle's real assets investment program focuses on investments in the real estate, infrastructure, energy and renewables industries. The real assets investment professionals seek opportunities in tangible assets, such as hotels, office and residential buildings, retail outlets, senior-living centers, pipelines, wind farms,

refineries, airports, roads, or similar assets, and in companies providing services thereto.

- *Real Estate*. Carlyle's real estate investment team focuses on real estate opportunities in Asia, Europe and North America. Carlyle's real estate investment professionals generally focus on identifying single- or related-property opportunities, including office buildings, hotels, retail properties, residential properties, industrial properties and senior living facilities, rather than REITS or other real estate-related companies with real estate portfolios.

- *Infrastructure*. Carlyle's infrastructure investment team focuses on investments in infrastructure companies and assets.

- *Energy & Renewables.* Carlyle's energy and renewable resources activities focus on buyouts, growth capital investments and strategic joint ventures in the midstream, upstream, power and oilfield services sectors, as well as the renewable and alternative sectors of the energy industry. Carlyle currently conducts those activities with Riverstone. CIM jointly advises four energy and power funds and two renewables funds with Riverstone Investment Group, L.L.C., a separately registered and unaffiliated investment adviser. Carlyle and Riverstone have mutually decided not to pursue additional jointly managed funds (although Carlyle will continue to advise jointly with Riverstone the six existing energy and renewable resources funds).

CIM, either directly or indirectly, advises or co-advises the Real Assets Advisory Clients.

<u>Global Market Strategies</u>

Carlyle's Global Market Strategies team advises a diverse group of advisory clients that invest across various types of credit, equities, and other alternative instruments and (with regard to certain macroeconomic strategies) currencies, commodities and interest rate products and their derivatives. CIM is one of several affiliated investment advisers that provide advice to Global Market Strategies advisory clients. The Global Market Strategies team includes investment professionals located in the United States, Europe and Asia.

- *Structured Credit*: Carlyle's structured credit investment team focuses on investments primarily in performing senior secured bank loans through structured vehicles and managed accounts. CIM advises the U.S. structured

credit Advisory Clients.

Carlyle's European structured credit funds are independently advised by CELF Advisors LLP ("CELF"), an affiliated investment adviser registered with and subject to the oversight of the U.K. Financial Services Authority. CELF has filed with the SEC as an Exempt Reporting Adviser under the exemption from the SEC's investment adviser registration requirements provided in Rule 203(m)-1 under the Advisers Act.

- *Distressed and Corporate Opportunities*: Carlyle's distressed and corporate opportunities investment team focuses on investments in the debt and equity of operationally sound, financially distressed companies in Carlyle's core industries and seeks to exert influence or obtain control where appropriate. CIM advises the distressed and corporate opportunity Advisory Clients.

- *Corporate Mezzanine*: Carlyle's corporate mezzanine investment team seeks to invest in junior debt and equity securities of middle-market and large-cap leveraged buyouts, recapitalizations, acquisitions and growth-oriented financings. CIM advises the corporate mezzanine Advisory Clients.

- *Energy Mezzanine Opportunities*: Carlyle's energy mezzanine investment team seeks to invest primarily in credit opportunities, including senior secured and mezzanine debt, royalty interests, production payments, net profits interest, secondary debt and equity co-investments, primarily in North America throughout the energy and power sector. CIM advises the energy mezzanine Advisory Clients.

- *GMS Finance:* In November 2011, Carlyle acquired Churchill, a debt capital provider to U.S. middle-market companies, and manager of a CLO focused on senior loans to middle-market companies. The GMS Finance investment team, which comprises former members of Churchill's investment and management teams, seeks to provide financing, primarily through senior secured loans and subordinated debt to U.S. middle-market companies.

- *Long/Short Corporate Credit*: Claren Road Asset Management, LLC ("Claren Road"), acquired by Carlyle in December 2010 and separately registered under the Advisers Act, advises two long-short corporate credit hedge funds.

- *Emerging Markets*: ESG, acquired in July 2011 and separately registered under the Advisers Act, advises six emerging markets equity and macroeconomic hedge funds.

Fund of Funds Solution

Carlyle's Fund of Funds Solutions segment was established on July 1, 2011, when Carlyle acquired a 60% equity interest in AlpInvest. AlpInvest is one of the world's largest investors in private equity and advises a global private equity fund of funds program and related co-investment and secondary activities. AlpInvest's anchor clients are two large Dutch pension funds, which were the founders and previous shareholders of the company. Although Carlyle maintains ultimate control over AlpInvest, AlpInvest's historical management team continues to exercise independent investment authority without involvement by Carlyle. AlpInvest is separately registered as an investment adviser under the Advisers Act.

AlpInvest has three primary areas of focus:

- *Fund Investments*. AlpInvest fund of funds vehicles make investments directly in buyout, growth capital, venture and other alternative asset funds advised by third-party general partners, including Carlyle ("portfolio funds").

- *Co-investments*. AlpInvest invests alongside other private equity and mezzanine funds, including Carlyle, throughout Europe, North America and Asia.

- *Secondary Investments*. AlpInvest also advises funds that acquire interests in portfolio funds in secondary market transactions.

In addition, AlpInvest also offers customized separate accounts and co-mingled vehicles for investors.

CIM and AlpInvest have entered into a coordination agreement to provide joint investment advice to an Advisory Client, with the purpose of making recommendations to such Advisory Client in respect of its overall private equity investment strategy, including its allocations of capital, if any, to investment vehicles sponsored by Carlyle or AlpInvest. Neither CIM nor AlpInvest (nor any of their related persons) will receive any compensation for the provision of investment advice provided under the coordination agreement.

Item 5. Fees and Compensation

CIM or its affiliates[2] generally receive management fees and carried interest or similar profit allocations from Advisory Clients. Advisory Clients may also indirectly incur or generate other fees payable to CIM or its affiliates, depending on the nature of their portfolio activities. CIM or its affiliates may, for example, earn fees and other compensation from prospective and actual portfolio companies, purchasers, sellers and other parties as compensation for services (collectively, "Transaction Fees"). These Transaction Fees can include project, structuring, topping, break-up, directors', organizational, set-up, closing, commitment, advisory, consulting, underwriting, and syndication fees in connection with the purchase, monitoring, or disposition of underlying investments or from unconsummated transactions. In general, the specific legal and/or organizational documents of the relevant Advisory Client, the investment management agreement between CIM (or an affiliate) and such Advisory Client or the agreements in respect of the portfolio investments describe the basic fee structure relevant to the investors in such Advisory Client. To the extent provided in such organizational documents or investment management agreement, CIM's management fees from Advisory Clients in many cases are reduced by a specified portion of the Transaction Fees that arise out of such Advisory Client's investment activities.

Advisory Clients may also bear certain out-of-pocket expenses incurred by CIM or its affiliates in connection with the services provided to such Advisory Clients. The following sections discuss the most common fees and expenses in more detail.

Common Types of Fees

Management Fees

For most Advisory Clients that are pooled investment funds, the annual management fee is typically in the range of 1-2 percent of third-party investors' committed capital during the relevant Advisory Client's investment period. After such investment period, the fee percentage is typically applied only to the amount of third-party capital remaining in investments that have not yet been exited, and also may be reduced. For services provided to certain separately managed accounts, the Advisory

[2] For the purposes of this Brochure, references to "CIM or its affiliates" or "CIM and its affiliates" do not include references to Claren Road, ESG, or AlpInvest.

Client pays a flat rate management fee to CIM or one of its affiliates. In some situations, an Advisory Client pays management fees based on net asset value of the investments held by such Advisory Client.

Management fees are generally paid by or on behalf of an Advisory Client by (i) requiring investors in such Advisory Client to make capital contributions in respect of such fees, or (ii) withholding the amount of such fees from investment proceeds that would otherwise be distributable to the investors of such Advisory Client. In addition, CIM or its affiliates often has the ability to cause an Advisory Client to borrow money for the payment of such fees.

Management fees are negotiable and, depending on the Advisory Client, may be paid in advance or in arrears and may vary for different third-party investors. If management fees with respect to an Advisory Client are assessed in advance, they are generally required to be returned to the investors in such Advisory Client should CIM's and its affiliates' management services to the Advisory Client be terminated prior to the end of the period in respect of which the fees have been paid (including, for example, situations where the final distribution by an Advisory Client occurs prior to the end of a period for which management fees have already been paid). In general, the amount of such fees to be returned is calculated based on the number of days remaining in the applicable period.

Performance-Based Arrangements[3]

Distributions to investors in most Advisory Clients are subject to some form of carried interest or similar profit allocation for the benefit of an affiliate of CIM. Generally, these profit allocations represent a share of distributions made by an Advisory Client in excess of the relevant investors' invested capital, and allocable fees and expenses. Performance-based profit allocations may be applied each time an investment is realized or on an annual (or more frequent) basis with respect to certain Advisory Clients.

Performance fees or carried interest profit allocations are subject to regulation under Section 205 of the Advisers Act and Rule 205-3 thereunder. Therefore, CIM seeks to ensure that any Advisory Client or investors in an Advisory Client that are directly or indirectly assessed performance fees or are subject to carried interest profit

[3] See also Item 6 – "Performance-Based Fees and Side-By-Side Management".

allocations satisfy the qualifications of Rule 205-3 under the Advisers Act and have been advised of such fees or allocations and their risks.

Performance fees or carried interest allocations generally do not exceed 20% of profits, and may be subject to certain preferred return hurdles and high water marks. The manner of calculation and application of performance fees or carried interest profit allocations are disclosed in the offering documents for, and detailed in the governing agreements of, each Advisory Client.

Management fees and carried interest or similar profit allocations are subject to modification, waiver or reduction in connection with an investment in one or multiple Advisory Clients. Furthermore, Carlyle, its affiliates and equity owners, and certain of their respective professionals typically invest in or alongside Advisory Clients. Other qualified individuals who may not be employees of Carlyle, but who have pre-existing business relationships with Carlyle or industry expertise in the sector in which a particular Advisory Client may be investing, also may invest in or alongside Advisory Clients. Fees assessed or profit allocations on such investments may be substantially reduced or, as is more typical, waived altogether for these investors.

Other Fees

To the extent CIM is entitled to receive fees from portfolio companies of an Advisory Client, a portion of such fees paid to CIM (*e.g.*, in general, 80% or, in the case of directors' fees, 100%) typically reduces the management fees otherwise payable to CIM . The governing agreement (or investment management agreement in the case of a separately managed account) of each Advisory Client sets forth the basis on which such fees reduce management fees. Such fees are described below.

Acquisition and disposition fees are one-time fees paid to CIM or one of its affiliates in connection with an investment or disposition by an Advisory Client. Such fees are generally paid by portfolio companies, but in limited circumstances are paid directly by an Advisory Client. Such fees are common to some but not all Advisory Clients.

CIM or its affiliates may receive a fee in connection with consulting, monitoring or other ongoing services provided to a portfolio company.

In the context of real estate pooled investment funds, CIM or an affiliate may charge project fees for providing bona fide asset management (*e.g.*, property management), development, disposition or other similar services.

CIM may have a conflict of interest to the extent that it has an opportunity to earn a fee from an investment held by an Advisory Client. However, CIM believes that the management fee offset provisions described above and the substantial equity commitment by CIM and its affiliates in Advisory Clients substantially mitigates this potential conflict. Other than transactions expressly permitted by the governing agreements of the relevant Advisory Client, any fees paid to CIM or its affiliates by a portfolio company or an Advisory Client are required to be on an arm's-length basis and on terms that are no less favorable to the Advisory Client or portfolio company than would be obtained in a transaction with an unaffiliated party, or approved by the relevant investor advisory committee.

Common Types of Expenses

Brokerage Expenses

Expenses paid to third parties in connection with the acquisition or disposition of investments are borne by the Advisory Clients. These expenses include brokerage commissions (direct or in the form of a spread), account fees, custodial expenses, other bank service fees and other investment costs, fees, and expenses incurred in connection with completed investments. These fees and expenses are also discussed in more detail in Item 12 – "Brokerage Practices".

Organizational/Offering Expenses

Typically, legal, accounting, filing, travel and other expenses incurred in connection with organizing and establishing an Advisory Client and its general partner (or similar managing fiduciary) are borne by the investors in such Advisory Client. Often, the expenses borne by an Advisory Client are capped in the governing documents for the Advisory Client and any excess would offset future management fees. With respect to certain Advisory Clients, such expenses, up to the amount of any applicable cap, are borne solely by the third-party investors in such Advisory Clients that are not affiliated with Carlyle and any excess is borne by Carlyle.

Broken Deal Expenses

Investors in Advisory Clients generally are required to bear out-of-pocket costs and expenses occurred in connection with deals that are not ultimately completed. Typically, these expenses include (i) legal, accounting, advisory, consulting or other third-party expenses in connection with making an investment that is not ultimately consummated and any related travel and accommodation expenses, although CIM and its affiliates may be required to bear travel and accommodation expenses

incurred in connection with the preliminary investigation of investment opportunities, (ii) all fees (including commitment fees), costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment that is not ultimately made, and (iii) any break-up fees, deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not ultimately made (in each case, to the extent such investment is not ultimately made by another Advisory Client).

Other Expenses

There are additional general categories of expenses that may be borne by Advisory Clients, depending on their structure. In the case of Advisory Clients that are pooled investment vehicles, the investors in such Advisory Clients generally are required to pay all costs and expenses related to the operation of the vehicle. These costs and expenses can include fees, costs and expenses related to developing, negotiating, structuring, trading, settling, monitoring, holding and disposing of portfolio investments; fees and expenses of administrators, custodians, attorneys, accountants and other professionals (including the audit and certification fees and the costs of printing and distributing reports); any insurance, indemnity or litigation expense; interest on, and fees and expenses arising out of, borrowings made by the Advisory Client; the out-of-pocket and legal and other expenses of an investor advisory committee; and certain taxes and any fees or other governmental charges levied against the Advisory Client. In the case of Advisory Clients that are separately managed accounts, specific additional expense categories generally will be included in the investment management agreement relating to such Advisory Client.

Item 6. Performance-Based Fees and Side-By-Side Management

CIM currently acts as investment adviser or collateral manager to Advisory Clients, and related persons typically act as a general partner (or similar managing fiduciary) of such Advisory Clients. As discussed in Item 5, CIM and its affiliates may receive carried interest allocations and management fees and other fees in connection with advisory and other services provided to Advisory Clients. The relationship of CIM , the manner of calculation and application of management fees and carried interest profit allocations or other performance-based fees, as applicable, with respect to CIM , the affiliated general partner (or collateral manager or similar managing fiduciary) or other affiliates and known or reasonably anticipated conflicts of interest involving CIM or its affiliates, are disclosed in the offering documents of the applicable Advisory Client provided to potential investors prior to their investment.

Each Advisory Client typically has a specified investment objective that is focused on a particular geography and investment strategy. Investment opportunities that satisfy the investment parameters of a particular Advisory Client typically will be allocated exclusively to that particular Advisory Client. Generally, co-investment vehicles are only allocated investment opportunities if there is excess capacity in a particular investment opportunity. In certain cases, however, an investment opportunity may be appropriate for more than one Advisory Client. As discussed in more detail in Item 11, these investment opportunities are allocated in accordance with CIM's written policies and procedures, taking into account the applicable provisions of the Advisory Client's governing agreement (or investment management agreement in the case of a separately managed account).

In allocating investment opportunities, there could be incentives to favor Advisory Clients with higher potential performance fees or carried interest allocations over Advisory Clients with lower potential performance fees or carried interest allocations[4]. Additionally, as described in Item 8, carried interest allocations may create an incentive for the general partner (or similar managing fiduciary) of a Carlyle-sponsored investment vehicle advised by CIM to make riskier or more speculative investments on behalf of such investment vehicle than would be the case in the absence of this arrangement.

As a control, CIM has adopted a policy pursuant to which it seeks to allocate investment opportunities among Advisory Clients in a fair and equitable manner, bearing in mind, among other things, the size, investment objectives, risk tolerance, return targets, diversification considerations, permissible and preferred asset classes, and liquidity needs of each Advisory Client. CIM's policies prohibit the allocation of investment opportunities based on anticipated compensation or profits to Carlyle, CIM, any affiliates or their professionals. Each Advisory Client typically has its own investment guidelines, governing agreements, and geographical and industry focus that must be taken into account when making investment allocation determinations. Final allocation decisions are under the purview of CIM.

[4] For example, if one Advisory Client is in a net loss position and another Advisory Client is in a net gain position, the Advisory Client in the net loss position will either (i) not generate a carried interest from such investment, or (ii) generate less carried interest from such investment to the extent profits are required to make up for previous losses.

Item 7. Types of Clients

The vast majority of CIM's Advisory Clients are pooled investment vehicles. CIM also provides advisory services on a separately managed account basis to, among others, government entities and instrumentalities and life insurance company trusts and other insurance companies.

CIM and its affiliates require that each third-party investor in an Advisory Client be an "accredited investor" as defined in Regulation D under the Securities Act and a "qualified purchaser" as defined in the 1940 Act. Typically, a minimum investment amount is imposed on third parties investing in the investment vehicles for which CIM acts as investment adviser or collateral manager. This minimum often is set at $5-10 million, but can be subject to a reduction upon prior agreement by CIM or an affiliate (subject to applicable legal requirements). A minimum investment amount can also be established pursuant to the laws of the jurisdiction in which the investment vehicle was established.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

CIM uses a range of methods to identify, analyze and assess potential and existing investment opportunities, descriptions of which are included in the applicable offering documents and other constituent documentation. This may include arrangements with affiliated or unaffiliated advisors for purposes of obtaining analyses that would assist the investment committees in their investment decision-making process. More specific descriptions are provided below regarding the investment strategies and investment processes, as they pertain to each investment group within CIM. As a general matter, analytical methods used by the investment teams can include gain/loss forecast models, cash-flow models, other financial modeling and simulation, risk sensitivity analyses, charting, and fundamental, technical and cyclical analysis.

Corporate Private Equity

CIM corporate private equity Advisory Clients seek to make privately-negotiated equity or equity-related investments, focusing on leveraged buyout transactions in a specified geographic region. In its leveraged buyout transactions, the Advisory Clients seek to (i) acquire portfolio companies primarily in Carlyle's core industries; (ii) finance acquisitions using leverage from debt incurred by such companies; (iii)

motivate and incentivize management of such portfolio companies in an effort to increase shareholder value; and (iv) sell their interests in each portfolio company when the value of the business has significantly increased.

In considering potential investment opportunities in the corporate private equity setting, a number of analytical methods are utilized in an effort to achieve a thorough and in-depth assessment of the potential investment. Typically, these analyses focus on the (i) reputation of shareholders and management; (ii) company size and sensitivity of cash flow generation; (iii) operational, marketing, legal, tax, labor, environmental and accounting factors; (iv) business sector and competitive risks; (v) industry competition, both domestically and abroad; (vi) portfolio fit; (vii) exit alternatives; and (viii) other key factors highlighted by the investment team. Where appropriate, third-party consultants may be engaged to assess business and market conditions, competition, physical and environmental concerns and other factors deemed to be relevant to the evaluation of the investment.

Real Assets

CIM's real assets investment focus is on opportunities in tangible assets, such as hotels, office and residential buildings, retail outlets, senior-living centers, pipelines, wind farms, refineries, airports, roads, or similar assets, and in companies providing services thereto. The principal features of the real assets investment strategy are to seek to acquire high-quality, well-located assets that are unappreciated, under-managed or undervalued at prices that represent a discount to replacement costs; seek to improve the valuation and enhance the current yield through new management, operational strategy or improve the physical attributes or capital structure of such assets; seek to capitalize on secular and cyclical trends that contribute to changes in the relevant market; and seek joint venture partners with significant operational expertise or deal sourcing capability.

Investments that are operating companies are typically pursued after completing analyses that typically include: (i) reputation of the target's management team; (ii) industry and/or market dynamics; (iii) physical and environmental concerns; (iv) competitors and competing technologies; (v) the quality of the target's underlying assets, products and services; (vi) the target's competitive position and strategy; (vii) the target's financial statements, off-balance sheet and contingent liabilities, debt capacity and financing needs; (viii) equity and debt market perspectives; (ix) environmental, political and regulatory risks; and (x) economic risk, exit alternatives and return potential. Where appropriate, third-party consultants, industry experts and/or other advisors may be engaged to assist with aspects of the diligence process,

or to assist with other areas relevant to the potential transaction and/or evaluation of the potential investment.

Global Market Strategies

Those Global Market Strategies investments managed by CIM focus on credit opportunities and other market strategies throughout the entire business cycle. These investment vehicles include structured credit, corporate mezzanine, energy mezzanine, distressed and middle-market financing, and generally invest in loans and bonds, mezzanine, distressed, and synthetic products. CIM's investment goals through Global Market Strategies include generating attractive current income, risk-adjusted returns, and capital appreciation, while avoiding defaults, maximizing recoveries, and preserving principal. Each of CIM's Global Market Strategies teams seeks to use its specialized expertise to identify investment opportunities by employing fundamental and technical analysis subject to eligibility criteria, Advisory Client objectives and investment guidelines.

The structured credit Advisory Clients primarily invest in loans and some bonds. The investment decisions for these Advisory Clients are overseen by a credit committee comprising senior investment professionals of CIM. The credit committee reviews credit, liquidity, interest rate risk and compliance with the conditions of the funds' underlying indentures (such as concentration limitations, collateral quality and collateral obligations). The credit committee also reviews general economic and market conditions, political events, industry trends and changes in interest rates. The structured credit team closely monitors investments through regular meetings and communication with management and equity sponsors. The structured credit team also conducts internal ongoing reviews of individual credits, market activity and the current trading environment.

The investment committee for the energy mezzanine opportunities fund reviews credit opportunities, including senior secured and mezzanine debt, royalty interests, production payments, net profits interest, secondary debt and equity co-investments, primarily in North America throughout the energy and power sector based on investment targets and criteria which include collateralization by hard assets, measured leverage, current cash pay and proven technology, experienced management teams and strong sponsorship. The methods of analysis utilized for such investments include fundamental credit, valuation, technological/operations, structural protections, and market analysis.

The corporate mezzanine investment committee reviews investments typically in privately negotiated debt and equity securities primarily in connection with

leveraged buyouts, recapitalizations, acquisitions and growth-oriented financings. The team considers the followings key investment tenets: focus on principal preservation, invest in market-leading, value-added companies, focus on diversification and the generation of significant current income, seek to invest with proven equity sponsors and management teams, and structure transactions to mitigate risk. With respect to traded debt, the funds' lead investment professional is authorized to grant final approval of an investment in or disposition of traded debt investments with prescribed limits in each fund. The diligence process for such investments typically includes intensive credit analysis, multiple meetings with management, company facility visits, discussions with industry analysts and in-depth examinations of financial results and projections.

The distressed and corporate opportunities investment committee is responsible for reviewing and approving the purchase and sale of all direct equity investments or the acquisition of distressed companies or assets of distressed companies when the value or the prospect of exerting influence or obtaining control is compelling. With respect to traded debt and equity investments, the co-lead investment professionals of each fund are authorized to grant final approval of an investment in or disposition of traded secured or unsecured debt and traded equity investments within prescribed limits of that Advisory Client. The diligence process for such investments includes sourcing investments that are available for purchase at discounts to what CIM believes to be fundamental value and where CIM may have an opportunity to exert influence or obtain control in a restructuring, utilizing traditional private equity disciplines and the restructuring and distressed investing experience of the distressed and corporate opportunities team, and undergoing a bottom-up review of each potential investment's competitive strengths and weaknesses.

GMS Finance's CLO investment committee reviews private debt investments, including senior secured loans and other debt investments, in connection with leveraged buyouts, recapitalizations, acquisitions, refinancings and growth-oriented financings primarily for companies owned or controlled by private investment firms. The investment team considers the following key investment criteria: market leading products and/or services, attractive industry fundamentals, diversification of products, customers and suppliers, defensible market niche and barriers to entry, experienced management team, solid cash flows and ability to service and repay debt as well as significant equity contribution from equity sponsors with proven track records. The diligence process for such debt investments typically includes intensive credit analysis, meetings with management, discussions with industry analysts and in-depth examinations of financial results and projections.

Investment Risks

An investment in any Advisory Client involves a high degree of risk, and is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in such Advisory Client and for which such Advisory Client does not represent a complete investment program. There can be no assurance that the investment objective of any Advisory Client will be achieved, that any Advisory Client will otherwise be able to successfully carry out its investment program, or that an investor will receive a return of its capital contributed to any Advisory Client. The discussion below enumerates certain, but not all, risk factors that apply generally to an investment in any Advisory Client.

Prior to making any investment in an Advisory Client, investors should carefully review the applicable offering documents for a more complete description of the risk factors and conflicts of interest relating to such Advisory Client.

No Assurance of Investment Return

There can be no assurance that any Advisory Client will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments in which such Advisory Client participates. Accordingly, an investment in an Advisory Client should only be considered by persons who can afford a loss of their entire investment. **There can be no assurance that projected or targeted returns for any Advisory Client will be achieved.**

Role of Carlyle and its Professionals

The success of each Advisory Client will depend in part upon the skill and expertise of Carlyle's investment professionals and, where applicable, the management of portfolio companies or other investments. There can be no assurance that such professionals will continue to be associated with Carlyle throughout the life of any Advisory Client and a loss of the services of key personnel could impair Carlyle's ability to provide services to an Advisory Client. In addition, members of the investment team of a particular Advisory Client will work on other projects for Carlyle and, therefore, conflicts may arise in the allocation of such individuals' time.

Reliance on the General Partner (or Similar Managing Fiduciary) and Investment Adviser or Collateral Manager of the Advisory Client

The general partner (or similar managing fiduciary) and investment adviser or collateral manager of an Advisory Client will have exclusive responsibility for an

Advisory Client's activities, and, other than as may be set forth in Advisory Client's governing documents, investors will lack discretion to make investment or any other decisions concerning the management of an Advisory Client.

Material Risk Relating to Methods of Investment Analysis

CIM seeks to conduct reasonable and appropriate analysis and due diligence of its investments based on the facts and circumstances applicable to each investment. The objective of such analysis and due diligence is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment, to identify possible risks associated with that investment and, in the case of private equity, infrastructure and certain natural resources investments, to prepare a framework that may be used from the date of an acquisition to drive operational achievement and value creation. When conducting due diligence and making an assessment regarding an investment, CIM relies on available resources, including information provided by the target of the investment and, in some circumstances, third-party investigations. As a result, the due diligence process may at times be subjective. Accordingly, CIM cannot be certain that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts (including fraud) that may be necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities.

CIM will generally establish the capital structure of an investment and the terms and targeted returns of such investment on the basis of financial, macroeconomic, and other applicable projections. Projected operating results will normally be based primarily on investment professional judgments or third-party advice and reports. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be achieved, and actual results may vary significantly from the projections. General economic, natural, and other conditions, which are not predictable, can have an adverse impact on the reliability of such projections. Assumptions or projections about asset lives; the stability, growth, or predictability of costs; demand; or revenues generated by an investment or other factors associated therewith may, due to various risks and uncertainties including those described herein, differ materially from actual results.

Lack of Operating History

Each Carlyle-sponsored investment vehicle advised by CIM will initially be a newly-formed entity which has not commenced operations and therefore will have no operating history upon which an investor may evaluate its performance. The prior

experience of the investment team or the performance of other investment vehicles does not provide assurance of future investment performance or returns.

Uncertainty in the U.S. and Global Financial Markets

The upheavals in the United States and global financial markets that began in 2008 illustrated the possibility of extraordinary and unprecedented uncertainty and instability in such markets. There can be no assurances that conditions in the global financial markets will not adversely affect one or more of an Advisory Client's portfolio companies or other investments, its access to capital or leverage or its overall performance.

Market Conditions and Financial Market Fluctuations

A lack of liquidity in the capital markets may make it significantly more difficult for sponsors like Carlyle to obtain favorable financing for investments, and the financing that is available may be on much less favorable terms than had been prevailing in the past. Carlyle may be required to finance transactions with a greater proportion of equity relative to prior periods. General fluctuations in the market prices of securities may affect the value of the investments held by an Advisory Client. Instability in the securities markets may also increase the risks inherent in an Advisory Client's investments.

Highly Competitive Market for Investment Opportunities

The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that an Advisory Client will be able to locate, consummate and exit investments that satisfy its rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital.

Illiquid and Long-Term Investments

Investment in an Advisory Client may require a long-term commitment with no certainty of return. Many of an Advisory Client's investments will be highly illiquid, and there can be no assurance that an Advisory Client will be able to realize on such investments in a timely manner. Although investments may occasionally generate some current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition or refinancing of such investment.

Investments Longer than Term

A Carlyle-sponsored investment vehicle may make investments which may not be advantageously disposed of prior to the date such investment vehicle will be dissolved, either by expiration of its term or otherwise. In addition, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to investors will occur.

Risk of Limited Number of Investments

An Advisory Client may participate in a limited number of investments and, as a consequence, the aggregate return of such Advisory Client may be substantially adversely affected by the unfavorable performance of even a single investment. In addition, other than as set forth in the applicable Advisory Client's governing documents (or investment management agreement in the case of a separately managed account), investors have no assurance as to the degree of diversification of an Advisory Client's investments, either by geographic region, industry or transaction type.

Material, Non-Public Information

By reason of their responsibilities in connection with other activities of Carlyle, certain Carlyle investment professionals may acquire confidential or material, non-public information concerning an entity in which Advisory Clients have invested, or propose to invest, and the possession of such information may limit the ability of CIM to buy or sell particular securities of such entity on behalf of Advisory Clients, thereby limiting the investment opportunities or exit strategies available to the Advisory Clients. In addition, holdings in the securities of an issuer by Carlyle or its affiliates may affect the ability of Advisory Clients to make certain acquisitions of or enter into certain transactions with such issuer.

Separately registered investment advisers affiliated with CIM may acquire confidential or material, non-public information concerning an entity in which Advisory Clients of CIM have invested, or propose to invest, and the possession of such information may limit the ability of CIM to buy or sell particular securities of such entity on behalf of certain of its Advisory Clients, thereby limiting the investment opportunities or exit strategies available to the Advisory Clients of CIM. Certain information barriers have been introduced to limit the flow of such material, non-public information; however, this risk still exists, including in the context of Advisory Clients of the Global Market Strategies Group.

Although Carlyle has historically imposed information barriers only in limited circumstances to restrict the internal flow of material, non-public information across the enterprise, effective January 1, 2011, Carlyle erected an information barrier to segregate the flow of material, non-public information between the Global Market Strategies Group and the rest of Carlyle. The purpose of this information barrier is, among other things, to insulate material, non-public information, such that the investment activities of the Global Market Strategies Group, on the one hand, and the rest of Carlyle, on the other hand, are not otherwise restricted because one business unit may have material, non-public information that would be imputed to the other business unit in the absence of an information barrier.

The establishment and maintenance of the information barrier discussed above means the Global Market Strategies Group will generally not be able to use, act on or otherwise be aware of confidential information otherwise known by or in the possession of the rest of Carlyle (and vice-versa), and collaboration between personnel of the Global Market Strategies Group, on the one hand, and personnel of the rest of CIM and Carlyle, on the other hand, may be limited, reducing potential synergies.

At the same time, as discussed more fully in Item 10, within the Global Market Strategies Group, there is no information barrier between supervised persons of CIM and supervised persons of other Carlyle-affiliated advisers that are part of the group. Therefore, CIM may in some cases be unable to trade on behalf of certain Advisory Clients because all of Global Market Strategies is restricted from trading.

Carlyle also has erected an information barrier between AlpInvest and the rest of Carlyle. Due to this information barrier, Carlyle will generally not be able to use, act on or otherwise be aware of confidential information otherwise known by or in the possession of AlpInvest (and vice-versa). In addition, consistent with the independent operation of AlpInvest, collaboration between AlpInvest personnel and Carlyle personnel will be limited. From time to time, AlpInvest may cause an advisory client to hold, when otherwise permitted under its investment restrictions, interests in one or more Carlyle funds. Any such investment will be made on arm's-length terms, subject in any case to the information barrier between the firms and the confidentiality restrictions arising from particular fund or vehicle agreements.

Currency and Exchange Rate Risks

A portion of an Advisory Client's investments, and the income received by an Advisory Client with respect to such investments, may be denominated in foreign currencies. However, unless otherwise provided in an Advisory Client's governing

documents, the books of an Advisory Client generally will be maintained and capital contributions to and distributions from such Advisory Client generally will be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of investments, interest and dividends received by an Advisory Client, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by an Advisory Client.

Interests in Advisory Clients may be denominated in different currencies. For example, a US-dollar denominated Advisory Client and a Euro-denominated Advisory Client may invest in the same European transaction. Because currency-exchange rates can be volatile and fluctuate sharply, one Advisory Client may benefit from an exchange rate fluctuation, while another may not, creating the potential that one Advisory Client may benefit more from the same investment relative to another Advisory Client denominated in a different currency.

Hedging Policies/Risks

In connection with certain investments, an Advisory Client may employ hedging techniques designed to reduce the risk of adverse movements in interest rates, securities prices and currency exchange rates. While an Advisory Client may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates or the transactional fees associated with such mechanisms may result in a poorer overall performance for such Advisory Client than if it had not entered into such hedging transactions.

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes could occur during the term of a Carlyle-sponsored investment vehicle that may adversely affect such Advisory Client (or term of the applicable investment management agreement in the case of a separately managed account). There is a material risk that regulatory agencies in the United States, Europe, or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private equity industry, or other changes that could adversely affect private equity firms and the funds they sponsor, including an Advisory Client.

Regulatory Approvals

A portfolio company could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of

existing laws and regulations that impose more comprehensive or stringent requirements on such company. There can be no assurance that a portfolio company will be able (i) to obtain all required regulatory approvals that it does not yet have or that it may require in the future; (ii) to obtain any necessary modifications to existing regulatory approvals; or (iii) to maintain required regulatory approvals.

Non-U.S. Investments

An Advisory Client that invests in a non-U.S. country, investments involve certain factors not typically associated with investing in the United States, including risks relating to (i) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (ii) certain economic and political risks, including potential exchange-control regulations and restrictions on non-U.S. investments and repatriation of capital, the risks associated with political, economic or social instability and the possibility of expropriation or confiscatory taxation; (iii) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; (iv) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and differences in government supervision and regulation; and (v) less developed laws regarding corporate governance, fiduciary duties and the protection of investors.

Industry-Specific Investments

An Advisory Client that invests in a particular industry, investments involve certain additional material risks. Financial services institutions are directly affected by many factors, including domestic and international economic and political conditions, broad trends in business and finance, legislation and regulation affecting the national and international business and financial communities, monetary and fiscal policies, interest rates, inflation, currency values, market conditions, the availability and cost of short-term or long-term funding and capital, the credit capacity or perceived creditworthiness of customers and counterparties, and the level and volatility of trading markets. The profitability of the financial services industry may be adversely affected by a worsening of general economic conditions in domestic and international markets and by monetary, fiscal or other policies that are adopted by various governmental authorities and international bodies. Monetary policies have had, and will continue to have, significant effects on the operations and results of financial services institutions. In addition, financial services institutions operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities.

ERISA Considerations

Operating a Carlyle-sponsored investment vehicle as a "venture capital operating company" ("VCOC") within the meaning of the regulations promulgated under Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") would require that such investment vehicle obtain rights to substantially participate in or influence the conduct of the management of a number of its portfolio investments. The designation of directors and other measures contemplated could expose the assets of such investment vehicle to claims by a portfolio company, its security holders and its creditors.

In the event a Carlyle-sponsored investment vehicle is operated to qualify as a VCOC or a "real estate operating company" ("REOC") within the meaning of the regulations promulgated under ERISA in order to avoid holding "plan assets" within the meaning of ERISA, such investment vehicle may be restricted or precluded from making certain investments. In addition, it could be necessary to liquidate investments at a disadvantageous time in order to avoid holding ERISA "plan assets," resulting in lower proceeds to such investment vehicle than might have been the case without the need to qualify as a VCOC or REOC.

Taxation in Other Jurisdictions

If an Advisory Client makes investments in a jurisdiction outside the United States, such Advisory Client or its investors (as applicable) may be subject to income or other tax in that jurisdiction. Additionally, withholding tax or branch tax may be imposed on earnings from investments in such jurisdictions. In addition, local tax incurred in non-United States jurisdictions by an Advisory Client or vehicles through which it invests may not be creditable to or deductible by investors. Income or gains of an Advisory Client may be subject to withholding, income, net wealth or other tax in the jurisdictions where its investments are located.

Proposed Tax Legislation Adversely Affecting Carlyle Employees and Other Service Providers

The Obama administration has proposed and the United States Congress has previously considered proposed legislation that would subject carried interest and gain on the sale of investment partnership interests to higher rates of U.S. federal income tax than under current law. Enactment of any such legislation could cause Carlyle's investment professionals to incur a material increase in their tax liability with respect to their entitlement to carried interest. This might make it more difficult for Carlyle to incentivize, attract and retain these professionals, which may have an

adverse effect on Carlyle's ability to achieve the investment objectives of the Carlyle-sponsored investment vehicles advised by CIM.

Phantom Income

Each U.S. investor will be, and non-U.S. investors may be, required to take into account its distributive share of all items of partnership income, gain, loss, deduction and credit, whether or not distributed. Because of the nature of the investment activities of a Carlyle-sponsored investment vehicle, such investment vehicle may generate taxable income in excess of cash distributions to investors and no assurance can be given that a Carlyle-sponsored investment vehicle will be able to make cash distributions to cover such tax liabilities as they arise.

No Internal Revenue Service Rulings

The Carlyle-sponsored investment vehicles generally will not seek rulings from the U.S. Internal Revenue Service (the "IRS") with respect to any U.S. federal income tax considerations. Thus, positions to be taken by the IRS as to tax consequences could differ from positions taken by such investment vehicles.

Absence of Regulatory Oversight

Notwithstanding that CIM is registered as an investment adviser under the Advisers Act, and that the Carlyle-sponsored investment vehicles may be considered similar in some ways to an investment company, such investment vehicles are not required and do not intend to register as such under the 1940 Act and, accordingly, investors are not afforded the protections of the 1940 Act.

Litigation

In the ordinary course of business, Carlyle is a party to litigation, disputes and other potential claims.

Indemnification

Each Carlyle-sponsored investment vehicle generally will be required to indemnify its general partner (or similar managing fiduciary), its investment adviser, their affiliates and each of their respective members, officers, directors, employees, consultants, advisors, senior advisors, stockholders, shareholders, partners and other persons who serve at the request of its general partner on behalf of such investment vehicle for liabilities incurred in connection with the affairs of such Carlyle-

sponsored investment vehicle. Where applicable, members of an investment committee of investors unaffiliated with Carlyle (the "Investor Advisory Committee") of such investment vehicle will also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the applicable investment vehicle's governing documents. As a result of the provisions contained in the governing agreement of an Advisory Client, investors in such Advisory Client may in certain cases have a more limited right of action against the general partner than it would in the absence of such limitations.

Recycling; Reinvestment

Under certain circumstances, proceeds distributable (or previously distributed) to the investors in a Carlyle-sponsored investment vehicle may be retained and reinvested (or recalled for reinvestment) by its general partner or used (or recalled for use) by its general partner. Accordingly, due to the recycling of capital commitments, an investor may, in certain circumstances, be required to fund an aggregate amount in excess of its capital commitment during the term of such investment vehicle.

Failure to Make Capital Contributions

If an investor fails to pay when due installments of its commitment to a Carlyle-sponsored investment vehicle, and the capital contributions made by non-defaulting investors and borrowings by such investment vehicle are inadequate to cover the defaulted capital contribution, a Carlyle-sponsored investment vehicle may be unable to pay its obligations when due. As a result, such investment vehicle may be subjected to significant penalties that could materially adversely affect the returns to the investors (including non-defaulting investors).

Dilution from Subsequent Closings

Where applicable, investors subscribing for interests at subsequent closings of a Carlyle-sponsored investment vehicle generally will participate in existing investments, diluting the interest of existing investors therein. Although such investors generally will contribute their pro rata share of previously made draws (plus an additional amount thereon), there can be no assurance that this payment will reflect the fair value of such investment vehicle's existing investments at the time such additional investors subscribe for interests.

Diverse Investor Group

Investors may have conflicting investment, tax and other interests with respect to their investments in a Carlyle-sponsored investment vehicle. As a consequence, conflicts of interest may arise in connection with decisions made by the general partner (or similar managing fiduciary) or investment adviser or collateral manager of such investment vehicle, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to limited partners' individual tax situations.

Public Disclosure

Some of the interests in the Carlyle-sponsored investment vehicle will be held by investors, such as public pension plans and listed investment vehicles, which are subject to public disclosure requirements. To the extent that disclosure of confidential information relating to such investment vehicle or its portfolio companies results from interests being held by public investors, such investment vehicle may be adversely affected.

Limited Access to Information

Investors' rights to information regarding a Carlyle-sponsored investment vehicle will be specified, and strictly limited, in such investment vehicle's governing documents.

No Market for Interests; Restrictions on Transfers

Interests in the Carlyle-sponsored investment vehicles advised by CIM have not been registered under the Securities Act, or applicable securities laws of any U.S. state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and any other applicable securities laws or an exemption from such registration is available. There is no public market for the interests in such investment vehicles and one is not expected to develop. An investor will not be permitted to directly or indirectly assign, sell, pledge, exchange or transfer any of its interests or any of its rights or obligations with respect to its interests without the prior written consent of the general partner (or other similar managing fiduciary) of such applicable investment vehicle, which consent may be given or withheld in accordance with the governing documents of such applicable investment vehicle.

Recently Enacted Legislation Applicable to Non-U.S. Investment Funds

A bill was recently enacted that requires all entities in a broadly defined class of foreign financial institutions ("FFIs") to comply with a complicated and expansive reporting regime or, beginning in 2014, be subject to a 30% U.S. withholding tax on certain U.S. payments (and beginning in 2015, a 30% U.S. withholding tax on gross proceeds from the sale of U.S. stocks and securities) and requires non-U.S. entities which are not FFIs to either certify they have no substantial U.S. beneficial ownership or to report certain information with respect to their substantial U.S. beneficial ownership or, beginning in 2014, be subject to a 30% U.S. withholding tax on certain U.S. payments (and beginning in 2015, a 30% U.S. withholding tax on gross proceeds from the sale of U.S. stocks and securities). In general, these requirements will apply to non-U.S. investment funds, such as any non-U.S. Carlyle-sponsored investment vehicle advised by CIM. The reporting obligations imposed under the bill require FFIs to enter into agreements with the IRS to obtain and disclose information about certain investors to the IRS. In the event they are unable to do so, certain payments made to the FFIs may be subject to a U.S. withholding tax, which would reduce the cash available to investors. These reporting requirements may apply to investors who are FFIs and the general partner (or similar managing fiduciary) will have no control over whether such investors comply with the reporting regime. Prospective investors in any non-U.S. Carlyle-sponsored investment vehicle should consult their own tax advisors regarding all aspects of this recently enacted legislation as it affects their particular circumstances.

In addition to the generally-applicable material risks described above, CIM's significant investment strategies involve additional material risks. The following is a list of material risks that are generally applicable to these investment strategies:

<u>Corporate Private Equity: Buyout</u>

Reliance on Portfolio Company Management

Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although CIM (and any relevant CIM sub-adviser) and the relevant general partner (or similar managing fiduciary) of the applicable Advisory Client will be responsible for monitoring the performance of each investment, there can be no assurance that the existing management team, or any successor, will be able to successfully operate a portfolio company in accordance with the applicable Advisory Client's plans.

Risks in Effecting Operating Improvements

In some cases, the success of an Advisory Client's investment strategy will depend, in part, on the ability to restructure and effect improvements in the operations of a portfolio company. There can be no assurance that Carlyle will be able to successfully identify and implement such restructuring programs and improvements.

Investments in Highly Leveraged Companies; Use of Leverage

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. Investments may involve varying degrees of leverage, which could magnify the impact of circumstances such as unfavorable market or economic conditions, operating problems and other changes that affect the relevant portfolio company or its industry, resulting in a more pronounced effect of such circumstances on the profitability or prospects of such companies.

Corporate Private Equity: Growth Capital & Equity Opportunities

Risk of Investments in Less Established Companies

An Advisory Client may invest a portion of its assets in less established companies. Investments in such early-stage companies may involve greater risks than are generally associated with investments in more established companies. To the extent there is any public market for the securities held by the Advisory Client, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources, and therefore, are often more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow.

Global Market Strategies: General Risks

Bankruptcy Risks

Given that the Global Market Strategy Group's investment strategies focus primarily on investments in debt, its investments entail risks associated with bankruptcy of portfolio companies. Bankruptcy proceedings are inherently litigious, time consuming, highly complex and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes. The equitable power of

bankruptcy judges also can result in uncertainty as to the ultimate resolution of claims. Security interests held by creditors are closely scrutinized and frequently challenged in bankruptcy proceedings and may be invalidated for a variety of reasons. To the extent CIM personnel serve on an official or unofficial committee of a portfolio company, it increases the possibility that an Advisory Client will be deemed an "insider" or a "fiduciary" of such company and may restrict the Advisory Client's trading of its investments in such company. Should such assistance be provided before a company enters bankruptcy proceedings, the Bankruptcy court, under certain conditions such as a finding of fraud or inequitable conduct, may invoke the doctrine of "equitable subordination" with respect to any claim or equity interest held by the Advisory Client in such company and subordinate any such claim or equity interest in whole or in part to other claims or equity interests in such company. If a security interest is invalidated, the secured creditor loses the value of the collateral and because loss of the secured status causes the claim to be treated as an unsecured claim, the holder of such claim will almost certainly experience a significant loss of its investment.

Global Market Strategies: Structured Credit and GMS Finance

Below Investment-Grade Assets Involve Particular Risks

An Advisory Client may invest in non-investment grade loans or interests in non-investment grade loans and high-yield debt securities, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks and generally will be subject to greater risks than investment grade corporate obligations and overall greater risk of timely payment of principal and interest.

Lender Liability Considerations and Equitable Subordination

A number of judicial decisions have upheld judgments of borrowers against lending institutions on the basis of various evolving legal theories, collectively termed "lender liability." Because of the nature of the assets in which an Advisory Client may invest, it may be subject to allegations of lender liability. In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (a) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to

subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called “equitable subordination.”

Investing in Loans Involves Particular Risks

An Advisory Client may acquire interests in loans either directly (by way of assignment from the selling institution) or indirectly (by purchasing a participation interest from the selling institution or through the acquisition of synthetic securities). Holders of participation interests and synthetic securities are subject to additional risks not applicable to a holder of a direct interest in a loan. Such risks might include risk that a counterparty other than the borrower is not creditworthy.

Interest Rate Fluctuations

General interest rate fluctuations may have a substantial negative impact on an Advisory Client’s investment and investment opportunities and accordingly may have a material adverse effect on an Advisory Client’s investment objectives and the rate of return on invested capital. The securities in which an Advisory Client will invest have valuations which are based on numerous factors, including specific company characteristics. However, such securities are also susceptible to fluctuations in interest rates and, like treasury bonds, the prices of securities can increase when interest rates fall and decline when interest rates rise.

Investing in Structured Finance Obligations Involves Particular Risks

An Advisory Client that invests in structured finance obligations may be subject to prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk (which may be exacerbated if the interest rate payable on a structured finance obligation changes based on multiples of changes in interest rates or inversely to changes in interest rates).

Investing in Synthetic Securities Involves Particular Risks

A portion of the investments of an Advisory Client may consist of synthetic securities, the reference obligations of which may be leveraged loans, high-yield debt securities or similar securities. Investments in such types of assets through the purchase of synthetic securities present risks in addition to those resulting from direct purchases of such collateral obligations. With respect to each synthetic security, the Advisory Client will usually have a contractual relationship only with the counterparty of such synthetic security, and not the reference obligor on the

reference obligation. As such, the Advisory Client may not have the rights or the ability to enforce rights of a typical lender.

Global Market Strategies: Distressed and Corporate Opportunities

Distressed Investments

An Advisory Client's investment program may include making distressed investments (*e.g.*, investments in defaulted, out-of-favor or distressed bank loans and securities), including in companies that are experiencing financial or operational difficulties or are otherwise out-of-favor. Such investments may be premised on a turnaround strategy. If turnarounds are not achieved, these companies could experience failures or substantial declines in value, and the Advisory Client may not be able to divest itself of such unprofitable investments in a timely fashion or at all. Additionally, turnarounds may not be achieved within the contemplated investment horizons.

In certain circumstances the execution of a distressed investing strategy involves the ability to identify and exploit the relationships between movements in different securities and instruments within an issuer's or borrower's capital structure (*e.g.*, senior bank debt, second liens, debt securities and other obligations, convertible and non-convertible senior and subordinated debt, preferred equity and common stock). In the event that the perceived pricing inefficiencies underlying an issuer's securities or instruments were to fail to materialize as expected, an Advisory Client could incur a loss.

Global Market Strategies: Corporate Mezzanine and Energy Mezzanine

Nature of Investments

The debt securities in which an Advisory Client will invest typically will be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. The ability to influence a company's affairs, especially during periods of financial distress or following an insolvency is likely to be substantially less than that of senior creditors. In addition, the debt securities may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and may not be rated by a credit rating agency.

Energy Industry Risks

Investments in the energy industry are subject to certain special risks, including the volatility of commodity prices, regulatory risk, regulatory approvals, political and social changes, documentation and other legal risk, sovereign risk, change of law, renewable energy policy risk, uncertainty of estimates, land title risk, construction risk, environmental matters, catastrophe risk, terrorist activities, climate change risk and new technology risk.

Real Assets: Real Estate

Real Estate Risks Generally

An Advisory Client that invests in real estate will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include, but are not limited to, the burdens of ownership of real property, general and local economic conditions, the supply and demand for properties, energy and supply shortages, fluctuations in the average occupancy and room rates for hotel properties, the financial resources of tenants, changes in availability of debt financing which may render the sale or refinancing of properties difficult or impracticable, changes in building, environmental and other laws and/or regulations, zoning laws, changes in real property tax rates, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, negative developments in the economy that depress travel or leasing activity, environmental liabilities, contingent liabilities on disposition of assets, uninsured or uninsurable casualties, acts of God, terrorist attacks and war and other factors which are beyond the control of the general partner or the investment adviser of such Advisory Client. There is no assurance that there will be a ready market for resale of investments because investments will generally not be liquid. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by the Advisory Client.

Real Assets: Infrastructure

Operational Risks/Force Majeure

The operation and maintenance of infrastructure facilities involve various operational risks, including labor issues, failure of technology (*e.g.,* electronic tolling) to perform as anticipated, structural failures and accidents. Events outside the control of a portfolio company, such as demographic changes, economic growth, increasing fuel

prices, government macroeconomic policies, toll rates, social stability, competition from untolled or other forms of transportation, or force majeure events, could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring infrastructure facilities.

Risks in Effecting Capital Improvements or Expansion

In connection with any expansion of a facility or acquisition of a facility in late-stage development, a portfolio company may also face construction risks typical for infrastructure businesses, including, without limitation, (i) labor disputes, shortages of material and skilled labor or work stoppages, (ii) slower than projected construction progress and the unavailability or late delivery of necessary equipment, (iii) less than optimal coordination with public utilities in the relocation of their facilities, (iv) adverse weather conditions and unexpected construction conditions, (v) accidents or the breakdown or failure of construction equipment or processes, and (vi) catastrophic events such as explosions, fires and terrorist activities and other similar events beyond an Advisory Client's control.

Operating Pursuant to Complex Government Licenses, Leases, Concessions or Contracts; Regulatory Approvals

A portfolio company may be subject to substantial regulation by government agencies. In addition, a portfolio company's operations may rely on government licenses, concessions, leases or contracts that are generally very complex and may result in a dispute over interpretation or enforceability. Where a portfolio company holds a concession or lease from the government, the concession or lease may restrict the portfolio company's ability to operate the business in a way that maximizes cash flows and profitability. Moreover, additional regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and regulations, a change in the portfolio companies' customer(s) or for other reasons.

<u>Real Assets: Energy & Renewables</u>

Volatility of Oil and Natural Gas Prices

The performance of certain investments will be substantially dependent upon prevailing prices of oil and natural gas. Historically, the markets for oil and natural gas have been volatile, and such markets are likely to continue to be volatile in the future.

Environmental Matters

Environmental laws, regulations and regulatory initiatives play a significant role in the energy and power industry and can have a substantial impact on investments in this industry. There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified.

Potential Conflicts of Interest

Investors should be aware that there will be occasions when CIM and its affiliates may encounter potential conflicts of interest in connection with an Advisory Client. There can be no assurance that CIM will resolve any conflict of interest in a manner that is favorable to a particular Advisory Client. Moreover, when and if Carlyle becomes a public company, as a consequence of such status, the officers, directors, members, managers and employees of Carlyle may take into account certain considerations and other factors in connection with the management of the business and affairs of an Advisory Client that would not necessarily be taken into account if Carlyle were not a public company. In addition to the conflicts of interest discussed elsewhere in this Brochure, the following discussion enumerates certain potential conflicts of interest:

Carried Interest

As described in Items 5 and 6, carried interest may create incentives to make riskier or more speculative investments on behalf of such investment vehicle than would be the case in the absence of this arrangement.

Valuations of Investments

There may be situations in which CIM is incented to influence or manipulate the valuation of investments. For example, CIM could be motivated to: (i) overstate valuation in order to improve a fund's track record, (ii) minimize losses from writedowns that must be returned prior to an affiliate receiving carried interest, or (iii) for certain funds, and to a lesser extent, overstate valuation in order to increase fees due to the adviser, such as a management fee that is calculated as a percentage of the value of the client assets.

CIM values securities and instruments at their fair value in accordance with the Financial Accounting Standard Board's Accounting Standards Codification ("ASC") Topic 820-10, "Fair Value Measurements." Generally, CIM values securities at

their market price if active market quotations are readily available, with a discount in the case of restricted securities. Otherwise, securities are valued based on management's judgment and estimation in accordance with the valuation policies and procedures of CIM.

The valuation procedures may differ based on the type of security and/or instrument and the observability of market inputs, and may include reliance on analyses of similar companies, recent comparable transactions, and discounted cash flow models. For instance, a real asset will be subject to valuation methodologies and procedures that are different from those methodologies and procedures used to value a portfolio company or a derivative. CIM may alter its valuation procedures based on market events, such as trading suspensions, unreliability of pricing sources, or macro-economic events. Investors typically receive disclosure of CIM's valuation policy in the offering documents for the relevant Advisory Client.

Other Fees

As described in Items 5 and 6, CIM and its affiliates may be entitled to receive cash and non-cash fees in connection with the purchase, monitoring or disposition of investments or from unconsummated transactions. Investors will receive the benefit of certain such fees only as set forth in the governing documents of the relevant Advisory Client.

Other Activities of Management

CIM personnel will devote such time as shall be reasonably necessary to conduct the business affairs of each Advisory Client in an appropriate manner. However, CIM personnel will work on other projects, including CIM's existing corporate investments and other Advisory Clients, and, therefore, conflicts may arise in the allocation of management resources.

Allocation of Investment Opportunities with Other Advisory Clients and Conflicting Fiduciary Duties

CIM may, from time to time, be presented with investment opportunities that fall within the investment objectives of multiple Advisory Clients, and in such circumstances, except as otherwise provided in the governing documents of the applicable Advisory Client (or investment management agreement in the case of a separately managed account), CIM will allocate such opportunities among the Advisory Clients on a basis that CIM determines in good faith to be fair and reasonable taking into account the relevant facts and circumstances and parameters

of the governing documents of the applicable Advisory Clients (or investment management agreement in the case of a separately managed account), the sourcing of the transaction, the nature of the investment focus of each Advisory Client, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for each such Advisory Client and other considerations deemed relevant by CIM in good faith.

Investments in Which Another Advisory Client (or in Which a Vehicle or Account Managed by a Carlyle-Affiliated Investment Adviser) Has a Different Principal Investment

An Advisory Client may make investments in portfolio companies in which other Advisory Clients (and/or other vehicles or accounts managed by an investment adviser affiliated with CIM) have made or are concurrently making a different principal investment at the time of such Advisory Client's investment (*e.g.*, in different parts of the capital structure). In such situations, the Advisory Clients (and/or other vehicles or accounts managed by an investment adviser affiliated with CIM) may have conflicting interests (*e.g.*, over the terms of their respective investments).

Carlyle Policies and Procedures

Policies and procedures implemented by Carlyle or its affiliates from time to time (including as may be implemented in the future) to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the synergies across CIM's areas of operation or expertise that an Advisory Client expects to draw on for purposes of pursuing attractive investment opportunities.

Service Providers

Administrators, lenders, brokers, attorneys, consultants, investment banking firms and other service providers may provide services to a Carlyle-sponsored investment vehicle. Those same service providers or their affiliates may also be investors in or co-investors alongside a Carlyle-sponsored investment vehicle or sources of investment opportunities or counterparties therewith. This may influence, or have the appearance of influencing, the decision whether to select such service provider (especially for work related to Advisory Clients).

Certain service providers to the Carlyle-sponsored investment vehicles may be owned by another Carlyle-sponsored investment vehicle or Carlyle or its affiliates. This may influence, or have the appearance of influencing, the decision whether to select such service provider (especially for work related to Advisory Clients).

Certain service providers to such Carlyle-sponsored investment vehicles may also be service providers to Carlyle, CIM, its affiliates and/or its employees. This may influence, or have the appearance of influencing, the decision whether to select such service provider (especially for work related to Advisory Clients).

Side Letters

The general partner (or similar managing fiduciary) of a Carlyle-sponsored investment vehicle advised by CIM may enter into side letters or other similar agreements with investors in connection with their admission to such Carlyle-sponsored investment vehicle without the approval of any other investor. The side letters or other similar agreements have the effect of establishing rights under, altering or supplementing the terms of the governing documents of such applicable Carlyle-sponsored investment vehicle with respect to one or more such investors in a manner more favorable to such investors than those applicable to other investors. Such rights or terms in any such side letter may include, without limitation, (i) fee arrangements with respect to such investors; (ii) excuse rights applicable to particular investments; (iii) reporting obligations of the applicable general partner (or similar managing fiduciary); (iv) waiver of certain confidentiality obligations; (v) consent of the applicable general partner (or similar managing fiduciary) to certain transfers by such investor; (vi) special rights with respect to co-investment; or (vii) rights or terms necessary in light of particular legal, public policy or regulatory characteristics of an investor.

CIM may enter into strategic partnerships directly or indirectly with investors that commit significant capital to a range of products and investment ideas sponsored by CIM. Such arrangements may include CIM granting certain preferential terms to such investors, including blended fee and carried interest rates that are lower than those applicable to an Advisory Client when applied to the entire strategic partnership. Such preferential terms may not be subject to the "most favored nation" provisions of the governing documents of a particular Advisory Client because they are not benefits (economic or otherwise) with respect to the Advisory Client and do not alter the terms of the governing documents of the specific Advisory Client with respect to the investor that has entered into the strategic partnership and therefore are not available to investors in Advisory Client that have not entered into a comparable arrangement with CIM. Investors may be able to elect to benefit from such

arrangements if they comply with the general parameters of the entire strategic partnership.

Item 9. Disciplinary Information

Except as described below, neither CIM, its affiliates nor any of their professionals have been the subject of any legal or disciplinary finding of an investment-related nature that would be material to an existing or prospective Advisory Client's evaluation of the CIM's advisory business or the integrity of its management.

In the ordinary course of business, Carlyle is a party to litigation, disputes, shareholder actions and other potential claims. On May 14, 2009, Carlyle reached a resolution with the Attorney General in connection with its inquiry into the use of placement agents in regards to the New York Common Retirement Fund ("NYCRF"). The Attorney General made no finding that Carlyle violated any law. Carlyle was the first company to adopt the New York Attorney General's Code of Conduct. Carlyle also agreed to make a $20 million payment to New York State to resolve this matter.

In July 2009, a former shareholder of Carlyle Capital Corporation Limited ("CCC"), claiming to have lost $20.0 million, filed a claim against CCC, Carlyle and certain officers and affiliates of Carlyle, including CIM, alleging violations of Massachusetts "blue sky" law provisions relating to claims involving material misrepresentations and omissions allegedly made during and after the marketing of CCC. In March 2010, the U.S. District Court for the District of Massachusetts dismissed the plaintiffs' complaint on the grounds that it should have been filed in Delaware instead of Massachusetts, and the U.S. Court of Appeals for the First Circuit affirmed such dismissal. Plaintiff has refiled his claim in Delaware state court and the defendants are vigorously contesting all claims alleged by the plaintiff. Further, the Guernsey liquidators who took control of CCC in March 2008 have filed suit against Carlyle, certain of its affiliates, including CIM, and the former directors of CCC, seeking $1.0 billion in damages. They allege that Carlyle (in its capacity as the external manager of CCC) and the CCC board of directors were negligent, grossly negligent or willfully mismanaged the CCC investment program and breached certain fiduciary duties allegedly owed to CCC and its shareholders. The Guernsey liquidators further allege (among other things) that the directors and Carlyle put the interests of Carlyle ahead of the interests of CCC and its shareholders and gave priority to preserving and enhancing Carlyle's reputation and its "brand" over the best interests of CCC. The defendants filed a comprehensive motion to dismiss in Delaware in October 2010. In December 2010, the Guernsey liquidators dismissed the complaint in Delaware voluntarily and without prejudice and

expressed an intent to proceed against the defendants in Guernsey. Carlyle filed an action in Delaware seeking an injunction against the Guernsey liquidators to preclude them from proceeding in Guernsey in violation of a Delaware exclusive jurisdiction clause contained in the investment management agreement. In July 2011, the Royal Court of Guernsey held that the case should be litigated in Delaware pursuant to the exclusive jurisdiction clause. That ruling was appealed by the Guernsey liquidators, and in February 2012 was reversed by the Guernsey Court of Appeal, which held that the case should proceed in Guernsey. Carlyle intends to seek review of that ruling pursuant to an application for special leave to the Privy Council of the United Kingdom. Also, in October 2011, the plaintiffs obtained an ex parte anti-anti-suit injunction in Guernsey against Carlyle's anti-suit claim in Delaware. That ruling also is on appeal in Guernsey. The Guernsey liquidators' lawsuits in New York and the District of Columbia were dismissed in December 2011 without prejudice. In November 2009, another CCC investor instituted legal proceedings on similar grounds in Kuwait's Court of First Instance seeking to recover losses incurred in connection with an investment in CCC. In July 2011, the Delaware Court of Chancery issued a decision restraining the plaintiff from proceeding in Kuwait against either CIM or TC Group, L.L.C., based on the forum selection clause in the plaintiff's subscription agreement, which provided for exclusive jurisdiction in Delaware courts. In September 2011, the plaintiff reissued its complaint in Kuwait naming CCC only, but, in December 2011, expressed an intent to reissue its complaint joining CIM as a defendant. Carlyle believes these claims are without merit and intend to vigorously contest all such allegations.

In June 2011, August 2011, and September 2011, three putative shareholder class actions were filed against Carlyle, certain of our affiliates, including CIM, and former directors of CCC alleging that the fund offering materials and various public disclosures were materially misleading or omitted material information. Two of the shareholder class actions were filed in the United States District Court for the District of Columbia. The most recent shareholder class action was filed in the Supreme Court of New York, New York County and has subsequently been removed to the United States District Court for the Southern District of New York. The two original D.C. cases were consolidated into one case, under the caption of Phelps v. Stomber, and the Phelps named plaintiffs have been designated "lead plaintiffs" by the Court. The New York case has been transferred to the D.C. federal court and the plaintiffs have requested that it be consolidated with the other two D.C. actions. The defendants have opposed and have moved to dismiss the case as duplicative. The defendants have filed a comprehensive motion to dismiss. Carlyle believes the claims are without merit and will vigorously contest all claims.

In September 2006 and March 2009, Carlyle received requests for certain documents

and other information from the Antitrust Division of the U.S. Department of Justice ("DOJ") in connection with the DOJ's investigation of global alternative asset firms to determine whether they have engaged in conduct prohibited by U.S. antitrust laws. Carlyle has fully cooperated with the DOJ's investigation. There can be no assurance as to the direction this inquiry may take in the future. Further, on February 14, 2008, a private class-action lawsuit challenging "club" bids and other alleged anti-competitive business practices was filed in the U.S. District Court for the District of Massachusetts. The complaint alleges, among other things, that certain global alternative asset firms, including Carlyle, violated Section 1 of the Sherman Act by forming multi-sponsor consortiums for the purpose of bidding collectively in certain going private transactions, which the plaintiffs allege constitutes a "conspiracy in restraint of trade." While Carlyle believes the lawsuit is without merit and is contesting it vigorously, it is difficult to determine what impact, if any, this litigation (and any future related litigation), together with any increased governmental scrutiny or regulatory initiatives, will have on Carlyle.

Along with many other companies and individuals in the financial sector, Carlyle and one of our corporate mezzanine funds ("CMP I"), have been named as a defendant in Foy v. Austin Capital, pending in New Mexico state court, which purports to be a qui tam suit on behalf of the State of New Mexico. The suit alleges that investment decisions by New Mexico public investment funds were improperly influenced by campaign contributions and payments to politically connected placement agents. In May 2011, the Attorney General of New Mexico moved to dismiss certain defendants including Carlyle and CMP I on the ground that separate civil litigation by the Attorney General is a more effective means to seek recovery for the State from these defendants. The Attorney General has brought two civil actions against certain of those defendants, not including the Carlyle defendants. The Attorney General has stated that its investigation is continuing and it may bring additional civil actions. There can be no assurance that the foregoing will not have an adverse impact on Carlyle or otherwise impede CIM's ability to conduct business.

Item 10. Other Financial Industry Activities and Affiliations

The following discussion enumerates certain potential conflicts of interest arising from certain of the financial industry activities and affiliations of CIM and its affiliates.

Affiliated Broker-Dealers

An affiliate of CIM, TCG Securities, is registered with FINRA and the SEC as a limited-purpose broker-dealer. TCG Securities acts as placement agent (and provides related services) with respect to the offer and sale of certain interests in affiliated, private investment vehicles (including Advisory Clients). TCG Securities does not currently intend to offer investment products sponsored or issued by unaffiliated third-parties. TCG Securities does not intend to act as a broker-dealer or agent for transactions effected on behalf of affiliated, private investment vehicles and does not intend to hold funds or securities for, or owe money or securities to, clients generally.

Certain registered representatives of TCG Securities may also be providing investment advisory services to Advisory Clients and to advisory clients of Carlyle-affiliated investment advisers. These individuals are subject to the policies and procedures of TCG Securities when engaging in securities-related transactional activities in addition to CIM's (or the Carlyle-affiliated advisers') policies and procedures.

A subsidiary of CIM, Carlyle Australia Equity Management Pty Limited ("CAEM"), is incorporated in Australia and is licensed by the Australian Securities and Investments Commission as an Australian financial services licensee. As an Australian financial services licensee, CAEM is authorized to carry on a financial services business to (a) provide financial product advice in respect of interests in managed investment programs and securities to wholesale clients and (b) deal in financial products by arranging for another person to issue, apply for, acquire, vary or dispose of financial products in respect of interests in managed investment programs and securities to wholesale clients in Australia. CAEM does not intend to market and promote investment products sponsored or issued by unaffiliated third-parties, and it does not currently intend to hold client monies or securities for, or owe money or securities to, clients generally.

CAEM and its individual staff members are subject to the policies and procedures of CAEM when performing its authorized financial services activities in addition to CIM's (or the Carlyle-affiliated advisers') policies and procedures.

Participating Affiliates

CIM controls, or is under common control with, several affiliates established outside of the United States, as listed below (the "Participating Affiliates"), to assist CIM in rendering investment advice. As noted below, certain Participating Affiliates are

registered with the regulatory authorities in their local jurisdiction based on their particular business and requirements of local law. Typically, these Participating Affiliates identify, evaluate and monitor investment opportunities and investments in the foreign jurisdictions in which they are located solely to advise CIM on investment opportunities for an Advisory Client.

CIM subjects each of the Participating Affiliates and their respective employees to CIM's regulatory oversight and its Code of Conduct (see Item 11 below) together with its other compliance policies and procedures, including books and records maintenance, as adopted pursuant to the requirements of the Advisers Act, as applicable (in addition to applicable local laws and regulations).

None of the Participating Affiliates conducts a stand-alone business apart from providing internal analysis and advice to CIM.

CECP Advisors LLP (registered with the United Kingdom Financial Services Authority)
CECP Investment Advisors France S.A.R.L.
CEP Advisors, S.r.l.
Carlyle Asia Investment Advisors Limited
Carlyle Australia Investment Advisors Limited
Carlyle Singapore Investment Advisors Pte Ltd
Carlyle Korea Ltd.
Carlyle India Advisors Private Limited
Carlyle Investment Consulting (Shanghai) Co., Ltd.
Carlyle Japan, LLC
Carlyle Mauritius Investment Advisors, Ltd (registered with the Mauritius Financial Services Commission)
Carlyle Nigeria Investment Advisors Limited
The Carlyle Group España, SL
Carlyle Real Estate Advisors LLP
Carlyle Real Estate Advisors S.a.r.l. (a/k/a Carlyle Real Estate Advisors France S.a.r.l.)
Carlyle Real Estate Advisors Spain, S.L.
Carlyle Real Estate Advisors Sweden AB
Carlyle Real Estate Advisors Italy S.r.l.
Carlyle South Africa Advisors (Pty) Limited (registration with the South Africa Financial Services Board pending)
Carlyle Management Hong Kong Limited
Carlyle Japan Asset Management YK (registered with the Japan Financial Services

Authority)
CREA Germany GmbH
Carlyle MENA Investment Advisors Limited (registered with the Dubai Financial Services Authority)
Carlyle MENA Investment Advisors, LLC
Carlyle Brasil Consultoria em Investimentos Ltda.
Chengdu Carlyle Investment Consulting Co., Ltd.
CRP Asset Management Group, LLC
Carlyle Mauritius CIS Investment Management Limited (registered with the Mauritius Financial Services Commission)
Carlyle Mexico Advisors, S. de R.L. de C.V.
Carlyle Mexico Holdings, S.C.

Affiliated Advisers under Common Control – Separate Registrants

CIM is also under common control with, or controls, several investment advisers that are separately registered as investment advisers under the Advisers Act, as follows: (i) Claren Road, ESG and AlpInvest, which were described above in Item 4; and (ii) Avalon Advisors LLC ("Avalon"), a Houston-based wealth advisor and asset manager that is controlled by an Advisory Client.

Each of Claren Road, ESG, AlpInvest and Avalon has an existence independent of CIM and each functions independently of CIM.

Relying Advisers

As discussed in Items 2 and 4 above, CIM controls Churchill, a part of Carlyle's Global Market Strategies Group. Churchill provides debt capital to middle-market companies, and acts as a collateral manager to a CLO focused on providing senior loans to middle-market companies.

Additionally, CIM is under common control with CIM Global, L.L.C. ("CIM Global"), an investment adviser through which CIM provides advisory services to certain Advisory Clients located outside of the United States. CIM is also under common control with CIM Global Asia, L.L.C. ("CIM Global Asia"), an entity controlled by CIM Global that provides advisory services with respect to a real estate asset located in Australia. Additionally, CIM is under common control with Carlyle Realty Essex II, L.L.C., a Carlyle vehicle empowered to approve acquisitions and dispositions of real estate-related debt investments by CRP/Essex Holdings II, L.L.C.

CIM and each of Churchill, CIM Global, CIM Global Asia and CR Essex conduct a single advisory business. Pursuant to reliance on SEC staff interpretation, Churchill, CIM Global, CIM Global Asia and CR Essex would be deemed to have registered through CIM's Form ADV as "relying advisers".

Exempt Reporting Adviser

As discussed in Item 4, Carlyle's European structured credit funds are independently advised by CELF, an investment adviser controlled by CIM and registered with and subject to the oversight of the U.K. Financial Services Authority. CELF has filed with the SEC as an Exempt Reporting Adviser under the exemption from the SEC's investment adviser registration requirements provided in Rule 203(m)-1 under the Advisers Act.

Related General Partners/Managing Members

CIM is under common control with several general partners/managing members of Carlyle-sponsored investment vehicles. CIM, either directly or indirectly, enters into investment advisory agreements to provide all investment advisory services regulated by the Advisers Act to certain Carlyle-sponsored investment vehicles.

Strategic Alliances

Carlyle has entered into one or more strategic alliances (*e.g.*, RLJ Equity Partners) with other investment firms which involve certain of its personnel and for which Carlyle may have an ownership interest and may receive some financial benefit for such alliances (*e.g.*, carried interest).

Hedge Fund Competitive Activities

As noted in Item 4, Carlyle has acquired a 55% interest in each of Claren Road and ESG. Carlyle may in the future form or have a financial or operational interest in the management of one or more additional hedge funds or similar alternative investment vehicles. Claren Road and ESG and such other vehicles may be permitted to allocate a portion of their portfolios to long-dated, illiquid, restricted or other similar securities and investment opportunities (which may include mezzanine, distressed debt and equity, high-yield debt, bank loans and private-equity investments), and whose investment strategies may therefore overlap with those of CIM's Advisory Clients. It is therefore possible that Claren Road and ESG and such other vehicles may independently consider the same investment opportunities as the Advisory

Clients, and thereby, on any given occasion, compete with Carlyle for the same investment opportunity.

Fund of Funds Competitive Activities

As noted in Item 4, Carlyle has acquired AlpInvest, a fund of funds business, which operates independently of CIM. AlpInvest may be permitted to allocate a portion of their client portfolios to long-dated, illiquid, restricted or other similar securities and investment opportunities (which may include mezzanine, distressed debt and equity, high-yield debt, bank loans and private-equity investments), and whose investment strategies may therefore overlap with those of CIM's Advisory Clients. It is therefore possible that AlpInvest may independently consider the same investment opportunities as the Advisory Clients, and thereby, on any given occasion, compete with Carlyle for the same investment opportunity.

Due to the information barrier between Carlyle and AlpInvest, and the separate nature of the operations of AlpInvest and the rest of Carlyle, such potentially competitive activities could occur, and Carlyle may not be aware of such activity and/or be in a position to remedy such activity.

Other Competitive Activities

Other investment advisers affiliated with Carlyle (and their employees), including Claren Road, ESG and AlpInvest, may conduct other business activity that could present a potential conflict of interest with Carlyle, CIM and/or CIM's Advisory Clients.

CIM has also agreed to provide certain services, without compensation, to a company majority-owned by an Advisory Client**.** CIM has established a series of compliance protocols to address potential and actual conflicts of interest arising therefrom. For example, CIM may introduce the company to portfolio companies held by Carlyle-sponsored investment vehicles, but any resulting service agreement between the company and the portfolio company will be on arm's-length terms no less favorable than otherwise obtainable from an unaffiliated party.

Possession of Material, Non-Public Information and other Trading Restrictions

As discussed in Item 8, Carlyle has implemented an information barrier to segregate the flow of material, non-public information between the Global Market Strategies Group and the rest of Carlyle. The purpose of this information barrier is, among other things, to insulate material, non-public information, such that the investment

activities of the Global Market Strategies Group, on the one hand, and the rest of Carlyle, on the other hand, are not otherwise restricted because one business unit may have material, non-public information that would be imputed to the other business unit in the absence of an information barrier.

At the same time, within the Global Market Strategies Group, there is no information barrier between CIM and other separately registered investment advisers affiliated with CIM that are part of the group (*e.g.*, Claren Road and ESG). The Global Market Strategies Group operates a single restricted list to which CIM's Global Market Strategies Advisory Clients are subject. As a consequence, CIM may not be able to buy or sell a particular security on behalf of certain of its Advisory Clients because the entire Global Market Strategies Group may be deemed to be in possession of material, non-public information. Similarly, in such circumstances, CIM may not be able to dispose of a security owned by an Advisory Client, even in a declining market, until the information becomes publicly available or no longer material and the security is no longer restricted.

An information barrier also has been erected between AlpInvest and the rest of Carlyle, restricting the flow of information between Carlyle and AlpInvest (which, as described above, carries out its investment operations independently of CIM and other Carlyle-affiliated investment advisers).

Carlyle also may from time to time erect information barriers on an interim basis for reasons of insulating material, non-public information and Carlyle may decide to remove information barriers. Carlyle has established policies and procedures regarding the implementation and operation of information barriers and trains its professionals on such policies and procedures.

Other Activities and Relationships

The employees of Carlyle and its affiliates may serve on the boards of directors of portfolio companies of Advisory Clients. Serving in such capacity may give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director may conflict with the interests of an Advisory Client.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Codes of Conduct

CIM has established and approved a Code of Conduct that sets forth standards of ethical conduct for employees and is designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act. Among other things, the Code of Conduct prescribes standards for dealing with clients ethically, addresses conflicts of interest issues, and supplements personal trading and operating procedures. The Code of Conduct provides guidance in specific areas, including but not limited to, confidentiality of Carlyle information, personal investments, gifts and entertainment and personal political activities. This Code of Conduct is available to clients, investors or prospective clients by writing to Carlyle Investment Management L.L.C., 1001 Pennsylvania Avenue, NW, Suite 220 South, Washington, DC, 20004, Attn: Investor Relations.

In addition to the Code of Conduct referred to in the paragraph above, Carlyle has adopted the New York Attorney General's Public Pension Fund Reform Code of Conduct. Such code of conduct governs Carlyle's interactions with public pension funds in the United States and, among other matters, (a) bans the use of outside placement agents and lobbyists in connection with obtaining investments from such public pension funds, (b) bans certain campaign contributions in the United States and (c) provides for (i) increased disclosure, (ii) strengthened employment, confidentiality and gift policies, and (iii) conflicts of interest procedures as they relate to public pension funds in the United States. This code of conduct is available to clients, investors or prospective clients by writing to the address noted above. The policies and procedures adopted pursuant to the code of conduct have been revised to account for the pay-to-play regulations promulgated by the SEC.

In 2008, Carlyle developed and integrated into its investment process a set of responsible investment guidelines that consider the environmental, social and governance implications of its control-oriented U.S. corporate buyout investments. Those guidelines are available to clients, investors or prospective clients or investors by writing to the address noted above or by visiting Carlyle's website (www.carlyle.com).

Principal Transactions

CIM, as investment manager, or an affiliate may engage in principal transactions (*i.e.*, transactions in which CIM or an affiliate is deemed to be acting for its own

account by buying a security from, or selling a security to, an Advisory Client). These transactions introduce a potential conflict of interest between its own interests and those of the Advisory Client.

CIM has established policies and procedures to comply with the Advisers Act when engaging in principal transactions with Advisory Clients. Additionally, investment guidelines and an Advisory Client's charter documents may limit principal transactions on a more restrictive basis than the Advisers Act. In general, CIM avoids transactions in which it knowingly transacts, directly or through a broker-dealer, with advisory clients of Claren Road and ESG.

Fund Notice and Consent

In certain cases, a principal transaction may occur prior to the initial closing of an Advisory Client (*e.g.,* where an affiliate warehouses loans prior to selling them to an Advisory Client). Details of any such transaction typically are disclosed in the offering documents of an Advisory Client. In other cases, principal transactions may occur after an Advisory Client has held an initial closing. In those cases (other than certain Global Market Strategies Advisory Clients), either the Advisory Client or an independent representative of the Advisory Client must receive notice of the transaction and consent to the transaction prior to CIM or an affiliate settling the principal transaction. An Investor Advisory Committee is typically established for each Advisory Client to, among other things, receive notice of, advise on and provide consent to certain conflicts of interest matters, such as principal transactions.

Certain of the Global Market Strategies Advisory Clients may follow a different procedure because of the absence of a separate Investor Advisory Committee. In the case of a principal transaction, investors may approve of a qualified independent agent to approve of such transactions, where the independent agent determines, in its sole judgment, that the monetary or business consideration arising therefrom would be substantially as advantageous to the Advisory Client as the monetary or business consideration which the Advisory Client would obtain in a comparable arm's-length transaction with a person who is not an affiliate of the Advisory Client. In the case of the Global Market Strategies Advisory Clients, principal transactions generally require that the price reflect the average of the midpoints of the then-prevailing related bid and ask quotations of at least two independent brokers and/or pricing services as a condition to the engaging in the transaction. If two market or pricing service quotations are not available, the instrument will be fair valued in accordance with CIM's valuation policies and procedures.

Separate Account Notice and Consent

In the case of an Advisory Client that is a separately managed account, CIM will notify the Advisory Client itself or a duly appointed, independent representative of the Advisory Client to obtain consent for any principal transaction.

Other Notice and Consent Considerations

In general, CIM will not engage in principal transactions with accounts of a retirement plan subject to ERISA unless approved by Carlyle's General Counsel, Chief Compliance Officer, and, if necessary, competent ERISA counsel.

Cross Transactions

CIM may allow Advisory Clients to engage in cross transactions, which occur when a transaction is effected directly between two or more of CIM's Advisory Clients.

Cross transactions may benefit clients because they can avoid transaction fees. They also create conflicts of interest because, by not exposing buy and sell transactions to market forces, Advisory Clients may not receive the benefits of best price, or, an adviser might seek to prop up the performance of one Advisory Client by selling under-performing assets to another Advisory Client in order, for example, to earn higher fees.

CIM has established policies and procedures that address permissible cross transactions. Subject to the terms of the Advisory Client's (other than certain Advisory Clients managed by the Global Market Strategies Group) organizational documents: (i) notice must be provided to each Advisory Client or an independent representative of each such Advisory Client prior to proceeding with the cross transaction; (ii) if an Investor Advisory Committee of a particular Advisory Client has been established under the Advisory Client's charter and organizational documents, it must provide consent (generally by majority of the Committee's members) prior to engaging in such cross transaction; and (iii) records of such notices and consents must be maintained as part of CIM's books and records.

Typically, the governing agreements for each of the Advisory Clients address permissible cross transactions. In the case of a separately managed account, the investment management agreement or similar documentation addresses cross transactions.

The Global Market Strategies Group follows separate procedures when a cross transaction involves Structured Credit Advisory Clients. CIM has established the

following procedures in such context: (i) unless otherwise preapproved by Carlyle's Chief Compliance Officer or General Counsel, no consideration should be paid (aside from customary fees for advice and management) other than the current market price of the instrument (including brokerage commissions); (ii) generally, the execution price reflects the average of the midpoints of the then-prevailing related bid and ask quotations of at least two independent brokers and/or pricing services (and if two market or pricing service quotations are not available, the instrument will be fair valued in accordance with CIM's valuation policies and procedures); (iii) settled cross transactions must be reviewed by the Global Market Strategies Brokerage Committee, a committee comprising senior personnel from Carlyle's compliance department and Global Market Strategies Group, to determine compliance with CIM's procedures; (iv) internal documentation of the cross transaction must be established and maintained, including (among other things) internal transaction reports that contain material transaction information, such as independent pricing of the investment crossed between Advisory Clients; (v) Advisory Clients will receive notification of cross transactions in periodic reports; and (vi) Carlyle's Chief Compliance Officer or designee must pre-approve the cross transaction.

ERISA accounts generally will not participate in cross trades absent the written consent of Carlyle's Chief Compliance Officer, General Counsel, and/or competent ERISA counsel.

Financial Interests in Advisory Client Recommendations

As described in Item 5 – "Fees and Compensation", in addition to management fees payable and carried interest allocable to CIM and its affiliates, CIM and its affiliates may receive acquisition, disposition and ongoing fees with respect to advisory and related services provided in connection with investments by Advisory Clients.

CIM may have a conflict of interest to the extent that it has an opportunity to earn a fee from an acquisition or disposition by an Advisory Client. However, CIM believes that the management fee offset provisions described in Item 5 and the substantial equity commitment by CIM and its affiliates in Advisory Clients substantially mitigates this incentive. Any fees paid to CIM by a portfolio company or an Advisory Client are required to be on an arm's-length basis and on terms that are no less favorable to the Advisory Client or portfolio company than would be obtained in a transaction with an unaffiliated party. CIM's policies prohibit the allocation of investment opportunities based on anticipated compensation or profits to Carlyle, CIM, any affiliates or their professionals.

Further, CIM may recommend the securities or loan instruments of portfolio companies for acquisition by an Advisory Client where Carlyle, its affiliates (including a portfolio company of a different Advisory Client), or a Carlyle professional renders services to, engages in transactions with, or has a business relationship with (*i.e.*, board seat), and receives fees from, the portfolio company.

In addition, CIM or its affiliates currently own equity interests in four CLOs to which CIM provides advisory services pursuant to separate collateral management agreements. In the future, CIM (or its affiliates) may own similar interests in other such Advisory Clients having similar collateral management arrangements. CIM's equity interests in these four funds give it voting rights on certain matters relevant to the funds. On matters involving retention of, and payments to, the collateral manager (CIM, in these cases), CIM does not, and would not be expected to, have any voting rights. On other matters, CIM's voting interest can be significant enough to affect the outcome depending on the governance matter, especially matters that may require a super majority to effectuate a particular outcome, such as an early wind up of a fund, which, if blocked by CIM, would continue the collateral management arrangement and fees to CIM or a Carlyle affiliate. CIM expects that, as an equity owner, its economic interests would in most, if not all, cases align with the economic interests of other equity owners in a fund; however, the possibility exists that CIM could take a position on governance matters that would be adverse to other equity holders and indirectly, any noteholders in these particular collateralized loan obligation funds. Should CIM's interests diverge from the interests of other equity owners, decisions on how to vote CIM's interest will be presented to Carlyle's Conflicts Committee, a committee comprising senior management to help manage conflicts of interest that may arise during the conduct of Carlyle's business, for review and resolution.

Allocation of Investments

When allocating investment opportunities across Advisory Clients, there could be differences in the financial structure of the Advisory Clients potentially participating in the opportunity that could introduce an incentive for CIM to favor one Advisory Client over another.

Company Procedures

CIM has established trade allocation policies and procedures addressing CIM's duties to allocate investment opportunities among Advisory Clients in a fair and equitable manner. Most investment opportunities that satisfy the investment parameters of a particular Advisory Client will be allocated exclusively to that

particular Advisory Client. In certain cases, however, an investment opportunity may be appropriate for more than one Advisory Client. Any such allocation decisions are initially raised with the Investment Committee of the relevant Advisory Client that originated the investment opportunity. That particular Investment Committee, together with the Chief Investment Officer, will review the opportunity to determine if an allocation to any other Advisory Client may be appropriate in the first instance, taking into account, among other things, whether the investment satisfies each of the relevant Advisory Client's investment objectives and the Advisory Client's expected allocation based on its available capital commitments. If an investment opportunity will be allocated, CIM will, to the extent practicable, determine in good faith that the allocation is fair and reasonable taking into account the relevant facts and circumstances and parameters of the governing documents of the Carlyle-sponsored investment vehicle advised by CIM (or investment management agreement in the case of a separately managed account), the sourcing of the transaction, the nature of the investment focus of each Advisory Client, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for each such Advisory Client and other considerations deemed relevant by CIM in good faith. In certain situations, participation of multiple Advisory Clients in a single transaction may require consent of the Investor Advisory Committee or the investors of the participating Advisory Clients (or duly appointed representative in the case of a separately managed account). Allocation decisions are periodically reviewed to determine the reasonableness and fairness of the allocation decisions. CIM's policies prohibit the allocation of investment opportunities based on anticipated compensation or profits to Carlyle, CIM, any affiliates or their professionals.

Parallel and successor Carlyle-sponsored investment vehicles advised by CIM are subject to specialized allocation procedures set forth in the governing agreements of the applicable Advisory Clients. For such Carlyle-sponsored parallel investment vehicles, allocation decisions will be made on the basis of the investment vehicles' relative capital commitments, subject to the vehicle's governing documents. Carlyle generally does not introduce successor Carlyle-sponsored investment vehicles until the capital commitments of a predecessor Carlyle-sponsored investment vehicle have been substantially invested. Subject to legal, regulatory and tax considerations (in addition to any other exceptions set forth in an Advisory Client's governing agreements), a Carlyle-sponsored successor investment vehicle advised by CIM may only co-invest alongside a predecessor investment vehicle on materially the same terms and conditions, and, if so, investments must be allocated between the two investment vehicles on a basis that CIM believes, in good faith, to be fair and reasonable. In making allocations between such a Carlyle-sponsored successor and a

predecessor investment vehicle, CIM may take into consideration, among other things, the relative available capital of the investment vehicles and the investment limitations of the predecessor vehicle. In certain cases, the Investor Advisory Committee may be required to approve any co-investment by a successor investment vehicle in accordance with the terms of the vehicles' governing agreements. In certain cases, where the equity portion of a private equity investment may exceed that which is believed appropriate for one or more of such Carlyle-sponsored investment vehicles, a successor vehicle may be allocated 100% of an investment opportunity.

CIM may permit one or more strategic investors to invest in transactions in which the Advisory Client invests if CIM determines in good faith that their investment would be beneficial in consummating the Advisory Client's investment (including where an investor can invest or commit to invest a significant amount of capital in a short period of time), successfully operating the portfolio company or its assets, disposing of the investment or otherwise adding value to the investment because of certain skills or attributes of the strategic investor. CIM may also give investors in an Advisory Client or third parties the right to co-invest in a particular investment, including where a portion of the equity required would unreasonably limit diversification. The Advisory Client may bridge such investments until capital is called from coinvestors. As discussed in Item 8. Methods of Analysis, Investment Strategies and Risk of Loss – Potential Conflicts of Interest – Side Letters, the general partner (or similar managing fiduciary) of an Advisory Client may enter into side letters or other similar agreements with investors in connection with their admission to such Advisory Client which may include special rights with respect to co-investment.

In addition to Carlyle's obligation to invest in investments made by CIM's Advisory Clients, the governing documents of many Advisory Clients permit Carlyle to elect, on an investment-by-investment basis, to invest an additional amount in any investment made by such an Advisory Client up to a specified percentage (generally 5%) of the investment opportunity available to Carlyle.

Global Market Strategies: Structured Credit Group Allocation Procedures

A Credit Committee generally oversees the selection of investments appropriate for Advisory Clients within the Structured Credit Group. Because multiple Advisory Clients with this strategy often seek similar investments (*e.g.*, loans), allocating investment opportunities among multiple Structured Credit Advisory Clients is more prevalent relative to the private equity or real assets contexts.

An allocation to an Advisory Client in the Structured Credit Group is prepared via an automated trade order system specifying the Advisory Client(s) that should receive a particular investment opportunity in accordance with the allocation guidelines established by CIM. Generally, initial allocations are prepared on a pro rata basis based upon the assets of the Advisory Client, and, depending on the circumstances, may be augmented, reduced, or excluded for reasons that CIM believes are fair and equitable to the Advisory Clients. CIM may employ other methods of allocation based on the facts and circumstances, including percentage allocation, pro rata by exposure, rotation, and fill rotation.

Allocation methods are documented in the automated trade order system. If an order may be filled in its entirety, the investment will be allocated in accordance with the allocation, unless reallocated, as described below, in a manner that CIM believes is fair and equitable to the Advisory Clients. If a partial fill, the investment is generally allocated on a pro rata basis in accordance with the initial allocation amounts unless reallocated, as described below, in a manner that CIM believes is fair and equitable to the Advisory Clients.

Exceptions, variations in pro rata allocations, and reallocations are documented. For example, orders may be reallocated, especially if a partial fill, but must be documented and the reallocation decision explained to and reviewed by Carlyle's Chief Compliance Officer or designee.

Allocations of investment opportunities among Structured Credit Advisory Clients are periodically reviewed and monitored on an ongoing basis by the Global Market Strategies Brokerage Committees to determine the reasonableness and fairness of the allocations. From time to time, allocation issues may arise between Structured Credit Advisory Clients and other Advisory Clients outside of the Structured Credit Group. CIM seeks to allocate such investments in a fair and reasonable manner in accordance with its established policies.

Global Real Estate Allocation Procedures

Certain Advisory Clients within Carlyle's Global Real Estate Group invest in real estate mortgage-backed securities ("RMBS"). When RMBS investment opportunities are available to more than one Advisory Client, such investments generally are allocated based upon the relative amounts of capital available for investment, which amounts are determined periodically on a fair and reasonable basis taking into consideration the diversification requirements of each Advisory Client, recent capital events, targeted returns of such Advisory Client, opportunity

costs of other potential investments, and such other considerations deemed relevant by CIM in good faith.

Possession of Material, Non-Public Information and other Trading Restrictions

Carlyle espouses a management philosophy of collaboration and information sharing among investment professionals to create a unified global network. Carlyle, its affiliates, and their professionals may come into contact with material, non-public information in connection with their activities for Carlyle, CIM, or their affiliates. Carlyle has established policies and procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Under no circumstances may a professional trade in a security while in possession of material, non-public information about that security for his or her own account, the accounts of certain family members or the account of an Advisory Client. Further to this end, as discussed in Item 8, Carlyle has implemented various information barriers to segregate the flow of material, non-public information between its business segments.

Item 12. Brokerage Practices

Broker Selection

CIM has discretion to select brokers and dealers to execute securities transactions for Advisory Clients. CIM is obligated by law and under its investment management agreements to seek to obtain the best prices and executions for orders executed for Advisory Clients, taking into account quantitative and qualitative factors affecting the execution quality of portfolio transactions. In particular, CIM reviews factors, such as the experience of the broker or the dealer, its ability to handle the order to the best advantage of the Advisory Client, the nature of the investments to be bought or sold, special circumstances affecting the instrument (*e.g.*, redemption features), and the overall price of the order. As a result, although CIM will seek competitive commissions and spreads, it may not necessarily obtain the most competitive price/commission/spread for portfolio transactions.

From time to time, brokerage firms may provide services to CIM in addition to securities execution. As discussed in Item 8, certain large investment banks that may act as service providers to CIM and its affiliates, Advisory Clients and Carlyle portfolio companies may also invest in an Advisory Client (directly, or by sponsoring a feeder fund).

CIM may select brokers and dealers to execute securities transactions for Advisory Clients who are owned in part by another Advisory Client. For example, an Advisory Client has an ownership interest in Sandler O'Neill, an investment bank and broker-dealer. Certain other Advisory Clients, CIM affiliates or affiliated investment advisers may utilize Sandler O'Neill for securities execution or other investment-related services.

Portfolio trades of certain investment vehicles, generally within Global Market Strategies, can be expected to generate commissions, mark-ups/mark-downs, and other transaction charges that each Advisory Client is responsible for paying. CIM has complete discretion in deciding the brokers and dealers to execute Advisory Client transactions and the fees that will be paid to selected broker-dealers for their services. CIM seeks to obtain best execution of Advisory Client transactions based on a number of factors that include net price for the order, experience of the broker-dealer, order handling ability (particularly block orders), and the nature of the investments to be bought or sold. Global Market Strategies maintains approved broker-dealer lists and the Global Market Strategies Brokerage Committees meet periodically to evaluate the execution capabilities of approved broker-dealers and maintain efforts to seek best execution for their respective Advisory Client transactions.

In assessing the quality of execution for Advisory Client transactions, the Global Market Strategies Brokerage Committees will consider the full range of services available from and the characteristics of each broker-dealer, including, but not limited to execution capabilities, responsiveness, trading experience, reputation and integrity, overall reliability, access to underwritten offerings and secondary market trades, and the value of any "research" services provided to CIM. Typically, trade allocations are made to full service broker-dealers that provide research reports (typically on an unsolicited basis), services related to settlement and clearance, trade seminars, or access to certain professionals in connection with portfolio transactions. From time to time, depending on the certain circumstances, brokerage firms may pay for trade seminars, travel to such seminars, and lodging and entertainment of Carlyle professionals. Because these benefits, while providing Carlyle employees opportunities for education and fostering of business relationships, can create potential conflicts of interest, the compliance department assesses the types of research or other services that are provided (whether solicited or unsolicited) to determine if they are appropriate under the circumstances and if the provision of such research or services appears to have had any effect on the execution quality for client accounts.

From time to time, the Global Market Strategies Group will engage in transactions with broker-dealers that also have other dealings with Carlyle or its affiliates, including investor referrals and investments in Advisory Clients. Such business relationships could present a potential conflict of interest for CIM. However, the Global Market Strategies Group performs an analysis and review of each broker-dealer's trading and execution capabilities as part of its requirement to seek best execution. That analysis and review is presented to the Global Market Strategies Brokerage Committees for assessment. In the context of investment activity outside of these groups, CIM periodically reviews its relationships and levels of business allocated to key service providers, especially investment banks.

Bunching or Aggregating Trades

Structured Credit Advisory Client trades may be aggregated if aggregation is believed to benefit the Advisory Client and to be consistent with CIM's obligation to seek best execution. CIM is not obligated to aggregate Advisory Client trades, however, and there may be reasons, such as Advisory Client specifications or logistics of the trade itself, where aggregation is not possible. In such situations, the inability to aggregate the trade could result in an increase in transaction costs for the Advisory Client.

CIM may trade the same instruments for multiple Advisory Clients with a particular broker throughout the day. Where possible, the price at which that particular broker handles these multiple orders generally will be averaged among the multiple Advisory Client accounts during a trading day. Trades with a particular broker that occur in the same securities for multiple Advisory Clients on the same day may be averaged across multiple Advisory Client accounts if determined by CIM to be fair, reasonable and appropriate under the circumstances. All exceptions to CIM's policy on the aggregation of trades must be approved by Carlyle's Chief Compliance Officer or designee.

Item 13. Review of Accounts

Oversight and Monitoring

The portfolio investments of certain Advisory Clients are regularly reviewed by a team of investment professionals. Depending on the Advisory Client, the team generally includes principal executive officers of CIM, the co-founders of Carlyle, Managing Directors and other investment professionals. These professionals monitor operations, overall performance, financial performance, and strategic direction of each portfolio company owned by the Advisory Clients.

The specific parameters relating to the oversight and monitoring of the portfolio investments of the Advisory Clients for which there is shared oversight (*i.e.*, joint ventures) are set forth in the related offering documents.

The portfolio investments in leveraged bank loans, high yield debt, distressed debt and equity, and other mezzanine securities made by certain of the Advisory Clients are monitored by professionals at CIM under an organizational structure deemed appropriate to provide oversight. The portfolio assets are reviewed and monitored consistent with trading guidelines and events in the capital markets.

Reports to Advisory Clients and Investors

Investors in CIM-advised (and co-advised) Advisory Clients (excluding certain Global Market Strategies Advisory Clients) typically receive quarterly financial reports and audited annual reports. Investors have the ability to access these reports via a password-protected website. Each of the Global Market Strategies Advisory Clients is required to fulfill reporting obligations to investors based on the terms and conditions of the particular Advisory Client organizational documents (or investment management agreement in the case of a separately managed account). Certain of the Global Market Strategies Advisory Clients deliver annual audited financial statements to investors. Depending on the particular Advisory Client, investors may receive monthly reports or letters, quarterly financial and capital account statements. Reports to separately managed account Advisory Clients are based on the terms of the particular investment management agreement.

Certain investors may have the right to obtain information relating to an Advisory Client. Accordingly, such investors may possess information regarding the business and affairs of an Advisory Client that may not be known to other investors. As a result, certain investors may be able to take actions on the basis of such information which, in the absence of such information, other investors do not take.

For new Advisory Clients or investors in CIM-advised investment vehicles, a copy of this Brochure is delivered prior to or at the time of entering into an advisory contract.

Item 14. Client Referrals and Other Compensation

As described in Item 5 – "Fees and Compensation", in addition to management fees payable and carried interest allocable to CIM and its affiliates, CIM and its affiliates may receive acquisition, disposition and ongoing fees with respect to advisory and related services provided in connection with investments by Advisory Clients.

CIM and its affiliates may enter into cash compensation arrangements with TCG Securities, unaffiliated placement agents or third parties for introducing investors to Carlyle in respect of an Advisory Client. Any sales charge associated therewith will ultimately be payable by CIM or its affiliates, either directly or through an offset of the management fee payable by the relevant Advisory Client.

In accordance with CIM's policies, no investor may bear any portion of any fee paid to any third-party solicitor with respect to such investment (whether in the form of higher management fees or other types of fees) without the consent of Carlyle's General Counsel, Chief Financial Officer and Operating Committee.

Item 15. Custody

CIM uses unaffiliated, qualified, third-party custodians to hold the assets of its Advisory Clients in a manner that it believes complies with current SEC standards and guidance. For example, these qualified custodians maintain the client assets in a manner that segregates them from assets for other clients of the custodian

CIM is deemed to have custody of the underlying assets of many of its Advisory Clients. CIM relies on an exception available to "pooled investment vehicles" from the reporting and surprise audit obligations imposed by the SEC's custody rule. In addition to holding client assets with an unaffiliated, qualified, third-party custodian, these client assets (where CIM is deemed to have custody) are generally also subject to a year-end audit by a major accounting firm that is a member of, and examined by, the Public Company Accounting Oversight Board ("PCAOB"). The audited financial statements are then provided to the underlying investors of these Advisory Clients within 120 days of the end of the fiscal year.

To the extent that CIM is deemed to have custody of the underlying assets of an Advisory Client that is not deemed to be a "pooled investment vehicle", CIM engages a PCAOB major accounting firm to subject such assets to a surprise audit and requests requisite reporting to the Advisory Client. Such Advisory Clients may also have a statutory obligation to perform a year-end audit.

Item 16. Investment Discretion

Typically, CIM provides investment advice to its Advisory Clients on a discretionary basis, either directly or indirectly through sub-advisory arrangements. An affiliate of CIM, typically the general partner of the applicable Advisory Client, accepts discretionary investment authority for each Advisory Client. CIM, in turn, is

retained as investment adviser in order to provide advice with respect to Advisory Client investments. Generally this discretion is subject only to the investment guidelines set forth in the governing agreements (or investment management agreement in the case of a separately managed account) of an Advisory Client. Such governing agreements generally expressly provide that the applicable general partner has the authority to make all decisions concerning the investigation, evaluation, selection, negotiation, structuring, commitment to, monitoring of and disposition of investments.

Item 17. Voting Client Securities

Because CIM has, or will accept, authority to vote public company securities and other debt instruments (*e.g.*, loans) held by an Advisory Client, it has adopted policies and procedures (the "Proxy Voting Policies and Procedures") that it believes are reasonably designed to comply with the requirements of the Advisers Act. The Proxy Voting Policies and Procedures reflect CIM's commitment to vote such instruments in a manner consistent with the best interests of the Advisory Clients.

Under the Proxy Voting Policies and Procedures, unless faced with a conflict of interest between or among Advisory Clients, CIM will vote proxies in a manner that serves the best interest of its Advisory Clients, as determined by CIM in its discretion, taking into account relevant factors, including (i) the impact on the value of the securities owned by the Advisory Client and the returns on those securities; (ii) alignment of portfolio company management's interest with the Advisory Client's interest, including establishing appropriate incentives for management; (iii) the ongoing relationship between the Advisory Client and the portfolio companies in which it invests, including the continued or increased availability of portfolio information; (iv) industry business and practices; and (v) the requirements imposed on CIM and its affiliates in the Advisory Client operating agreements.

CIM reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the applicable Advisory Client. As a result, depending on the Advisory Client's particular circumstances, CIM may vote one Advisory Client's securities differently than it votes those of another Advisory Client, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, CIM may determine that it is in the Advisory Client's best interest for CIM to "abstain" from voting or not to vote at all, and will do so accordingly.

At times, conflicts may arise between the interest of an Advisory Client, on the one hand, and the interest of either another Advisory Client or Carlyle or its affiliates on

the other hand in consideration of a proxy vote. For example, a vote could arise in relation to a single company that (i) has issued stock to an Advisory Client with a buyout investment mandate, and (ii) has issued bonds or other debt instruments that are owned, in part, by an Advisory Client that invests primarily in debt instruments. To address such potential conflicts, CIM follows the procedures outlined in the Proxy Voting Policies and Procedures, which include the potential involvement of Carlyle's General Counsel, the Chief Compliance Officer and/or the Conflicts Committee, a committee comprising senior management to help manage conflicts of interest that may arise during the conduct of Carlyle's business. The Proxy Voting Policies and Procedures require that in all situations involving a potential conflict between two Advisory Clients, the vote will be made without regard to Carlyle's actual or anticipated compensation.

Proxy voting reports, identifying how proxies were voted where Carlyle has been delegated proxy voting authority, and CIM's Proxy Voting Policies and Procedures are available upon written request to Carlyle Investment Management L.L.C., 1001 Pennsylvania Avenue, NW, Suite 220 South, Washington, DC, 20004, Attn: Investor Relations.

Item 18. Financial Information

At this time, CIM is not aware of any financial condition that could impair CIM's ability to meet its contractual obligations to its clients. CIM has not been the subject of any bankruptcy petitions, including in the past ten years.

THE CARLYLE GROUP

Item 1. Cover Page

Form ADV Part 2B –Brochure Supplement

April 18, 2012

Carlyle Investment Management L.L.C.
1001 Pennsylvania Ave NW, Suite 220 South
Washington, DC 20004
(202) 729-5626
www.carlyle.com

This brochure supplement ("Supplement") provides information about the following professionals who are associated with Carlyle Investment Management L.L.C. ("CIM") and certain "relying advisors" affiliated with CIM:[1] William E. Conway, Jr., Daniel A. D'Aniello, David M. Rubenstein, Adena T. Friedman, Glenn A. Youngkin, Michael W. Arpey, Jeffrey W. Ferguson, David Marchick, Michael (Mitch) Petrick, Bruce E. Rosenblum, Greg Summe, James A. Attwood, Jr., John Bresnan, James F. Burr, Peter J. Clare, Jonathan E. Colby, Christopher Finn, Louis V. Gerstner, Jr., James H. Hance, Jr., Allan M. Holt, Sandra Horbach, Greg Kares, Thomas B. Mayrhofer, Jean-Pierre Millet, P. Olivier Sarkozy, Brooke B. Coburn, Rodney S. Cohen, Edward J. Mathias, David A. Stonehill, Paul B. Brady, Andrew Chung, David Daniel, Jason H. Lee, Christopher S. Lippman, Barbara Murphy, Thaddeus A. Paul, George Ruhlen, Ed Samek, Eric S. Sasson, Mark J. Schoenfeld, Robert G. Stuckey, Robert Dove, David Albert, Christopher B. Cox, Rahul Culas, Glori Holzman Graziano, Leo Helmers, Kenneth J. Kencel, George F. Kurteson, Linda Pace, Durant (Randy) D. Schwimmer, Raymond Whiteman and Brett Wyard. The disclosure herein supplements CIM's

[1] CIM is registered with the Securities and Exchange Commission ("SEC") as an investment adviser under the Investment Advisers Act of 1940. The following "relying advisors" that conduct a single advisory business with CIM have registered with the SEC as investment advisers through a single registration on CIM's Form ADV in accordance with a 2012 letter to the American Bar Association from the SEC staff: (i) Churchill Financial LLC ("Churchill Financial"), (ii) CIM Global, L.L.C., (iii) CIM Global Asia, L.L.C. and (iv) Carlyle Realty Essex II, L.L.C. For purposes of this Supplement, general references to CIM and its advisory business also include references to such relying advisors.

brochure. You should have received a copy of that brochure for CIM. Please contact Catherine Ziobro at (202) 729-5626 if you did not receive a copy of CIM's brochure or if you have questions about the contents of this Supplement.

Additional information about CIM is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Educational Background and Business Experience

Carlyle Investment Management L.L.C.

CIM, a Delaware limited liability company formed in 1996, is registered with the SEC as an investment adviser, and is one of several Carlyle-affiliated investment advisers to private funds sponsored by The Carlyle Group ("Carlyle" or "Firm") or other advisory clients across the following segments: (i) corporate private equity, (ii) real assets, and (iii) global market strategies.

CIM is also affiliated with The Carlyle Group L.P., which has filed a registration statement on Form S-1 with the SEC for a proposed initial public offering of its common units. This registration statement has since been amended in subsequent filings but has not yet been declared effective.

The principal direct and indirect owners of CIM are William E. Conway, Jr., Daniel A. D'Aniello, David M. Rubenstein, TC Group, L.L.C., a Delaware limited liability company, and TCG Holdings, L.L.C., a Delaware limited liability company.

Messrs. Conway, D'Aniello and Rubenstein are the co-founders of Carlyle. Together with Glenn Youngkin and Adena Friedman, they comprise Carlyle's Management Committee, which sets strategic direction and makes key executive decisions affecting the operations and policies of the Firm in areas including Firm vision and strategy, corporate mergers and acquisitions, new business initiatives and the incurrence of corporate debt.

The Firm has also established an Operating Committee, chaired by Mr. Youngkin and comprising senior management. The Operating Committee reports to and works closely with the Management Committee, and is responsible for executing the Management Committee's directives, policies and procedures, and managing day-to-day activities of Carlyle.

Educational and professional background information about these and certain other professionals at Carlyle is included below.

Co-Founders:

William E. Conway, Jr., born 1949, A.B. Economics, Dartmouth College, M.B.A., University of Chicago; Managing Director and Co-Founder, The Carlyle Group since 1987.

Daniel A. D'Aniello, born 1946, B.S., Syracuse University, M.B.A., Harvard University Graduate School of Business; Managing Director and Co-Founder, The Carlyle Group since 1987.

David M. Rubenstein, born 1949, B.A., Duke University, J.D., University of Chicago; Managing Director and Co-Founder, The Carlyle Group since 1987.

In addition to the Co-Founders, the other members of the Management Committee are:

Adena T. Friedman, born 1969, Bachelor's Degree, Williams College, M.B.A., Owen Graduate School of Management, Vanderbilt University; Managing Director and Chief Financial Officer, associated with The Carlyle Group since March 2011; previously Executive Vice President and Chief Financial Officer for The NASDAQ OMX Group, Inc. from 2003 to 2011.

Glenn A. Youngkin, born 1966, Bachelor's Degree, Rice University, M.B.A., Harvard Business School; Managing Director and Chief Operating Officer, associated with The Carlyle Group since 1995.

In addition to Ms. Friedman and Mr. Youngkin, the other members of the Operating Committee are:

Michael W. Arpey, born 1963, Bachelor's Degree., St. Lawrence University, J.D., Dickinson School of Law; Managing Director, associated with The Carlyle Group since 2010; previously was a Co-Founder, Managing Director and Co-Head of the Customized Fund Investment Group at Credit Suisse from 1999 to 2010.

Jeffrey W. Ferguson, born 1965, Bachelor's Degree and J.D., University of Virginia, Managing Director, Firm's General Counsel, associated with The Carlyle Group since 1999.

David Marchick, born 1966, J.D., The George Washington University Law School, M.A. from the University of Texas and B.A., University of California, Managing Director, associated with The Carlyle Group since 2007; previously, Partner/Attorney, Covington & Burling from 2002 to 2007.

Michael (Mitch) Petrick, born 1961, Bachelor's Degree, Grinnell College, M.B.A., University of Chicago; Managing Director and head of Carlyle Global Market Strategies, associated with The Carlyle Group since 2010; previously Global Head of Institutional Sales and Trading of Morgan Stanley from 2005 to 2010.

Bruce E. Rosenblum, born 1953, Bachelor's Degree, Yale University, J.D., Columbia University; Managing Director, associated with The Carlyle Group since 2000.

Greg Summe, born 1956, Bachelor's Degree, University of Kentucky, Master's Degree, University of Cincinnati, M.B.A., Wharton School at the University of Pennsylvania; Managing Director and Vice Chairman of Global Buyout, associated with The Carlyle Group since 2010; previously Chairman and CEO of PerkinElmer, Inc. from 1999 to 2010.

Other Carlyle Professionals

Typically, CIM provides investment advice to its advisory clients through an investment committee structure, or through a credit committee structure in the context of certain advisory clients for Global Market Strategies.

Managing Directors, as well as other professionals, participate on these investment committees and credit committees. For Carlyle-sponsored investment vehicles, members of the various investment committees are the Co-founders, certain members of the Management Committee, certain

members of the Operating Committee, or certain of the individuals identified below.

The educational and professional background information about these individuals has been organized by business group.**Corporate Private Equity**

Buyout:

James A. Attwood, Jr., born 1958, Bachelor's Degree and M.A., Yale University, J.D. and M.B.A., Harvard University; Managing Director, associated with The Carlyle Group since 2000.

John Bresnan, born 1948, Bachelor's Degree, Georgetown University; Managing Director, associated with The Carlyle Group since 2010; formerly Managing Director and Chief Capital Officer of Corporate and Investment Bank at Wachovia from 1999 to 2010.

James F. Burr, born 1966, Bachelor's Degree, Appalachian State University; Managing Director, associated with The Carlyle Group since 2008; previously Executive Vice President and Corporate Treasurer of Wachovia Corp. from 2006 to 2008.

Peter J. Clare, born 1965, Bachelor's Degree, Georgetown University, M.B.A., University of Pennsylvania, Wharton School; Managing Director, associated with The Carlyle Group since 1992.

Jonathan E. Colby, born 1946, Bachelor's Degree, Princeton University, J.D., Yale Law School; Managing Director, associated with The Carlyle Group since 1998.

Christopher Finn, born 1957, Bachelor's Degree, Harvard College; Managing Director, associated with The Carlyle Group since 1996.

Louis V. Gerstner, Jr., born 1942, Bachelor's Degree, Dartmouth College, M.B.A., Harvard University; Senior Advisor to The Carlyle Group since 2008; previously Chairman, The Carlyle Group since 2003.

James H. Hance, Jr., born 1944, Bachelor's Degree, Westminster College, M.B.A., Washington University; Senior Advisor, associated with The Carlyle Group since 2005.

Allan M. Holt, born 1952, Bachelor's Degree, Rutgers University, M.B.A., University of California at Berkeley; Managing Director, associated with The Carlyle Group since 1991.

Sandra Horbach, born 1960, Bachelor's Degree, Wellesley College, M.B.A., Stanford University Graduate School; Managing Director, associated with The Carlyle Group since 2005.

Greg Kares, born 1968, Bachelor's Degree, Wake Forest University, M.B.A., University of South Florida; Managing Director, associated with The Carlyle Group since 2010; formerly Senior Vice President at Wachovia from 2004 to 2010.

Thomas B. Mayrhofer, born 1972, Bachelor's Degree, The College of William and Mary; Managing Director, associated with The Carlyle Group since 2000.

Jean-Pierre Millet, born 1957, undergraduate degree, Institut Superior de Gestion (Paris), M.B.A., Kellogg Graduate School of Management at Northwestern University; Managing Director, associated with The Carlyle Group since 1997.

P. Olivier Sarkozy, born 1969, Master's Degree, St. Andrew's University (Scotland); Managing Director, associated with The Carlyle Group since 2008; previously, a Managing Director and Global Co-Head of the Financial Institutions Group at UBS Investment Bank from 2003 to 2008.

Growth Capital and Equity Opportunities:

Brooke B. Coburn, born 1969, Bachelor's Degree, Princeton University; Managing Director and Head of Carlyle Growth Partners, associated with The Carlyle Group since 1996.

Rodney S. Cohen, born 1965, Bachelor's Degree, Franklin and Marshall College, J.D., Columbia Law School; Managing Director, associated with The Carlyle Group since 2010; previously Co-Managing Partner at Pegasus Capital Advisors from 1996 to 2010.

Edward J. Mathias, born 1941, Bachelor's Degree, University of Pennsylvania, M.B.A., Harvard Business School; Managing Director, associated with The Carlyle Group since 1994.

David A. Stonehill, born 1968, Bachelor's Degree, Harvard University, M.B.A., Harvard Business School, J.D., Harvard Law School; Managing Director, associated with The Carlyle Group since 2010; previously Executive Managing Director and Head of U.S. Private Investments at Och-Ziff Capital Management from 2005 to 2010.

Real Assets

Global Real Estate:

Paul B. Brady, born 1965, Bachelor's Degree, University of Notre Dame, M.B.A., J.L. Kellogg Graduate School of Management of Northwestern University; Managing Director, associated with The Carlyle Group since 1997.

Andrew Chung, born 1972, Bachelor's Degree, Wharton School at the University of Pennsylvania; Managing Director, associated with The Carlyle Group since 2000.

David Daniel, born 1967, Bachelor's Degree, Texas A&M University, M.B.A., Rice University; Managing Director, associated with The Carlyle Group since 2000.

Jason H. Lee, born 1970, Bachelor's Degree, University of California, Berkeley, M.B.A., Harvard Business School; Managing Director and Head of Asia Real Estate, associated with The Carlyle Group since 1996.

Christopher S. Lippman, born 1968, Bachelor's Degree, Harvard University; Managing Director, associated with The Carlyle Group since 1998.

Barbara Murphy, born 1966, Bachelor's Degree, Virginia Polytechnic Institute; Managing Director, associated with The Carlyle Group since 2000.

Thaddeus A. Paul, born 1975, Bachelor's Degree, Cornell University; Managing Director, associated with The Carlyle Group since 2000.

George Ruhlen, born 1950, Bachelor's Degree, Rice University, J.D., University of Texas; Managing Director, associated with The Carlyle Group since 2007; previously a Partner/Attorney at Mayer Brown LLP from 1993 to 2007.

Ed Samek, born 1976, Bachelor's Degree, Wharton School at the University of Pennsylvania; Managing Director, associated with The Carlyle Group since 2000.

Eric S. Sasson, born 1964, Engineering Degree, Ecole Speciale des Travaux Publics, Master's Degree, M.I.T., M.B.A., INSEAD in Fontainebleau; Managing Director, associated with The Carlyle Group since 2001.

Mark J. Schoenfeld, born 1959, Bachelor's Degree, Michigan State University; Managing Director, associated with The Carlyle Group since 1992.

Robert G. Stuckey, born 1962, Bachelor's Degree, University of Nebraska, M.B.A. Harvard University; Managing Director, associated with The Carlyle Group since 1998.

Global Infrastructure:

Robert Dove, born 1954, graduate of the Forest (High) School in London; Managing Director, associated with The Carlyle Group since 2006, previously a Senior Vice President at Bechtel Enterprises, Inc. from 1996 to 2006.

Global Market Strategies

David Albert, born 1969, Bachelor's Degree, University of Pennsylvania, M.B.A., Wharton School of the University of Pennsylvania; Managing Director and Co-Head of the Energy Mezzanine Opportunities Group, associated with The Carlyle Group since 2010; previously a Managing Director and Global Head of the Project and Structured Finance Group at Morgan Stanley from 1998 to 2010.

Christopher B. Cox, born 1964, Bachelor's Degree, Tufts University, M.B.A, Fordham Graduate School of Business; Principal, associated with the Carlyle Group since 2011; previously, Managing Director and Chief Risk Officer of Churchill Financial from 2006-2011.

Rahul Culas, born 1980, Bachelor's Degree, Indian Institute of Technology, Master's Degree, Carnegie Mellon University; Managing Director and Co-Head of the Energy Mezzanine Opportunities Group, associated with The Carlyle Group since 2010; previously at Morgan Stanley from 2005 to 2010 (Executive Director in the Project and Structured Finance Group 2009-2010).

Glori Holzman Graziano, born 1955, Bachelor's Degree, Washington University, M.B.A., George Washington University; Managing Director, associated with The Carlyle Group since 2001.

Leo Helmers, born 1965, Bachelor's Degree, Lafayette College, M.B.A., Temple University; Managing Director, associated with The Carlyle Group since 2003.

Kenneth J. Kencel, born 1959, Bachelor's Degree, Georgetown University, J.D., Northwestern University School of Law; Managing Director and Group Head of Churchill Financial, associated with The Carlyle Group since 2011; previously, Founder of Churchill Financial since 2006.

George F. Kurteson, born 1950, Bachelor's Degree and M.B.A., Lehigh University; Managing Director, associated with The Carlyle Group since 2011; previously Senior Managing Director and a Founder of Churchill Financial from 2006-2011.

Linda Pace, born 1962, Bachelor's Degree, Douglass College, M.B.A., New York University; Managing Director, associated with The Carlyle Group since 1999.

Durant (Randy) D. Schwimmer, born 1956, Bachelor's Degree, Trinity College, Master's Degree, University of Chicago; Managing Director, associated with The Carlyle Group since 2011; previously, a Senior Managing Director and Head of Capital Markets at Churchill Financial from 2006-2011.

Raymond Whiteman, born 1959, Bachelor's Degree, Williams College, M.B.A., New York University; Managing Director, associated with The Carlyle Group since 1996.

Brett Wyard, born 1969, Bachelor's Degree, Boston College; Managing Director, associated with The Carlyle Group since 2005.

Item 3. Disciplinary Information

None of the professionals included in this Supplement has been the subject of any material legal or disciplinary finding of an investment-related nature that would be material to the evaluation of such professionals or the business of the Firm. Certain of these professionals, however, have been named in private civil actions alleging, among other things, violations of investment-related statutes in connection with the offering, operation and liquidation of Carlyle Capital Corporation Limited, an investment fund. Carlyle believes the allegations in each of these actions are without merit and is vigorously contesting all actions.

Item 4. Other Business Activities

Affiliated Broker-Dealer

TCG Securities, L.L.C. ("TCG Securities"), an affiliate of CIM, is a limited-purpose broker-dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). TCG Securities acts as placement agent with respect to the offer and sale of certain interests in affiliated, private investment vehicles, including advisory clients of CIM. TCG Securities does not currently intend to offer investment products sponsored or issued by unaffiliated third-parties. TCG Securities does not intend to act as a broker-dealer or agent for transactions effected on behalf of affiliated, private investment vehicles and does not intend to hold funds or securities for, or owe money or securities to, clients generally.

Certain associated persons of TCG Securities also provide investment advisory services to advisory clients. Specifically, Michael W. Arpey acts as CEO of TCG Securities, and Christopher S. Lippman, Jonathan E. Colby and Mitch Petrick are associated persons of TCG Securities. These individuals are subject to the policies and procedures of TCG Securities when engaging in securities-related transactional activities in addition to CIM's policies and procedures, and they receive a salary and discretionary bonus from Carlyle. This bonus is based upon a number of factors including

overall profitability of Carlyle, the responsiveness, quality, breadth and depth of investor relationship services provided, commitment to key Carlyle policies and philosophies, and the level of commitments secured from new and existing investors.

Other Business Activities for Certain Individuals

Key investment professionals of Carlyle may participate in outside business activities, including board memberships of Carlyle portfolio companies, other companies, and/or charitable organizations. These activities may involve a substantial amount of their time and may provide a substantial source of their income. In particular, the following individuals participate in certain financial or other outside organizations, as described below.

Co-Founder

David M. Rubenstein, Buyout, Growth Capital and Equity Opportunities, Real Assets

> *Among other philanthropic endeavors, Mr. Rubenstein is the Chairman of the John F. Kennedy Center for the Performing Arts, a Regent of the Smithsonian Institute, President of the Economic Club of Washington, and on the Boards of Directors or Trustees of Duke University (Vice Chair), the Brookings Institution (Vice Chair), and the Council on Foreign Relations, the Institute for Advanced Study.*
>
> *Mr. Rubenstein is also a member of several advisory boards including the Harvard Business School Board of Dean's Advisors, the Board of Trustees of the Young Global Leaders Foundation, the Advisory Board of the School of Economics and Management at Tsinghua University, and the International Business Council of the World Economic Forum.*

Other Managing Directors

Brooke B. Coburn, Growth Capital and Equity Opportunities

Mr. Coburn is currently a member of the Boards of Directors of Apollo Global, Catapult Learning, Gemcom Software, RevShare, Signal Hill, VSGi, and Worldstrides. Signal Hill is a service provider to Carlyle and/or its funds.

Adena T. Friedman, Chief Financial Officer

Ms. Friedman is a member of the Board of Directors of iLevel Solutions, a software company that services the private equity industry and is a service provider to Carlyle.

Louis V. Gerstner, Jr., Buyout

Mr. Gerstner is a member of the Board of Directors of Bessemer Securities Corporation, a member of the Advisory Board of Sony Corporation, and the former Chairman and CEO of International Business Machines. Mr. Gerstner is a Director of the Board Institute of MIT and Harvard, Vice Chairman of the Board of Memorial Sloan-Kettering Cancer Center and Vice Chairman of the Board of the American Museum of Natural History.

James H. Hance, Jr., Buyout, Global Market Strategies

Mr. Hance is a member of the Boards of Directors of Cousins Properties, Ford Motor Company, Duke Energy, Morgan Stanley, and Sprint Nextel. Morgan Stanley is a service provider to Carlyle and/or its funds.

Leo Helmers, Global Market Strategies

Mr. Helmers is the Chair of the Investment Committee for the Endowment Fund of the Shipley School, and also serves as a member of the Board of Trustees, the Finance Committee and the Development Committee.

Edward J. Mathias, Growth Capital and Equity Opportunities, Buyout

Mr. Mathias is the chairman of the investment committee for a private equity fund focused on private equity investments in Mexico and advised by a team partially composed of former Carlyle employees, a member of the Board of Directors of Brown Advisory, and is on the Advisory Boards of Aberleen Group, BlackStreet Capital, Promontory Financial Group, Trident Capital and Valhalla Partners. Brown Advisory is a service provider to Carlyle and/or its funds.

P. Olivier Sarkozy, Buyout

Mr. Sarkozy is currently a member of the Board of Directors of BankUnited and UniRush, each a Carlyle portfolio company. Mr. Sarkozy is also a member of the Advisory Committee of SOP Holdings LLC, a holding company of Sandler O'Neill, another Carlyle portfolio company. Sandler O'Neill is a service provider to Carlyle, its affiliates, and/or its portfolio companies.

Greg Summe, Buyout, Real Assets

Mr. Summe serves as a member of the Boards of Directors of Automatic Data Processing Inc., State Street Corporation, Veyance, Inc. and Freescale Semiconductor, Inc. State Street and ADP are service providers to Carlyle and/or its funds.

Ray Whiteman, Global Market Strategies

Mr. Whiteman is a member of the investment committee of RLJ Equity Partners, a middle-market private equity firm.

Item 5. Additional Compensation

In the context of serving as a member of a board of directors, advisory board, or similar body of certain outside companies, some of which are publicly-traded companies, several of the individuals included in this

Brochure Supplement receive some form of compensation. Typically, such board members are compensated in the form of cash and/or company stock.

Item 6. Supervision

Operational Supervision

Carlyle's Management Committee sets strategic direction and makes key executive decisions affecting the operations and policies of Carlyle in areas including its vision and strategy, corporate mergers and acquisitions, new business initiatives and the incurrence of corporate debt.

Carlyle's Operating Committee is responsible for implementing the Management Committee's directives, policies and procedures, and managing day-to-day activities of Carlyle. The Operating Committee works with and is supervised by the Management Committee.

Investment Supervision

Typically, CIM provides investment advisory services, either directly or through sub-advisory arrangements, to investment vehicles sponsored by Carlyle or separately managed accounts (each, an advisory client). This investment advice is generally rendered through an investment committee structure, or through a credit committee structure in the context of certain advisory clients within Global Market Strategies.

Managing Directors, as well as other professionals, participate on these investment committees and credit committees. For Carlyle-sponsored investment vehicles, members of the various investment committees generally include one or more of the Co-Founders, certain members of the Management Committee, certain members of the Operating Committee, and/or certain other investment professionals identified in this Supplement. These investment and credit committees consider the investment recommendations made by the members of the fund team and/or affiliated sub-advisory teams. In addition, Mr. Conway acts as Carlyle's Chief

Investment Officer and as such oversees the allocation decisions that are determined by the various investment and credit committees for CIM's Corporate Private Equity and certain other advisory clients. Mr. D'Aniello is a voting member of all investment committees for CIM's Real Estate advisory clients, and performs a similar oversight function for Carlyle's Real Estate investment activities.

CIM and Riverstone Investment Group, L.L.C. ("Riverstone"), an unaffiliated investment advisor, act as co-investment advisers to certain Carlyle-Riverstone energy, power and/or renewable funds. Mr. D'Aniello and Mr. Mathias are voting members of the investment committees for these funds.

Compliance Oversight

Carlyle's Legal and Compliance team includes a dedicated team of compliance professionals, headed by Catherine Ziobro, the Chief Compliance Officer ("CCO"). The primary mandate of the CCO and compliance team is to oversee CIM's investment advisory regulatory compliance obligations. The compliance team spans the globe, which provides compliance professionals participation and oversight of the investment activities described above.

Any questions regarding compliance issues may be directed to Catherine Ziobro at (202) 729-5626.