

## Carlyle Tactical Private Credit Fund (“CTAC”)

December 31, 2022

### Fund Description

The Carlyle Tactical Private Credit Fund seeks to produce current income and provide investors with access to the private credit markets. The Fund opportunistically allocates its assets across a wide range of credit strategies within The Carlyle Group’s \$146B Global Credit Platform, with at least 80% of its assets in private fixed income securities and credit instruments. These credit strategies include Liquid Credit, Direct Lending, Opportunistic Credit, Structured Credit, Real Assets, and in certain periods throughout a cycle, Special Situations. The Fund is an interval fund that is offered on a daily basis and engages in quarterly repurchases to provide liquidity to shareholders.

### Key Terms

<b>Symbol</b>	TAKAX (Brokerage) TAKIX (Institutional) TAKLX (Brokerage) TAKMX (Brokerage) TAKYX (Advisory) TAKNX (Institutional via NSCC) TAKUX (Brokerage)
<b>Repurchase Frequency</b>	Quarterly offers to repurchase between 5% and 25% of outstanding shares at NAV
<b>Subscriptions / NAV</b>	Daily
<b>Dividend Frequency</b>	Quarterly
<b>Portfolio Management Team</b>	Justin Plouffe, Brian Marcus
<b>Registered</b>	1940-Act, 1933-Act
<b>Tax Treatment</b>	1099
<b>Expected Repurchase Dates</b>	January, April, July, October

### Q4 2022 Market Commentary

In 2022, the credit market was characterized by volatility as investors grappled with the impact of accelerating inflation, rising rates, the ongoing war in Ukraine and increasing recessionary concerns. Amidst the market volatility, 2022 witnessed plummeting loan issuance volume to levels unseen post-crisis. In FY 2022, the U.S. leveraged loan market<sup>2</sup> returned -0.60% and the U.S. high yield market<sup>3</sup> returned -11.9%. Treasuries notably continued one of their worst years in history, with the US Long Treasury Index down 33.4% in 2022.

In 2022, as the market endured uncertainty and persisting economic headwinds, total 2022 institutional loan volume dropped to \$225.1 billion marking a 63% decline year over year. Q4 issuance increased moderately quarter over quarter to \$35.7 billion, from \$21.2 billion in Q3. Issuance for the quarter was largely driven by refinancing volume surging to \$21.5 billion. M&A deal volume dropped to levels unseen since 2010 as opportunistic transactions were driven by higher quality issuers. Notably, price volatility as a result of broader uncertainty in the market halted primary issuance. The weighted average institutional spread dropped modestly to 425 bps in Q4 2022 as credit rallied.

High yield bond issuance continued to drop in Q4 2022 with total 2022 issuance of \$102 billion down 78% year over year. Notably, U.S. high-yield retail funds have experienced continued outflows. The average yield at issuance in the fourth quarter rose to 10.4%, the highest average for any quarter since 2009. With rising borrowing costs, issuances in the second half of the year were shorter in maturity than typically seen. As yields continue to increase across high yield, CTAC has, and will continue to, selectively pursue attractive relative-value opportunities in this space.

While total CLO issuance for 2022 remained high at \$129.3 billion, the CLO market slowed in Q4 as liability spreads widened. Monthly issuance declined for three consecutive months in Q4 2022, in stark contrast to the accelerated deal volume experienced during December 2021. Given the broader market uncertainty, debt investors in CLOs require higher spreads and deals have been pricing with shorter non-call and reinvestment periods. Notably, in the second half of 2022, deals with three- and four-year reinvestment limits exceeded those of vehicles with 5-year reinvestment limits. Further, we saw notable CLO investors pause investments in CLOs given the market volatility served as an impediment to fourth quarter new issuance. Managers continue to look to raise shorter dated deals, including print-and-sprints, to try and take advantage of the market dislocation in secondary loans.

While middle market transaction volume decreased year over year, private credit continued to take market share from the syndicated loan market. Earlier in 2022, pricing in the middle market did not adjust as quickly as what we saw in the liquid markets. However, in the second half of 2022, we saw spreads widen to more historic premium over liquid credit. We continue to see trends of better documentation, tighter covenants, and improved economics for lenders. Further, we continue to see the trend of private capital providers stepping to fill the void and provide certainty amidst banks withdrawing from the market.

Through 2022, the Fed continued to aggressively raise rates amid mounting inflation. At the start of the year, the implied number of hikes through year end was three. Through year end 2022, the Fed raised the federal funds rate seven times. The Fund’s portfolio is positioned in majority floating-rate senior secured assets, mitigating interest rate risk. As such, the portfolio expects to continue to be the beneficiary of these increased rates going forward. Given the rate hikes and widening credit spreads from market uncertainty, we expect there to be opportunities to invest capital at higher underwritten returns across the markets in which we participate.

The 2022 macroeconomic environment was characterized by volatility and uncertainty. As such, we saw investors look to private credit amid the turbulent market. Carlyle believes the Fund is well positioned and will seek to take advantage of the market volatility and opportunities that arise due to market dislocations. Notably, as of Q4 2022 the portfolio is 87% floating rate allowing resets at higher rates. Given CTAC’s tactical nature, we believe the market volatility will continue to create attractive opportunities for the Fund.

### Net Performance<sup>(1)</sup>

1 Share Class (as of December 31, 2022)

Year	MTD	QTD	YTD	LTM	1TD
Net	0.68%	2.36%	(0.79%)	(0.79%)	17.10%

Note: All data as of December 31, 2022 unless otherwise specified.

- (1) Past performance is not a guarantee or indicator of future results.
- (2) The LSTA Leveraged Loan Index is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market based upon weightings, spreads, and interest payments.
- (3) The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody’s, Fitch and S&P is Ba1/BB+/BB+ or below.

## Carlyle Tactical Private Credit Fund (“CTAC”)

### Portfolio Highlights

In Q4 2022, CTAC generated a net return of 2.36% for the Fund’s I share class. The Fund produced an 10.4% annualized and 8.5% LTM dividend distribution rate. We continue to find value across our credit platform and seek to actively deploy capital across CTAC’s core strategies:

#### Liquid Credit

- Loans continued to trade at historically attractive prices. The LSTA leveraged loan index was trading at ~92 as of December 31st.
- We saw continued opportunity in secondary purchases in the liquid space with potential for attractive gross returns given higher base rates and spreads.
- CTAC continues to deploy cautiously into established companies with strong long-term fundamentals in the current, uncertain environment.

#### Direct Lending

- In the second half of 2022, middle market spreads widened keeping pace with the price movement seen in the liquid markets. The spread widening allowed the Fund an opportunity to continue to capture private debt premium in this market.
- We continue to see direct lending as an attractive area for risk adjusted returns.

#### Opportunistic Credit

- Opportunistic credit continued to demonstrate the ability to generate yield premium vs broadly syndicated markets.
- We believe the competitive market requires access to substantial capital, bespoke structuring and creative execution in complex situations.
- We continue to see increased deal flow as banks’ risk tolerance has lowered.
- We continue to focus on thematic investing in sectors where economic and business disruption has been amplified, including media & entertainment, software & technology, consumer services and financial & business services.

#### Structured Credit

- Given current yields, price convexity, and positive credit fundamentals, we continue to see opportunity in CLO BB tranches.
- CTAC will look to add targeted positions to the portfolio in a disciplined and measured manner.

#### Real Assets Credit

- Real Assets Credit, specifically Infrastructure Credit, continue to present opportunities that offer compelling risk-adjusted returns.
- CTAC will look to tactically deploy capital in the coming quarters to both infrastructure credit and aviation, where we see an active investment pipeline in the near to medium-term.

#### Special Situations Credit

- We continue to focus on idiosyncratic opportunities and seek to take advantage of out-of-favor sectors where companies are looking for additional liquidity.

### Investment Outlook

2022 was marked by widespread uncertainty and market turbulence due to accelerating inflation, rate hikes, recession fears and the ongoing war in Ukraine. Looking to 2023, economic outlooks have become increasingly rosy given decelerating inflation and a more data-dependent Fed. We believe our existing portfolio remains healthy and we are well-positioned to take advantage of opportunities in the near, medium and long-term. Throughout 2022, we saw enhanced demand for transitional capital supported by a slowdown in the liquid credit and structured credit markets. Notably, in the current market environment, banks have been less willing to commit capital and underwrite deals. Throughout 2022, we saw more opportunities within the opportunistic and direct lending space as investors look to private credit amid market turbulence. Founder, family and entrepreneur owned businesses are showing substantial demand for transitional capital as borrowers continue to seek solutions to complex capital needs that cannot currently be met by traditional credit markets. We continue to look to deploy capital to this strategy and capture the yield premium afforded to us by entering complex situations that require substantial structuring expertise. Further, we expect to see opportunities as companies seek transitional capital to shore up balance sheets ahead of maturities in the coming years. In the direct lending space, spread widening caught up with what’s occurred in the more liquid credit markets in alignment with historic private debt premiums. In structured credit, we continue to see opportunities in CLO BB tranches given current yields, price convexity, and positive credit fundamentals. In our real assets strategy, we look to tactically deploy as opportunities arise. We believe real assets continue to offer enhanced yield as well as diversification and correlation benefits to our portfolio.

Volatility persisted throughout 2022 as investors continued to focus on macro factors. In terms of inflation, we continue to track how efficiently companies are able to pass through rising input costs, margin evolution, and consumer spending. Overall, borrowers’ balance sheets continue to remain strong. Generally, revenues have increased in line with inflation with EBITDA growth close to flat giving further support to credit’s forward return potential versus equity upside. We continue to perform monthly portfolio reviews, tracking borrower’s interest coverage ratios stressing for higher rates in 2023. We also continue to monitor tactical overlays that can be opportunistically added to tilt portfolio position for downside protection against exogenous events. The general health of our portfolio remains strong, which we consider a testament to investing in best-in-class resilient companies. Ultimately, we continue to believe that we are well-positioned to be a capital provider in the current market environment and will continue to deploy opportunistically where we see value.

*Note: All data as of December 31, 2022 unless otherwise specified. Past performance is not a guarantee or indicator of future results. Please refer to endnotes for further information.*

## Carlyle Tactical Private Credit Fund (“CTAC”)

### Fund Profile

Fund AUM <sup>(1)</sup>	\$2,234 million
Inception Date	June 4, 2018
Annualized Distribution Rate / LTM Distribution Rate (I Share Class) <sup>(2)</sup>	10.44% / 8.46%
Effective Duration (years) <sup>(3)</sup>	0.89
Leverage	28%

### Performance Summary

#### Monthly Net Returns (%)

<b>TAKIX US Equity I Share Class</b> 8/31/18														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	
2022	0.47%	(0.49%)	0.32%	0.26%	(2.90%)	(1.93%)	1.34%	1.87%	(2.04%)	0.00%	1.71%	0.68%	(0.79%)	
2021	1.75%	1.37%	0.61%	1.11%	1.18%	0.95%	0.56%	0.67%	0.88%	0.49%	0.45%	0.78%	11.28%	
2020	0.97%	(0.96%)	(14.83%)	(1.55%)	5.24%	5.05%	1.45%	1.13%	1.28%	0.79%	3.24%	1.92%	2.13%	
2019	1.25%	1.03%	0.61%	1.14%	0.61%	0.17%	0.31%	(0.82%)	(0.52%)	(1.39%)	0.76%	2.26%	5.48%	
2018	--	--	--	--	--	--	--	--	0.60%	0.10%	(0.10%)	(2.13%)	(1.54%)	
Since Inception (Aug 2018):													17.10%	
<b>TAKAX US Equity A Share Class</b> 7/31/18														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	
2022	0.43%	(0.65%)	0.27%	0.22%	(2.96%)	(1.83%)	1.30%	1.85%	(2.08%)	(0.07%)	1.66%	0.49%	(1.42%)	
2021	1.60%	1.35%	0.56%	1.07%	1.14%	0.91%	0.63%	0.51%	0.84%	0.45%	0.41%	0.85%	10.77%	
2020	0.86%	(0.96%)	(15.08%)	(1.68%)	5.13%	5.00%	1.34%	1.11%	1.12%	0.87%	3.20%	1.96%	1.22%	
2019	1.15%	0.93%	0.48%	1.14%	0.41%	0.12%	0.21%	(0.83%)	(0.58%)	(1.50%)	0.65%	2.27%	4.48%	
2018	--	--	--	--	--	--	--	(0.04%)	0.54%	0.10%	(0.20%)	(2.18%)	(1.79%)	
Since Inception (Jul 2018):													13.52%	
<b>TAKLX US Equity L Share Class</b> 8/31/18														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	
2022	0.43%	(0.64%)	0.28%	0.22%	(2.85%)	(1.99%)	1.31%	1.83%	(2.09%)	(0.08%)	1.66%	0.49%	(1.49%)	
2021	1.60%	1.17%	0.60%	1.07%	1.14%	1.02%	0.52%	0.51%	0.84%	0.45%	0.41%	0.85%	10.62%	
2020	0.86%	(0.96%)	(14.98%)	(1.68%)	5.26%	5.08%	1.33%	1.18%	1.12%	0.75%	3.22%	1.89%	1.42%	
2019	1.15%	1.03%	0.45%	1.14%	0.51%	0.09%	0.21%	(0.83%)	(0.52%)	(1.39%)	0.65%	2.25%	4.79%	
2018	--	--	--	--	--	--	--	--	0.50%	0.20%	(0.20%)	(2.16%)	(1.67%)	
Since Inception (Aug 2018):													14.01%	
<b>TAKYX US Equity Y Share Class</b> 8/31/18														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	
2022	0.56%	(0.62%)	0.30%	0.25%	(2.93%)	(1.96%)	1.45%	1.72%	(1.94%)	(0.15%)	1.69%	0.65%	(1.03%)	
2021	1.62%	1.38%	0.65%	1.07%	1.19%	0.93%	0.54%	0.65%	0.87%	0.47%	0.43%	0.76%	11.02%	
2020	0.86%	(0.96%)	(14.95%)	(1.55%)	5.26%	5.02%	1.34%	1.22%	1.14%	0.77%	3.36%	1.79%	1.65%	
2019	1.25%	0.93%	0.48%	1.14%	0.51%	0.22%	0.21%	(0.83%)	(0.48%)	(1.39%)	0.65%	2.32%	5.08%	
2018	--	--	--	--	--	--	--	--	0.60%	0.10%	(0.10%)	(2.17%)	(1.58%)	
Since Inception (Aug 2018):													6.63%	
<b>TAKNX US Equity N Share Class</b> 3/31/19														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	
2022	0.47%	(0.61%)	0.32%	0.28%	(2.77%)	(1.92%)	1.36%	1.89%	(2.04%)	0.00%	1.71%	0.55%	(0.80%)	
2021	1.76%	1.27%	0.61%	1.23%	1.18%	0.95%	0.56%	0.67%	0.78%	0.60%	0.45%	0.78%	11.32%	
2020	0.97%	(0.85%)	(14.84%)	(1.68%)	5.38%	4.68%	1.34%	1.26%	1.16%	0.79%	3.38%	1.91%	1.88%	
2019	--	--	--	0.62%	0.51%	0.17%	0.31%	(0.83%)	(0.42%)	(1.39%)	0.65%	2.26%	1.86%	
2018	--	--	--	--	--	--	--	--	--	--	--	--	--	
Since Inception (Mar 2019):													14.59%	
<b>TAKMX US Equity M Share Class</b> 4/30/20														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	
2022	0.41%	(0.66%)	0.25%	0.20%	(2.85%)	(2.11%)	1.40%	1.69%	(1.97%)	(0.20%)	1.63%	0.59%	(1.66%)	
2021	1.57%	1.31%	0.54%	1.05%	1.12%	1.00%	0.50%	0.49%	0.82%	0.54%	0.39%	0.72%	10.47%	
2020	--	--	--	--	3.88%	5.08%	1.33%	1.20%	1.11%	0.73%	3.30%	1.73%	19.88%	
2019	--	--	--	--	--	--	--	--	--	--	--	--	--	
2018	--	--	--	--	--	--	--	--	--	--	--	--	--	
Since Inception (Apr 2020):													30.25%	

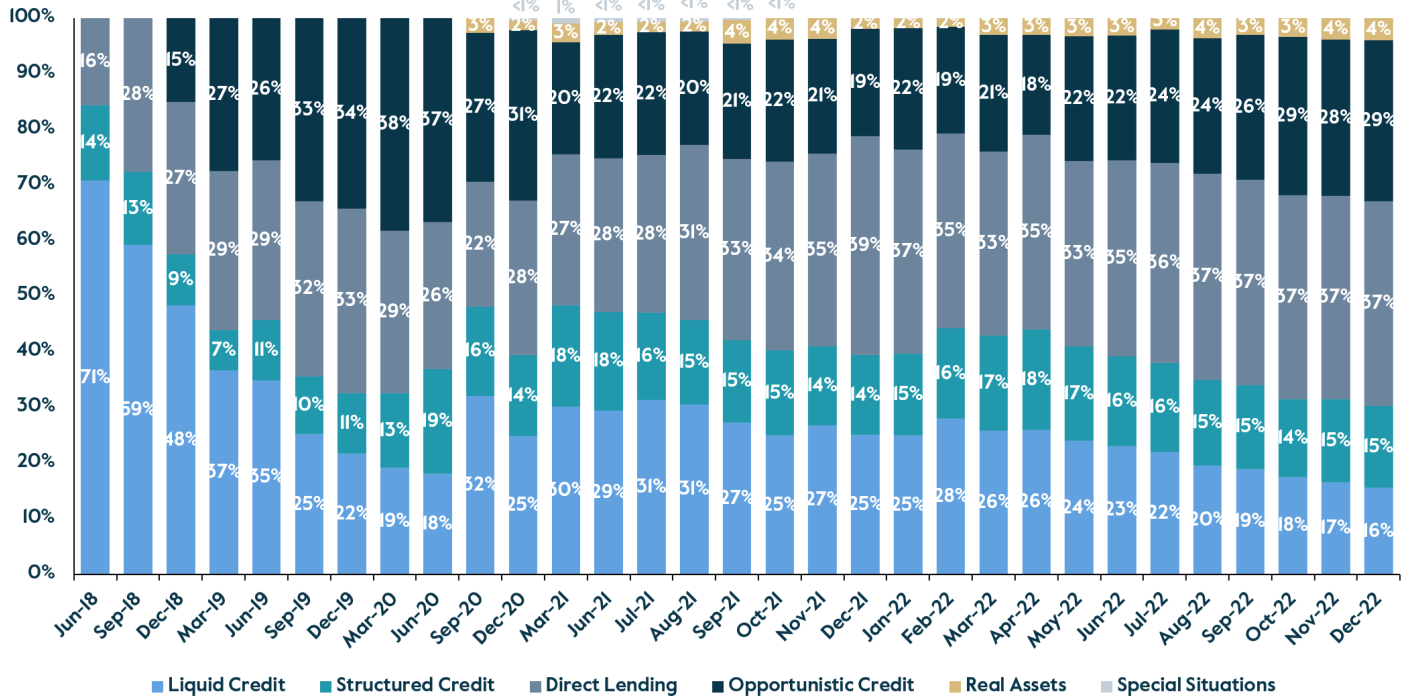
Note: The performance data quoted represents past performance, which does not guarantee future results. Current performance and expense ratios may be lower or higher than the performance data quoted. The investment return and principal value of an investment in the fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. For performance data current to the most recent month-end, visit [www.CarlyleTacticalCredit.com](http://www.CarlyleTacticalCredit.com) or call 833-677-3646. Class A and Class L shares include the 3.50% maximum sales charge except where indicated. Class Y, Class N and Class I shares are not subject to a sales charge. While Class M shares are not subject to a front-end sales charge, if you purchase Class M shares through certain financial firms, such firms may directly charge you transaction or other fees. The net expense ratio takes into account contractual fee waivers and/or reimbursements, without which performance would have been less. These undertakings may not be amended or withdrawn for one year from the date of the current prospectus, unless approved by the Board. Generally, Class A Shares, Class M, and Class L Shares are offered through Financial Intermediaries on brokerage or transactional platforms. Class Y Shares, Class N Shares and Class I Shares are generally available through fee-based programs, registered investment advisers and other institutional accounts. Generally, Class I shares can only be purchased with a \$1 million initial investment. See prospectus for details.

Note: Gross expenses are higher in certain share classes due to low share class assets. Annual Expense Ratios: Gross: Class A shares 5.39% / Class I shares 4.89% / Class L shares 5.39% / Class M shares 5.64% / Class N shares 4.89% / Class Y shares 5.14%. Net: Class A shares 5.20% / Class I shares 4.70% / Class L shares 5.20% / Class M shares 5.45% / Class N shares 4.70% / Class Y shares 4.95%

- (1) Total AUM as of 12/31/22 represents managed assets including leverage (net assets of \$1,409 million). Past performance does not guarantee future results.
- (2) As of 12/31/2022. Based on I share class. Represents income, capital gains and return of capital (if any) in the stated reporting period. To date, there has been no return of capital in any of the distributions. Annualized distribution rate is calculated by taking the stated quarter's distribution rate divided by the quarter-end NAV and annualizing, without compounding. Last Twelve Months "LTM" distribution rate is calculated by taking the total distribution rate over the period divided by the current quarter-end NAV.
- (3) Portfolio effective duration by assets.

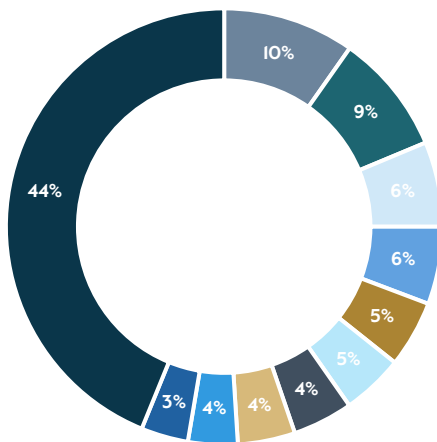
## Carlyle Tactical Private Credit Fund (“CTAC”)

### Portfolio Concentration<sup>(1)</sup>

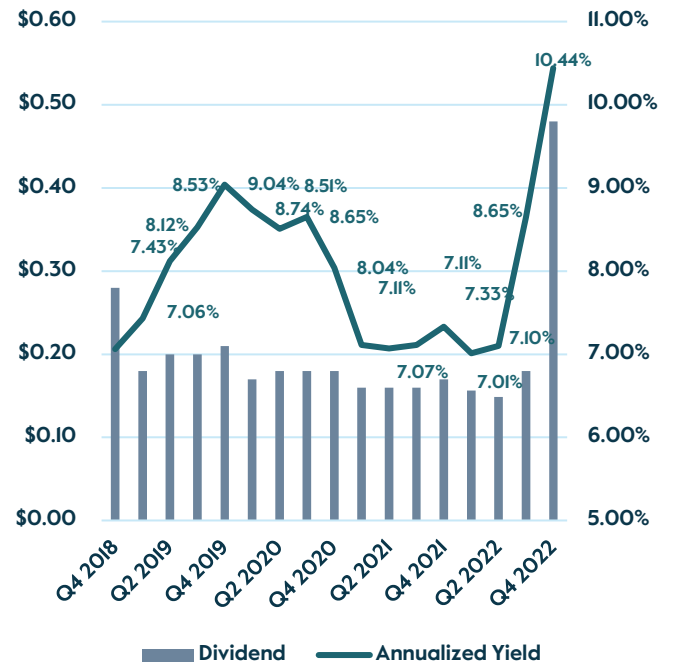


### Top Ten Industries (as a % of assets)<sup>(2)</sup>

- Software
- Banking, Finance, Insurance & Real Estate
- Health Care Providers & Services
- Consumer Services
- Hotel, Restaurant & Leisure
- High Tech Industries
- Business Services
- Aerospace & Defense
- Containers, Packaging & Glass
- Capital Equipment
- Other



### Annualized Dividend Yield<sup>(3)</sup>



Note: As of December 31, 2022. Past performance does not guarantee future results.

1) Cash and receivables/prepaid assets are not included in the chart.

2) Based on total assets. Other Assets include cash, receivables/prepaid assets, and other assets.

3) Based on 1 share class. Represents income, capital gains and return of capital (if any) in the stated reporting period. Annualized distribution rate is calculated by taking the stated quarter's distribution rate divided by the quarter-end NAV and annualizing, without compounding. Please note the Q4 2018 Dividend per share represents income earned from inception (June 4, 2018) through year-end whereas only the portion earned in Q4 2018 is used to calculate yield for the period.

## Important Information

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Investors should consult with their financial advisor about the suitability of this fund in their portfolio.

**INVESTING IN THE FUND INVOLVES A HIGH DEGREE OF RISK, INCLUDING THE RISK THAT YOU MAY RECEIVE LITTLE OR NO RETURN ON YOUR INVESTMENT OR THAT YOU MAY LOSE PART OR ALL OF YOUR INVESTMENT. THIS IS A CLOSED-END INTERVAL FUND AND IS NOT INTENDED TO BE A TYPICAL TRADED INVESTMENT. THE FUND WILL NOT BE LISTED OR TRADED ON ANY STOCK EXCHANGE. LIMITED LIQUIDITY IS PROVIDED TO SHAREHOLDERS ONLY THROUGH THE FUND'S QUARTERLY REPURCHASE OFFERS FOR NO LESS THAN 5% OF THE FUND'S SHARES OUTSTANDING AT NET ASSET VALUE. REGARDLESS OF HOW THE FUND PERFORMS, THERE IS NO GUARANTEE THAT SHAREHOLDERS WILL BE ABLE TO SELL ALL OF THE SHARES THEY DESIRE IN A QUARTERLY REPURCHASE OFFER.**

**THERE CURRENTLY IS NO SECONDARY MARKET FOR THE FUND'S SHARES AND THE FUND EXPECTS THAT NO SECONDARY MARKET WILL DEVELOP. SHARES OF THE FUND WILL NOT BE LISTED ON ANY SECURITIES EXCHANGE, WHICH MAKES THEM INHERENTLY ILLIQUID. LIMITED LIQUIDITY IS PROVIDED TO SHAREHOLDERS ONLY THROUGH THE FUND'S QUARTERLY REPURCHASE OFFERS, REGARDLESS OF HOW THE FUND PERFORMS.**

There is no assurance that quarterly distributions paid by the Fund will be maintained at the targeted level or that dividends will be paid at all. The Fund's distributions may be funded from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to the Fund for investment. A return of capital to shareholders is a return of a portion of their original investment in the Fund, thereby reducing the tax basis of their investment.

This material is provided for general and educational purposes only, is not intended to provide legal or tax advice, and is not for use to avoid penalties that may be imposed under U.S. federal tax laws. Contact your attorney or other advisor regarding your specific legal, investment or tax situation.

**Investing involves risk. Investment return and principal value of an investment will fluctuate, and an investor's shares, when repurchased, may be worth more or less than their original cost. Fixed income investing entails credit and interest rate risks. When interest rates rise, bond prices generally fall, and the Fund's share prices can fall. Below-investment-grade ("high yield" or "junk") bonds are more at risk of default and are subject to liquidity risk. Credit instruments that are rated below investment grade (commonly referred to as "high yield" securities or "junk bonds") are regarded as having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. Collateralized loan obligations (CLO's) are debt instruments but also carry additional risks related to the complexity and leverage inherent in the CLO structure. Because of the risks associated with investing in high yield securities, an investment in the Fund should be considered speculative. Some of the credit instruments will have no credit rating at all. The Fund may invest in loans and the value of those loans may be detrimentally affected to the extent a borrower defaults on its obligations. Senior loans are typically lower-rated and may be illiquid investments, which may not have a ready market. Investments in lesser-known and middle-market companies may be more vulnerable than larger, more established organizations. Distressed credit investments are inherently speculative and are subject to a high degree of risk. Leverage (borrowing) involves transaction and interest costs on amounts borrowed, which may reduce performance. Foreign investments may be volatile and involve additional expenses and special risks, including currency fluctuations, foreign taxes, regulatory and geopolitical risks. The Fund is classified as "non-diversified" and may invest a greater portion of its assets in the securities of a single issuer.**

The mention of specific currencies, securities, issuers or sectors does not constitute a recommendation on behalf the Fund or Carlyle. Prior to November 4, 2019, the Fund's name was the OFI Carlyle Private Credit Fund.

**Shares are not FDIC insured, may lose value and not have bank guarantee. Investors should carefully consider the investment objective, risks, charges and expenses of the Fund before investing. This material must be preceded or accompanied by a prospectus, which is the exclusive offering document for CTAC.**

The Fund is distributed by Foreside Fund Services, LLC.

**This material must be preceded or accompanied by a copy of the Fund's prospectus.**