Carlyle Tactical Private Credit Fund ("CTAC")

December 31, 2020

THE CARLYLE GROUP

GLOBAL ALTERNATIVE ASSET MANAGEMENT

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 $56B 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, Distressed Credit. 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

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

Net Performance[1]

I Share Class (as of December 31, 2020)

MTD	QTD	YTD	LTM	ITD
1.92%	6.02%	2.13%	2.13%	6.06%

Q4 2020 Market Commentary

Renewed optimism, fueled by news of effective COVID-19 vaccines, buoyed the credit markets in the fourth quarter of 2020, leading to strong performance across private credit asset classes. Both U.S. and European markets delivered positive returns over the quarter, with the U.S. Leveraged Loan Index rising 4.8% and the European Leveraged Loan Index rising 3.7%. Investors continued to clamor for risk assets despite rising COVID infections, political uncertainty after the U.S. presidential elections, and stalled fiscal stimulus talks.

A hugely accommodating macro backdrop continued to support a very active institutional loan and high yield market in Q4. Leveraged loan issuance levels in Q4 were on par with Q3 and stronger than Q2 (though still below the volume of Q1) with global leveraged loan issuance reaching $91.2 billion. High yield issuance set quarterly records in Q2, Q3 and Q4 as well as a new annual record issuance of $435 billion, up 60% year over year. Much of the Q4 issuance in the U.S. was driven by loans supporting buyouts and acquisitions, with these types of loans surging 49% from Q3. LBO loans rose 103% quarter over quarter, indicating private equity firms have grown less wary of the COVID-related economic uncertainty, with issuers seeking to take advantage of the strong market.

The growing CLO appetite for institutional loans, with $31 billion of new CLO volume in Q4, spurred a prolonged rally in the secondary market and helped all-in new-issue pricing spreads for single-B issuers narrow to 5.02% in December (compared to 6.27% in May). With benchmark rates still near zero, LIBOR floors are reemerging as a pricing staple. In 2020, 60% of new-issue loans included a floor, compared to 32% in 2019.

In the middle market, there was an acceleration of deal flow in Q4, including sponsor-to-sponsor sales, sales of entrepreneur-owned businesses and add-on acquisitions, fueled by dry powder from private credit fundraising during the year. The technology sector led deal flow in Q4 with investors focusing on companies with resilient business models.

Supported by unprecedented levels of central bank liquidity, the credit markets continued to evade the widespread defaults initially expected at the start of the COVID crisis. We believe accommodative Fed policy that allowed companies to load up on cheap debt has brought about a significant deterioration in overall credit quality despite only a modest increase in the default rate (excluding certain sectors such as Energy and Retail). The post-COVID downgrade cycle further weakened the ratings quality of the S&P/LSTA Leveraged Loan Index, with the share of loans rated B- or lower climbing to 33% in November (compared to 12% in 2015) and loans rated CCC or lower hitting 12% of the index at the May peak (compared to 3% in 2015). Given the significant liquidity and support that has entered the market since the pandemic began, we continue to believe that a distressed cycle has not necessarily been avoided but rather simply pushed into the future.

Going into 2021, we have seen investors remaining focused on further economic recovery and the pace of vaccine distributions. While we are cautious about future defaults rates, we do believe that continued market optimism and strong institutional issuance, driven by a resurgence in M&A, will result in a robust pipeline with many attractive opportunities on the horizon.

Note: All data as of December 31, 2020, unless otherwise specified.
(1) Past performance is not a guarantee or indicator of future results.

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Portfolio Highlights

Liquid Credit

- The LSTA Loan Index continued its rebound in Q4 and has recovered to pre-COVID levels
- CTAC continues to focus on higher rated and attractive names and was an active participant in the market in Q4

Direct Lending

- Continued focus on deploying senior loans to strong companies at attractive spreads relative to the liquid loan markets
- Portfolio has taken advantage of a pickup in M&A and sponsor-to-sponsor activity, deploying capital into 6 new issuers during the quarter
- Current loans remain strong due to a focus on senior secured positions

Opportunistic Credit

- Q4 marks incorporated strong macro environment and positive fundamentals in our portfolio
- Q4 was exceptionally active for this strategy given companies looking to execute strategic acquisitions and right-size their balance sheets. Demand for this capital is expected to remain elevated in the coming quarters.

Structured Credit

- CLO mezzanine spreads continued to tighten throughout the quarter and are back in line with levels seen in mid-March 2020
- The new-issue and refinancing market has picked up and CTAC is actively participating

Real Assets Credit

- Real Assets Credit, and specifically Infrastructure, is presenting several opportunities that are offering compelling risk-adjusted returns
- CTAC has made a few investments that have performed well to date and will look to add to this allocation tactically in the coming quarters

Investment Outlook

The Carlyle Tactical Private Credit Fund continues to see a significant opportunity for deployment across the platform, specifically in the Direct Lending and Opportunistic Credit strategies. With a continued increase in M&A activity across both sponsored and non-sponsored borrowers, we see meaningful demand for our capital and a significant near-term actionable pipeline of investment opportunities. As we look back on the past year, we have seen the market evolve across a number of key dynamics. After the initial COVID-19 outbreak (March – April 2020), we saw significant market volatility across all public risk assets. This caused widespread price dislocation in the credit markets. Following a period of market volatility (May – July 2020), we started to see the first impacts of the COVID-induced operational disruptions and business closures. With most of the world in lockdown and all non-essential businesses shut, many high-quality companies with strong long-term fundamentals needed liquidity financing solutions or wanted cash on their balance sheets to weather the near-term operational disruptions. As many economic lockdowns began to ease (August – October 2020), we began to see larger, healthier companies beginning to re-engage in growth activity through acquisitions. We also began to see private equity sponsors trying to raise additional capital for their portfolio companies to (1) weather the storm/have access to additional liquidity and (2) obtain growth capital for healthier businesses to pursue acquisitions. As the traditional syndicated markets were closed, we were able to provide this financing at an attractive rate with strong documentation and high-quality ownership/sponsorship. Today, the most prevalent themes in our pipeline are family, founder or entrepreneur owned businesses looking to grow as well as consolidation across industries with healthier companies, providing a meaningful opportunity set across both direct lending and opportunistic credit.

We believe that we are well-positioned to be a capital provider in the current market environment and will focus on being able to quickly put capital to work as opportunities arise. We have an active investment pipeline across direct lending, opportunistic credit, structured credit and infrastructure credit, and will continue to deploy opportunistically where we see value.

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Fund Profile

Fund AUM[(1)]	$318.1 million
Inception Date	June 4, 2018
Annualized Distribution Rate (I Share Class)[(2)]	8.04%
Effective Duration (years)[(3)]	1.41
Leverage	23.2%

Performance Summary

Monthly Net Returns (%)

I Share Class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
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):			6.06%

A Share Class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
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):			3.96%

L Share Class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
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):			4.50%

Y Share Class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
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):			5.12%

N Share Class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
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):			3.77%

M Share Class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2020	--	--	--	--	3.88%	5.08%	1.33%	1.20%	1.11%	0.73%	3.30%	1.73%	--
2019	--	--	--	--	--	--	--	--	--	--	--	--	--
2018	--	--	--	--	--	--	--	--	--	--	--	--	--
										Since Inception (Apr 2020):			19.75%

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 or call 833-677-3646. Class A and Class L shares include the 3.50% maximum sales charge except where indicated. Class Y and Class I shares are not subject to a sales charge. 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 and Class L Shares are offered through Financial Intermediaries on brokerage or transactional platforms. Class Y 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 7.88% / Class I shares 6.98% / Class Y shares 7.23% / Class L shares 7.51%. Net: Class A shares 6.43% / Class I shares 5.53% / Class Y shares 5.83% / Class L shares 6.08%.

(1) Total AUM as of 12/31/20 represents managed assets including leverage (net assets of $230 million). Past performance does not guarantee future results.

(2) Based on I share class. Represents income only and does not include return of capital. Represents annualized distribution rate, which is calculated by taking the current quarter's distribution rate divided by the current quarter-end NAV and annualizing, without compounding.

(3) Portfolio effective duration by assets.

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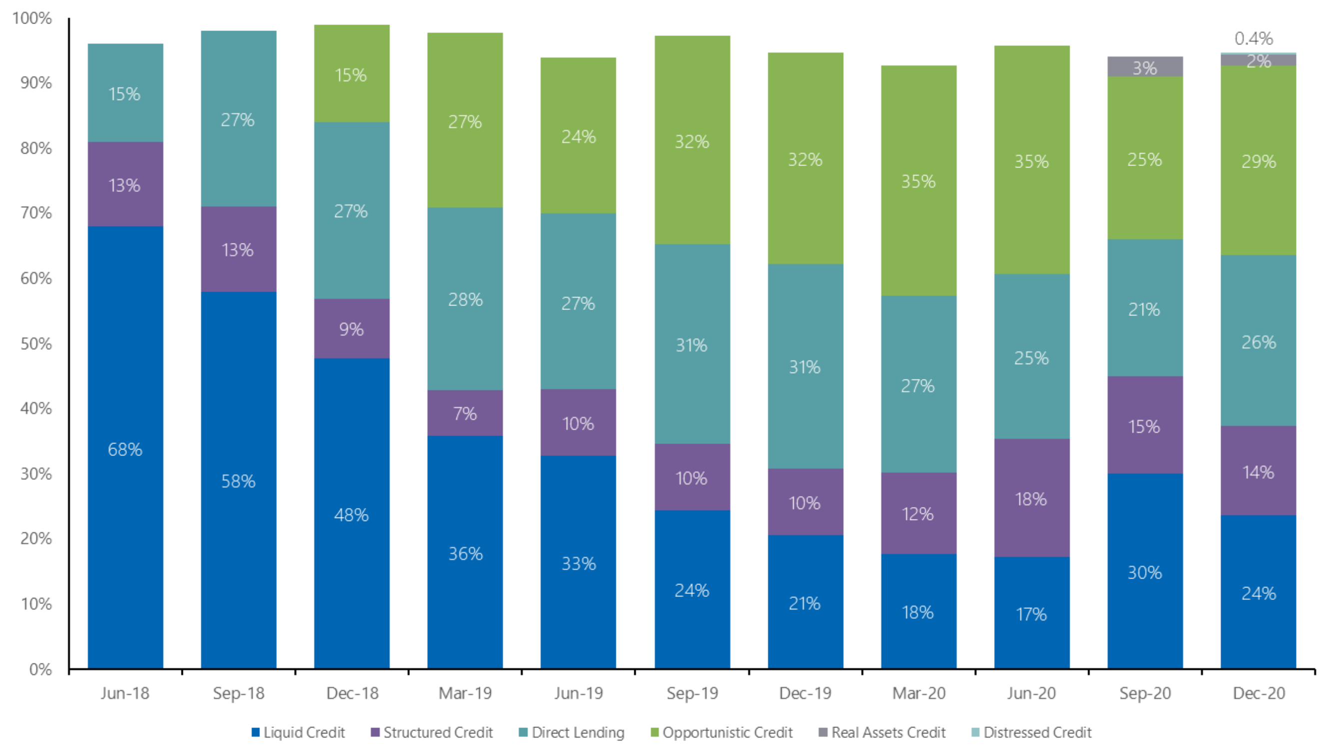
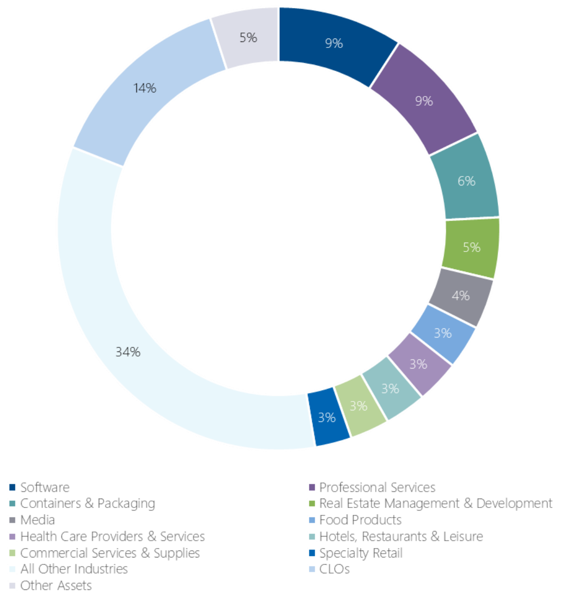
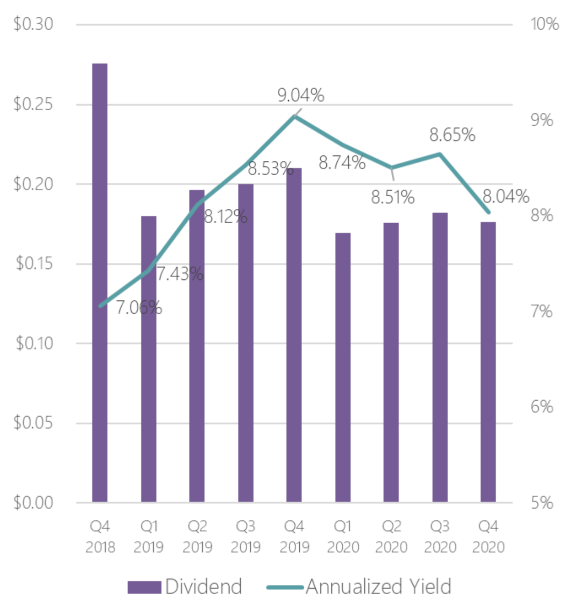
Portfolio Concentration



Top Ten Industries(1)



Annualized Dividend Yield(2)



Note: As of December 31, 2020. Past performance does not guarantee future results.
(1) Based on total assets. Other Assets include cash, receivables/prepaid assets, and other assets.
(2) Based on I share class. Represents income only and does not include a return of capital. Annualized distribution rate is calculated by taking the current quarter's distribution rate divided by the current quarter end NAV and annualized without compounding. Net of all fees/expenses. 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. Past dividend yield performance does not guarantee future results.

Disclaimer

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.

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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.