Brookfield

BROOKFIELD ASSET MANAGEMENT INC.

Q2 2019 Supplemental Information

Three Months Ended June 30, 2019

Our Business

We are a leading global alternative asset manager with over **$385 billion** of assets under management and **$164 billion** in fee bearing capital. We raise private and public capital from the world's largest institutional investors, sovereign wealth funds and individuals, with a focus on generating attractive investment returns that will allow our investors and their stakeholders to meet their goals and protect their financial future.

- ✓ **Investment focus** – Real Estate, Infrastructure, Renewable Power and Private Equity
- ✓ **Diverse products offering** – Core, value-add, opportunistic and credit strategies in both closed-end and long-life vehicles
- ✓ **Focused investment strategies** – We invest where we have a competitive advantage, such as our strong capabilities as an owner-operator, large scale capital and our global reach
- ✓ **Disciplined financing approach** – Debt is carefully employed to enhance returns while preserving capital throughout business cycles

In addition to our Asset Management activities outlined above, we invest significant capital from our balance sheet in our managed entities alongside our clients, creating an important alignment of interests. We refer to this as our Invested Capital, which along with directly held investments, currently totals approximately $44 billion.

Value Creation

We create shareholder value by increasing the earnings of our Asset Management activities and increasing the value of our Invested Capital.

Asset Management

1. Our fee related earnings are driven by increasing fee bearing capital. We track the value created by applying a multiple to our annualized fee related earnings.
2. Achieving attractive investment returns, which allows us to earn performance income (carried interest). We measure the value created by applying a multiple to our target carried interest, net of costs.

Invested Capital

3. Our Invested Capital grows through our assets generating increased cash flow, as well as capital appreciation. We achieve capital appreciation through operational improvements and disciplined recycling of the underlying assets. We measure the value created using a combination of market values and fair values as determined under IFRS.

FEE RELATED EARNINGS VALUE	+	CARRIED INTEREST VALUE	+	INVESTED CAPITAL VALUE	=	BROOKFIELD ASSET MANAGEMENT VALUE

Financial Profile

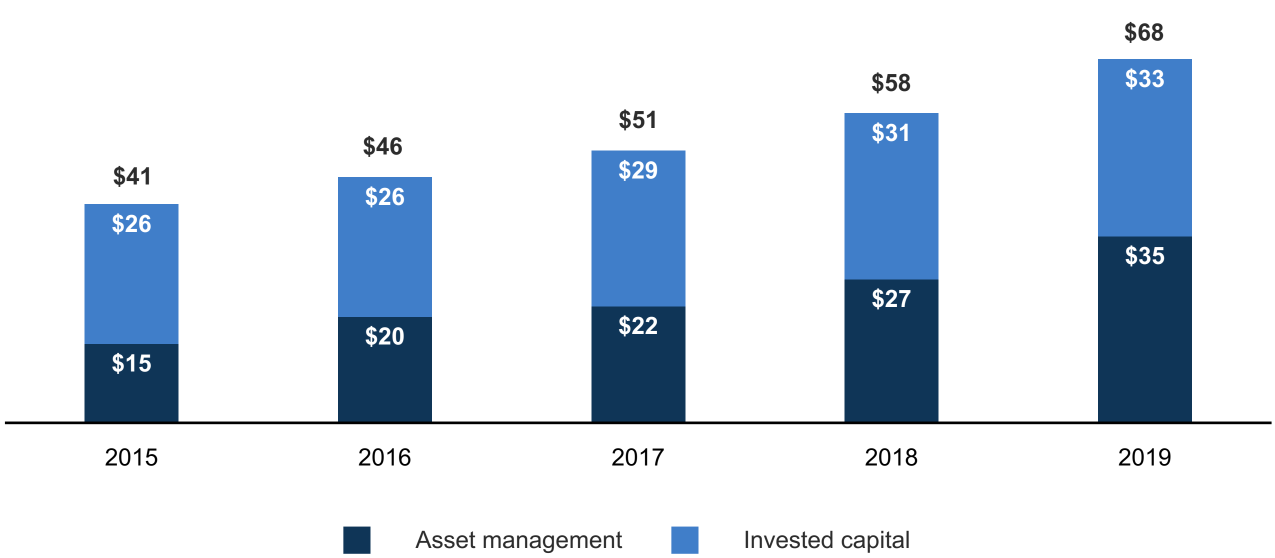
We measure value creation for business planning and performance measurement using a consistent set of metrics as set out in the table below. This analysis is similar to that used by our management team and board of directors when assessing performance and growth in our business. We provide it to you in order to assist you in understanding how we think about our business. These plan values are for illustrative purposes only and not intended to forecast or predict future events, or to measure intrinsic value.

AS AT	Base[1]	Plan Value Factor[2]	Jun. 30 2019	Dec. 31 2018	Jun. 30 2018
	(MILLIONS)		(BILLIONS, EXCEPT FOR PER SHARE AMOUNT)		
Asset management activities					
Annualized fee related earnings[3]	$ 1,065	20x	**$ 21.3**	$ 18.5	$ 17.2
Target carried interest, net[3]	1,160	10x	**11.6**	10.0	8.1
Accumulated unrealized carried interest, net			**1.8**	1.7	1.7
			34.7	30.2	27.0
Invested capital, net[4]					
Listed investments			**36.0**	31.1	36.0
Unlisted investments and net working capital			**8.3**	8.4	5.8
Invested capital, gross			**44.3**	39.5	41.8
Debt and preferred capital			**(11.2)**	(10.6)	(10.6)
			33.1	28.9	31.2
Total plan value			**$ 67.8**	$ 59.1	$ 58.2
Total plan value (per share)			**$ 67.58**	$ 59.26	$ 57.99

1. Base fee related earnings and carried interest represent our annualized fee revenues and target carried interest, as at June 30, 2019. We assume a 60% margin on annualized fee revenues and a 70% margin on gross target carried interest.
2. Reflects our estimates of appropriate multiples applied to fee related earnings and carried interest in the alternative asset management industry based on, among other things, industry reports. These factors are used to translate earnings metrics into value in order to measure performance and value creation for business planning purposes.
3. See definition in the glossary of terms starting on page 39.
4. See Invested Capital details on page 7.

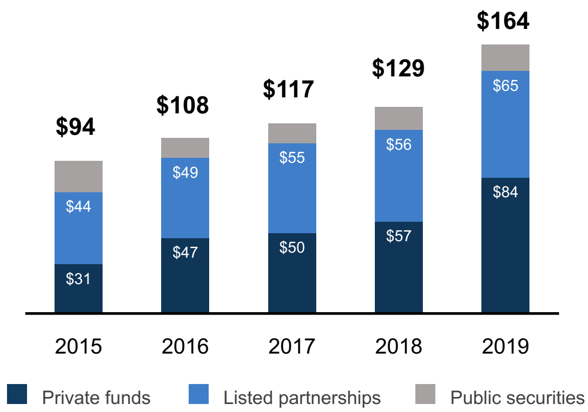
Plan Value

AS AT JUN. 30 (BILLIONS)

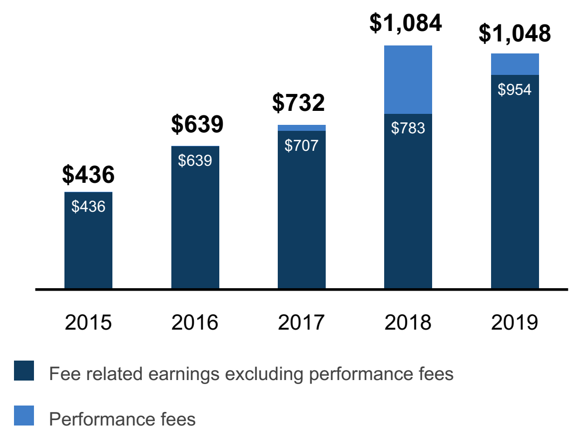


Performance Highlights

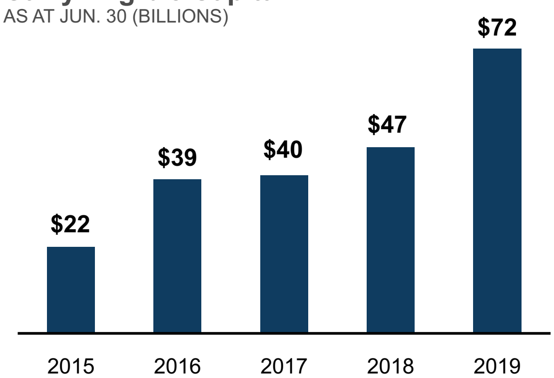
Fee Bearing Capital
AS AT JUN. 30 (BILLIONS)



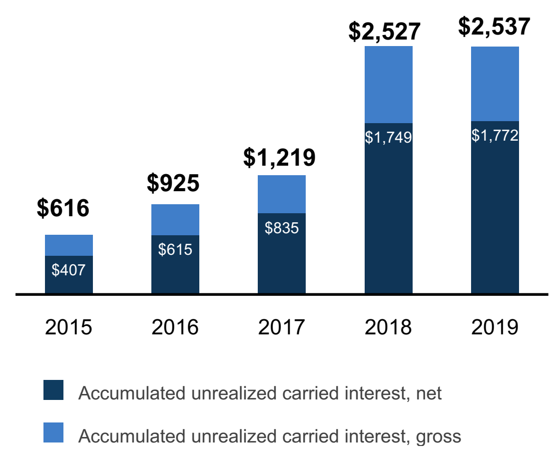
Fee Related Earnings
FOR THE LTM ENDED JUN. 30, 2019 (MILLIONS)



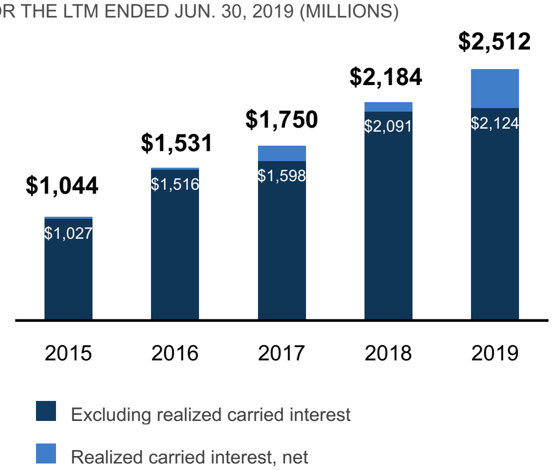
Carry Eligible Capital
AS AT JUN. 30 (BILLIONS)



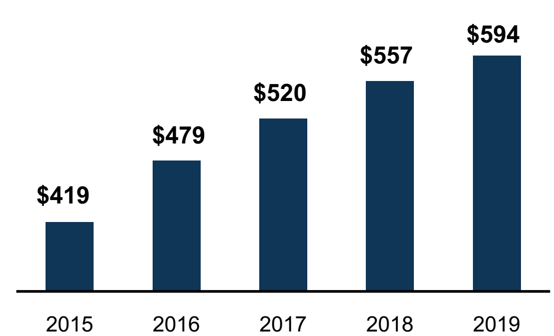
Accumulated Unrealized Carried Interest
AS AT JUN. 30 (MILLIONS)



Cash Available for Distribution and/or Reinvestment[1]
FOR THE LTM ENDED JUN. 30, 2019 (MILLIONS)



Distributions to Common Shareholders[2]
FOR THE LTM ENDED JUN. 30, 2019 (MILLIONS)



1. Comparative numbers have been revised to reflect new definition. Refer to page 11 and glossary of terms starting on page 39.
2. Excludes special dividends.

Q2 – 2019 Highlights

$164B	$40B	$49B
FEE BEARING CAPITAL	PRIVATE FUNDS RAISED IN THE LAST TWELVE MONTHS	CORE LIQUIDITY & UNCALLED FUND COMMITMENTS

Capital

Fee bearing capital increased to $164 billion, a $14 billion (10%) increase during the quarter and a $35 billion (27%) increase over the last twelve months ("LTM").

- Inflows were $17 billion in the quarter and $44 billion over the LTM.
- Realizations in the quarter were $2 billion and $8 billion over the LTM.
- Capital invested totaled $7 billion in the quarter and $33 billion over the LTM.

Highlights include the first close of our fourth flagship infrastructure fund for $14.5 billion ($10.2 billion third party), the first closes in our Special Opportunities fund ($1.0 billion) and Opportunity Zone fund ($0.7 billion), and an additional $500 million raised for our fifth flagship private equity fund.

Financial Results

Funds from operations ("FFO") totaled $4.6 billion, up 13% from the prior LTM period:

- Fee related earnings were $954 million in the LTM excluding performance fees (a 22% increase over the prior year).
- We realized $536 million of carried interest ($388 million, net of costs), a 4x increase from the prior period.
- Invested capital FFO was consistent with the prior period with continued strong performance at our listed partnerships being partially offset by lower contributions from directly held investments.
- We generated $584 million of unrealized carried interest during the LTM due to investment performance in our funds. Accrued unrealized carried interest is $2.5 billion, or $1.8 billion net of associated costs.

Balance Sheet and Liquidity

Our balance sheet continues to be conservatively capitalized and is increasingly bolstered by free cash flow generation:

- $2.5 billion free cash flow generated in the last twelve months.
- Corporate debt to capitalization ratio is less than 20%:
  - Corporate debt is $7 billion with an average remaining term of 10 years.
  - This is supplemented with $4 billion of perpetual preferred shares.

Our deployable capital, including core liquidity and uncalled private fund commitments, reached a record level $49 billion, resulting from strong private fundraising in the quarter.

We are progressing the acquisition of a 62% interest in Oaktree Capital Group and we continue to target a close during the third quarter of 2019.

CONTENTS

Asset Management

Fee bearing capital totaled $164 billion across private funds, listed partnerships and public securities

PRIVATE FUNDS ($84 billion)

- We manage private fund capital on behalf of 700 unique institutional investors. We earn base management fees on the committed and/or invested capital, as well as performance fees in the form of carried interest when achieving target returns in our funds.
- Fundraising over the last twelve months has contributed $31 billion to fee bearing capital, leading to an increase of approximately $270 million in annualized fees and approximately $540 million in target carried interest.

LISTED PARTNERSHIPS ($65 billion)

- We earn base management fees on total capitalization and earn performance fees when distributions (for BPY[1], BIP[1] and BEP[1]) or unit price (for BBU[1]) exceed pre-determined thresholds.
- Each of BPY, BIP and BEP have declared distribution increases within their stated guidance of 5% – 9% annually.

PUBLIC SECURITIES ($16 billion)

- Consists of public funds and separately managed accounts, focused on fixed income and equity securities within the real estate, infrastructure and natural resources asset classes.
- We earn management fees based on committed capital and fund net asset value, as well as performance fees.

1. See definition in Invested Capital – Overview starting on page 27.

AS AT AND FOR THE LTM ENDED JUN. 30 (MILLIONS)	Fee Bearing Capital		Actual		Annualized[1]	
	2019	2018	**2019**	2018	**2019**	2018
Fee revenues						
Base management fees						
Private funds	**$ 83,666**	$ 57,035	**$ 667**	$ 462	**$ 760**	$ 525
Listed partnerships	**64,796**	55,829	**534**	535	**565**	510
Public securities	**15,593**	16,438	**116**	101	**116**	118
Incentive distributions	**n/a**	n/a	**234**	176	**257**	198
Performance fees	**n/a**	n/a	**94**	301	**65**	65
Transaction and advisory fees	**n/a**	n/a	**16**	7	**12**	19
	$ 164,055	$ 129,302	**1,661**	1,582	**1,775**	1,435
Direct costs			**(613)**	(498)	**(710)**	(574)
Fee related earnings ("FRE")[2]			**1,048**	1,084	**1,065**	861
Carried interest, gross[3]			**546**	1,429	**1,660**	1,155
Direct costs[4]			**(135)**	(422)	**(500)**	(347)
Carried interest, net			**411**	1,007	**1,160**	808
Total			**$ 1,459**	$ 2,091	**$ 2,225**	$ 1,669

1. Refer to pages 18, 19, 20 and 22 for details on the determination of annualized fees.
2. Annualized fee related earnings assumes a 60% margin. We use a 55% – 65% margin for planning purposes.
3. Actual carried interest is unrealized carried interest generated in the period (refer to page 21). Annualized carried interest is target carried interest (refer to page 22).
4. We assume a 70% margin on carried interest. We use a range of 65% – 75% for planning purposes (refer to page 22).

Invested Capital

Invested capital was $44 billion on a blended basis at June 30, 2019 with approximately 81% invested in our listed partnerships (BPY, BIP, BEP, BBU) and other publicly traded investments, in which we earn diversified, long-term, stable cash flows from dividends.

- We earned $1.7 billion in dividends from our listed investments over the last twelve months (June 30, 2018 – $1.5 billion) representing an approximate 5% yield on invested capital.

Unlisted investments include a commercial office portfolio in New York, residential development operations in North America and Brazil, energy contracts, sustainable resources and other corporate seed investments.

The following table provides a breakdown of our invested capital as at June 30, 2019 and December 31, 2018. We provide three methods for you to review. These are quoted prices, our IFRS values, and a blended column. We recommend you focus on the blended column as we do have control over these assets and believe we could liquidate for IFRS values. To the extent quoted prices are less than IFRS values, those values may be relevant to a stock investor, but not to us as a control investor. Nonetheless, we provide this information so you can choose how to assess the numbers.

AS AT JUN. 30, 2019 AND DEC. 31, 2018 (MILLIONS)	Quoted[1]		IFRS		Blended[2]		Distributed Cash Flow
	2019	2018	**2019**	2018	**2019**	2018	**Current[3]**
BPY	**$ 9,903**	$ 8,855	**$ 15,307**	$ 15,595	**$ 15,307**	$ 15,595	**$ 689**
BEP	**6,516**	4,879	**4,600**	4,749	**6,516**	4,879	**388**
BIP	**5,053**	4,063	**1,913**	1,916	**5,053**	4,063	**237**
BBU	**3,620**	2,671	**2,454**	2,017	**3,620**	2,671	**24**
Other listed	**1,466**	1,584	**1,894**	1,949	**1,466**	1,584	**61**
	26,558	22,052	**26,168**	26,226	**31,962**	28,792	**1,399**
Corporate cash and financial assets[4]	**4,023**	2,275	**4,023**	2,275	**4,023**	2,275	**251**
Total listed investments	**$ 30,581**	$ 24,327	**30,191**	28,501	**35,985**	31,067	**1,650**
Unlisted investments			**6,520**	6,314	**7,491**	7,355	**56**
Working capital, net			**826**	1,081	**826**	1,081	**n/a**
Invested capital			**37,537**	35,896	**44,302**	39,503	**$ 1,706**
Debt and preferred capital			**(11,206)**	(10,577)	**(11,206)**	(10,577)	
Invested capital, net			**$ 26,331**	$ 25,319	**$ 33,096**	$ 28,926	

1. Quoted based on June 30, 2019 and December 31, 2018 public pricing, respectively.
2. For performance measurement purposes, we consider the value of invested capital to be the quoted value of listed investments and IFRS value of unlisted investments, subject to two adjustments. First, we reflect BPY at its IFRS value as we believe that this best reflects the fair value of the underlying properties. Second, we reflect Brookfield Residential at its privatization value.
3. Distributed cash flow (current) is calculated by multiplying units held as at June 30, 2019 by the current distribution rates per unit.
4. Corporate cash and financial assets is inclusive of $2.8 billion of cash and cash equivalents (2018 – $1.3 billion).

Summary of Results – Funds from Operations

We generated $4.6 billion in FFO over the LTM, a 13% increase from the prior year period

FOR THE PERIODS ENDED JUN. 30 (MILLIONS, EXCEPT FOR PER SHARE AMOUNTS)	Three Months 2019	Three Months 2018	LTM 2019	LTM 2018	Page Ref.
Operating FFO					
Fee related earnings					
Private funds	**$ 180**	$ 128	**$ 667**	$ 462	page 18
Listed partnerships	**142**	126	**534**	535	page 19
Public securities	**29**	30	**116**	101	page 19
Base management fees	**351**	284	**1,317**	1,098	
Incentive distributions ("IDRs")	**64**	50	**234**	176	
Transaction and advisory fees	**5**	2	**16**	7	
Total fee revenues	**420**	336	**1,567**	1,281	
Direct costs	**(157)**	(138)	**(613)**	(498)	
Fee related earnings before performance fees	**263**	198	**954**	783	
Performance fees	**—**	41	**94**	301	
	263	239	**1,048**	1,084	page 17
Invested capital					
Listed partnerships					
BPY	**178**	189	**747**	777	page 30
BEP	**132**	98	**435**	339	page 30
BIP	**88**	78	**340**	333	page 30
BBU, before performance fees	**94**	83	**463**	275	page 30
	492	448	**1,985**	1,724	
Other listed investments	**19**	98	**151**	281	page 31
Corporate cash and financial assets	**35**	14	**108**	151	page 31
Listed investments before performance fees	**546**	560	**2,244**	2,156	
BBU performance fee, net to BAM	**—**	(28)	**(64)**	(205)	
	546	532	**2,180**	1,951	
Unlisted investments					
Residential	**18**	14	**64**	53	
Energy contracts	**(67)**	(32)	**(164)**	(35)	
Other	**30**	25	**142**	83	
	(19)	7	**42**	101	page 31
Corporate activities					
Corporate interest expense	**(86)**	(80)	**(338)**	(294)	
Corporate costs and taxes	**(36)**	(42)	**(157)**	(108)	
	(122)	(122)	**(495)**	(402)	page 28
	405	417	**1,727**	1,650	
	668	656	**2,775**	2,734	
Realized carried interest, net					
Realized carried interest	**190**	3	**536**	121	
Direct costs	**(53)**	(1)	**(148)**	(28)	
	137	2	**388**	93	page 21
Disposition gains	**303**	132	**1,437**	1,243	page 29
Total funds from operations[1,2]	**$ 1,108**	$ 790	**$ 4,600**	$ 4,070	
Per share					
Total operating FFO	**$ 0.64**	$ 0.63	**$ 2.69**	$ 2.64	
Total FFO	**1.09**	0.77	**4.56**	4.01	

1. FFO excludes preferred share distributions of $38 million (2018 – $38 million) for the three months ended June 30 and $150 million (2018 – $150 million) for the LTM.
2. Refer to page 34 for reconciliations of IFRS to non-IFRS measures.

Funds From Operations

Total LTM funds from operations increased on a period-over-period basis due to strong fundraising on our latest series of flagship funds, realized carried interest and the positive impact of recent acquisitions. These were partially offset by lower performance fees

THREE MONTHS:

Fee related earnings during the quarter were $263 million, a 33% increase compared to the prior year quarter, excluding performance fees. We earned higher private fund fees as a result of new capital raised for our fourth flagship infrastructure fund and higher incentive distributions resulting from increased distribution levels at our listed partnerships. Further details on page 17.

Invested capital FFO, before performance fees, decreased by 9% primarily from weaker product pricing at Norbord[1], a larger FFO deficit with our energy contracts and a reduced ownership of BPY following the privatization of GGP Inc. ("GGP") in the third quarter of 2018. These decreases were partially offset by contributions from new businesses acquired and through improvements at existing operations. See page 28 for details.

Realized carried interest of $190 million was recognized ($137 million net of direct costs) during the quarter from our flagship private equity fund and flagship real estate fund.

Disposition gains of $303 million were recognized in the quarter. See page 29 for details.

LTM:

Fee related earnings were up 22% year over year prior to performance fees. After including performance fees the results were approximately $1.0 billion, consistent with last year as we had significant fees in the prior period. Base management fees increased due to higher fee bearing capital primarily as a result of strong fundraising in our private funds and higher value of our public securities. Further details on page 17.

Invested capital FFO increased by 5% due to significant contributions from recent acquisitions across the business. Operations at our existing businesses also improved on a same-store basis, partially offset by higher expenses in our Corporate segment. See page 28 for details.

Realized carried interest of $536 million was recognized during the period ($388 million net of direct costs), compared to $121 million in the prior year ($93 million net of direct costs). The current period LTM results include carry from our flagship private equity and real estate funds.

Disposition gains of $1.4 billion were recognized in the period. See page 29 for details.

1. See definition in Invested Capital – Overview on page 27.

Funds from Operations and Net Income

FOR THE PERIODS ENDED JUN. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM			
	FFO[1]		Net Income[1]		FFO[1]		Net Income[1]	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
Operating activities								
Fee related earnings	**$ 263**	$ 239	**$ 263**	$ 239	**$ 1,048**	$ 1,084	**$ 1,048**	$ 1,084
Invested capital	**405**	417	**405**	417	**1,727**	1,650	**1,727**	1,650
	668	656	**668**	656	**2,775**	2,734	**2,775**	2,734
Realized carried interest	**137**	2	**137**	2	**388**	93	**388**	93
Realized disposition gains[2]	**303**	132	**314**	43	**1,437**	1,243	**356**	292
Fair value changes[3]	**—**	—	**(304)**	408	**—**	—	**(55)**	806
Depreciation and amortization[3]	**—**	—	**(363)**	(266)	**—**	—	**(1,244)**	(1,016)
Deferred income taxes[3]	**—**	—	**(53)**	(163)	**—**	—	**841**	(98)
	$ 1,108	$ 790	**$ 399**	$ 680	**$ 4,600**	$ 4,070	**$ 3,061**	$ 2,811
Per share	**$ 1.09**	$ 0.77	**$ 0.36**	$ 0.62	**$ 4.56**	$ 4.01	**$ 2.93**	$ 2.65

1. Net of non-controlling interests. Refer to page 34 for reconciliations of IFRS to non-IFRS measures.
2. FFO includes gains (net of losses) recorded in net income, directly in equity and the realization of appraisal gains and losses recorded in prior periods.
3. Includes amounts attributable to consolidated entities and equity accounted investments.

Refer to pages 17, 21, 28 and 29 for discussions of fee related earnings, realized carried interest, FFO from invested capital and realized disposition gains, respectively.

THREE MONTHS:

Fair value changes in the current quarter relate primarily to deal costs on completed transactions, mark-to-market losses on certain financial contracts and one-time charges in the infrastructure services operation within our Private Equity segment. These were partially offset by appraisal gains in our core office portfolio. The prior quarter included a transaction-related gain on a hospitality asset.

Depreciation and amortization expenses increased due to the impact of recent acquisitions as well as the adoption of the new lease accounting standard.

Deferred income taxes decreased primarily due to lower taxable income in the quarter.

LTM:

Fair value changes in the LTM include appraisal gains on investment properties, most notably in our core office investments portfolios, gains on step-up acquisitions completed in the third quarter of 2018 and a transaction-related gain on a hospitality asset. These gains were offset by appraisal losses in our core retail portfolio, transaction costs and one-time charges in our infrastructure transport operations and our Private Equity segment.

Depreciation and amortization expenses increased due to the impact of recent acquisitions as well as the adoption of the new lease accounting standard.

Deferred income taxes positively contributed to net income in the LTM primarily due to the sizable recovery recognized in the fourth quarter of 2018 relating to higher projected taxable income in our revised business plan that we expect to be able to offset with previously unrecognized net operating losses.

Cash Available for Distribution and/or Reinvestment

Over the last twelve months we generated $2.5 billion of cash available for distribution to shareholders and/or reinvestment within our business, a 15% increase from the prior period

FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	No. of Units	Three Months 2019	Three Months 2018	LTM 2019	LTM 2018	Current Distributions[1,3]
Fee related earnings (see page 17)		**$ 263**	$ 239	**$ 1,048**	$ 1,084	
Distributions from investments						
Listed partnerships						
BPY[2]	**522**	**174**	173	**705**	672	**$ 689**
BEP	**188**	**97**	92	**380**	363	**388**
BIP	**118**	**60**	56	**233**	210	**237**
BBU	**94**	**5**	5	**22**	21	**24**
		336	326	**1,340**	1,266	**1,338**
Corporate cash and financial assets[3]	various	**24**	18	**123**	115	**251**
Other investments[4]						
Norbord	**35**	**10**	16	**156**	69	**42**
Other	various	**19**	2	**99**	8	**75**
		389	362	**1,718**	1,458	**$ 1,706**
Other invested capital earnings						
Corporate activities		**(122)**	(122)	**(495)**	(402)	
Other wholly owned investments[5]		**(30)**	7	**3**	101	
		(152)	(115)	**(492)**	(301)	
Preferred share dividends		**(38)**	(38)	**(150)**	(150)	
Cash available for distribution and/or reinvestment before realized carried interest		**462**	448	**2,124**	2,091	
Realized carried interest, net (see page 21)		**137**	2	**388**	93	
Cash available for distribution and/or reinvestment[6]		**$ 599**	$ 450	**$ 2,512**	$ 2,184	

1. Current distributions are calculated by multiplying units held as at June 30, 2019 by the current distribution rates per unit.
2. Inclusive of distributions received from BPY preferred shares, which distributed $2 million (2018 – $19 million) for the three months ended June 30 and $37 million (2018 – $76 million) for the LTM period. We redeemed substantially all BPY preferred shares in Q2-19 and current distributions are nominal.
3. Represents cash distributions received from our portfolio of corporate cash and financial assets. Current distributions for corporate cash and financial assets is calculated as an estimated 8% total return on the weighted average balance of the last four quarters.
4. Includes cash distributions from Norbord, Acadian, Vistra and a 27.5% interest in BAM-sponsored real estate venture that owns operating and development properties in New York. See definitions of our publicly listed investments in the Invested Capital – Overview section on page 27.
5. Relates to FFO from other wholly owned investments used as a proxy for cash generated. It includes total FFO from unlisted investments excluding the New York property portfolio mentioned above which generated $11 million and $39 million of FFO for the three months and LTM ended June 30, 2019.
6. Comparative numbers have been revised to reflect new definition. Refer to glossary of terms starting on page 39. Refer to page 34 for reconciliations of IFRS to non-IFRS measures.

THREE MONTHS:

Fee related earnings and **realized carried interest:** refer to pages 17 and 21 respectively.

Distributions from investments increased from the prior year quarter from higher listed partnership distributions supported by continued FFO growth and distributions from our BAM-sponsored real estate venture acquired in the third quarter of 2018. The increase was partially offset by lower distributions at Norbord and by the redemption of the majority of BPY preferred shares, yielding on average 6% annually, that were held during the prior year quarter.

Other invested capital earnings decreased mainly due to higher deficits in our energy contracts and timing differences in our North American residential business.

Preferred share dividends remained consistent quarter over quarter.

LTM:

Distributions from investments were higher across the listed partnerships supported by continued FFO growth. Distributions from other investments increased from dividends received on our BAM-sponsored real estate venture and a $103 million one-time special distribution in the third quarter of 2018 from our investment in Norbord.

Other invested capital earnings decreased compared to the prior year due to the absence of current tax recoveries in our Corporate segment, increased interest expense from corporate debt issuances and higher losses on our energy contracts.

Liquidity and Capital Structure

We manage our liquidity and capital resources on a group-wide basis; however, it is organized into three principal tiers:

1. The Corporation[1];
2. Our listed partnerships (BPY, BEP, BIP and BBU); and
3. Managed funds, or operating asset level in directly held investments

LIQUIDITY

The Corporation has very few non-discretionary capital requirements. We maintain significant liquidity ($7 billion in the form of corporate cash and financial assets and undrawn credit facilities) at the corporate level to further enable the growth of the broader business. This does not include our ability to issue debt at the Corporation to replenish our cash resources on an otherwise low leveraged balance sheet.

On a consolidated group basis, we have approximately $49 billion of group liquidity, which includes corporate liquidity, listed partnership liquidity, and uncalled private fund commitments. Uncalled fund commitments include third-party commitments available for drawdown in our private funds.

AS AT JUN. 30, 2019 AND DEC. 31, 2018 (MILLIONS)	Corporate Liquidity		Group Liquidity	
	2019	2018	**2019**	2018
Cash and financial assets, net	**$ 4,023**	$ 2,275	**$ 6,202**	$ 3,752
Undrawn committed credit facilities	**2,524**	1,867	**7,971**	7,061
Core liquidity	**6,547**	4,142	**14,173**	10,813
Third-party uncalled private fund commitments	**—**	—	**35,027**	23,575
Total liquidity	**$ 6,547**	$ 4,142	**$ 49,200**	$ 34,388

CAPITAL STRUCTURE

Virtually all of the debt within our business is issued by entities that we manage, and most of this is at the operating asset level. Only 5% of our consolidated debt is issued by, or has recourse to, the Corporation.

Our Corporate capitalization is $41 billion as at June 30, 2019 with a debt to capitalization level of ~17% at the corporate level based on book values, which generally excludes the value of our asset management operations (see page 32 for details).

- Corporate borrowings totaled $7 billion, with a weighted-average term of 10 years, and a weighted-average yield of 4.6%.
- Our corporate borrowings are supplemented by $4 billion of perpetual preferred shares with a weighted-average yield of 4.2%.

AS AT JUN. 30, 2019 (MILLIONS)	**Average Term (Years)**	**Total**	**Maturity**					
			2019	**2020**	**2021**	**2022**	**2023**	**2024+**
Corporate borrowings								
Term debt	**10**	$ 7,060	$ —	$ —	$ 267	$ —	$ 459	$ 6,334
Revolving facilities[2]	**5**	—	—	—	—	—	—	—
		7,060	—	—	267	—	459	6,334
Perpetual preferred shares	**perp.**	4,146	—	—	—	—	—	n/a
		$ 11,206	$ —	$ —	$ 267	$ —	$ 459	$ 6,334

1. References to “the Corporation” represent Brookfield Asset Management Inc. (“BAM”)
2. Revolving credit facilities of $2.6 billion support commercial paper issuances.

Liquidity Profile

CORE AND TOTAL LIQUIDITY

AS AT JUN. 30, 2019 AND DEC. 31, 2018 (MILLIONS)	Corporate	Real Estate	Renewable Power	Infrastructure	Private Equity and Other	Total 2019	Dec. 2018
Cash and financial assets, net	$ 4,023	$ 47	$ 311	$ 318	$ 1,503	**$ 6,202**	$ 3,752
Undrawn committed credit facilities	2,524	1,741	1,552	1,104	1,050	**7,971**	7,061
Core liquidity	6,547	1,788	1,863	1,422	2,553	**14,173**	10,813
Uncalled private fund commitments[1]	—	13,979	3,435	11,428	6,185	**35,027**	23,575
Total liquidity	$ 6,547	$ 15,767	$ 5,298	$ 12,850	$ 8,738	**$ 49,200**	$ 34,388

1. Third-party private fund uncalled commitments.

- Corporate credit facilities increased by $655 million since last quarter to $2.6 billion, of which $nil was utilized for short-term bank or commercial paper borrowings and $66 million was drawn and utilized for letters of credit at June 30, 2019.
- Core liquidity represents our principal sources of short-term liquidity (consists of our cash and financial assets, net of deposits and other associated liabilities, and undrawn committed credit facilities).

UNCALLED FUND COMMITMENTS – EXPIRY PROFILE

AS AT JUN. 30, 2019 AND DEC. 31, 2018 (MILLIONS)	2019	2020	2021	2022	2023+	Total 2019	Dec. 2018
Real estate	$ —	$ 2,882	$ —	$ —	$ 11,097	**$ 13,979**	$ 12,326
Infrastructure	—	3,317	—	—	11,546	**14,863**	5,090
Private equity	—	868	—	—	5,317	**6,185**	6,159
	$ —	$ 7,067	$ —	$ —	$ 27,960	**$ 35,027**	$ 23,575

- Approximately $27 billion of the uncalled fund commitments are currently earning fees. The remainder will become fee bearing once the capital is invested.
- Uncalled commitments expire after approximately four years, based on the weighted-average time to the end of each fund's investment period.
- We invested approximately $4 billion of third-party fund capital (private funds and co-investments) during the quarter; $13 billion during the last twelve months.
- $35 billion of uncalled commitments includes $6.2 billion of third-party capital committed to investments not yet funded as at June 30, 2019 (real estate – $3.3 billion; infrastructure – $2.2 billion; and private equity – $0.7 billion).

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Detailed Analysis

Asset Management Operating Results

FEE BEARING CAPITAL

AS AT AND FOR THE PERIODS ENDED JUN. 30, 2019 (MILLIONS)	Three Months			LTM			
	Private Funds[1]	Listed Partnerships	Public Securities	Private Funds[1]	Listed Partnerships	Public Securities	Total
Balance, beginning of period	$ 70,794	$ 63,546	$ 15,242	$ 57,035	$ 55,829	$ 16,438	**$ 129,302**
Inflows	14,667	1,078	1,237	31,139	9,421	3,576	**44,136**
Outflows	—	—	(1,018)	—	—	(5,334)	**(5,334)**
Distributions	(669)	(1,010)	—	(2,918)	(5,526)	—	**(8,444)**
Market valuation	42	1,790	141	314	5,685	969	**6,968**
Other	(1,168)	(608)	(9)	(1,904)	(613)	(56)	**(2,573)**
Change	12,872	1,250	351	26,631	8,967	(845)	**34,753**
Balance, end of period[2]	$ 83,666	$ 64,796	$ 15,593	$ 83,666	$ 64,796	$ 15,593	**$ 164,055**

1. Includes $16.6 billion of co-investment capital (Mar. 31, 2019 – $15.6 billion, Jun. 30, 2018 – $9.8 billion), which earns minimal or no base fees.
2. Fee bearing capital includes Brookfield capital of $30 billion (Dec. 31, 2018 – $25 billion) in listed partnerships and $0.2 billion (Dec. 31, 2018 – $0.3 billion) in private funds.

Private funds: Inflows for the three month period include third-party capital raised for the first close of our fourth flagship infrastructure fund ($10.2 billion), as well as the first closes for our special opportunities fund ($1.0 billion) and real estate opportunity fund ($0.5 billion). We also held additional closes in our long-life infrastructure fund ($0.7 billion) and fifth flagship private equity fund ($0.6 billion, $0.1 billion of which was raised subsequent to quarter end), and closed $1.2 billion of co-investment capital.

In total over the LTM period we raised $31.1 billion in third-party capital, including:

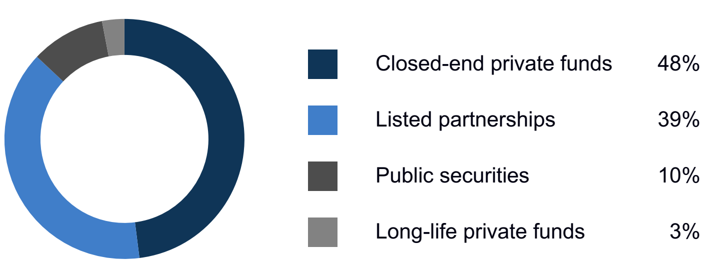
- $10.2 billion for our fourth flagship infrastructure fund, $4.7 billion for our fifth flagship private equity fund and $3.8 billion for our third flagship real estate fund;
- $1.6 billion for our long-life infrastructure fund and $0.7 billion across our long-life real estate funds;
- $1.0 billion for our special opportunities fund and $0.5 billion for our opportunity zone fund;
- $7.4 billion of co-investment capital; and
- $1.0 billion of additional capital across other credit and multifamily strategies.

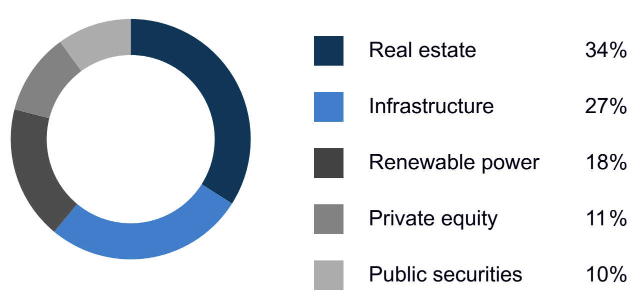
For further details on private fund capital flows in the period, refer to page 18.

Listed partnerships: Market valuation increased $1.8 billion since March 2019 as a result of share price appreciation across BIP and BEP, as well as capital market activities. For further details on listed partnership fee bearing capital in the period, refer to page 19.

Public securities: Fee bearing capital increase of $351 million in the three month period is due to net inflows of $219 million as well as market valuation increases of $141 million across the funds.

Fee Bearing Capital Diversification
AS AT JUN. 30, 2019





Asset Management Operating Results

FEE RELATED EARNINGS

FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Three Months			LTM		
	2019	2018	Variance	**2019**	2018	Variance
Base management fees						
Private funds	**$ 176**	$ 128	$ 48	**$ 629**	$ 462	$ 167
– Catch-up fees	**4**	—	4	**38**	—	38
Listed partnerships	**142**	126	16	**534**	535	(1)
Public securities	**29**	30	(1)	**116**	101	15
Incentive distributions	**64**	50	14	**234**	176	58
Transaction and advisory fees	**5**	2	3	**16**	7	9
	420	336	84	**1,567**	1,281	286
Direct costs						
Compensation and benefits	**(113)**	(95)	(18)	**(429)**	(350)	(79)
Other expenses	**(44)**	(43)	(1)	**(184)**	(148)	(36)
	(157)	(138)	(19)	**(613)**	(498)	(115)
Fee related earnings before performance fees	**263**	198	65	**954**	783	171
Performance fees	**—**	41	(41)	**94**	301	(207)
Total fee related earnings	**$ 263**	$ 239	$ 24	**$ 1,048**	$ 1,084	$ (36)
Margin – excluding performance fees	**63%**	59%		**61%**	61%	
Margin – including performance fees	**63%**	63%		**63%**	69%	

Private funds: Record fundraising levels for our latest series of infrastructure, real estate and private equity flagship funds drove a significant increase in private fund fee bearing capital and fee revenues. See page 18 for further details.

Listed partnerships: Increased capitalization from higher unit prices and capital markets activity contributed to higher fees for the three month period. Lower listed partnership unit prices during the second half of 2018 contributed to lower listed partnership fee revenues for the LTM period. See page 19 for further details.

Public securities: Fee revenues for the LTM period increased as a result of the acquisition of an energy and infrastructure investment advisor late in the first quarter of 2018. See page 19 for further details.

Incentive distributions: Reflects increased distribution levels at BIP, BEP and BPY. See page 20 for further details.

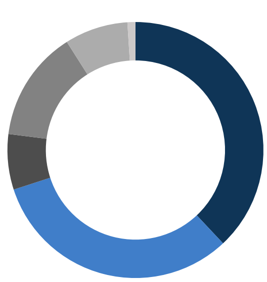
Transaction and advisory fees: Fees earned in the year relate to co-investments within our infrastructure and private equity funds.

Direct costs: Direct costs increased as we continue to support the fundraising of our current series of flagship funds and the growth of other product offerings. LTM direct costs include additional costs of $20 million related to the full year contribution from a German renewable power asset manager and an energy and infrastructure investment advisor, both acquired in the first quarter of 2018.

Performance fees: Represent 20% of the price increase per BBU unit over the previous threshold (“high-water mark”).

Fee Revenue Diversification

FOR THE LTM ENDED JUN. 30, 2019



Private fund base fees 40%

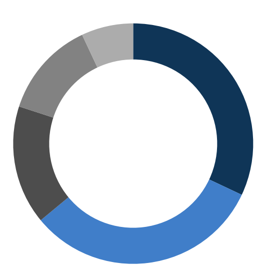
Listed partnership base fees 32%

Public securities 7%

Inventive distributions 14%

Performance fees 6%

Transaction fees 1%



Real estate 32%

Infrastructure 32%

Private equity 16%

Renewable power 13%

Public securities 7%

Fee Revenues

PRIVATE FUNDS

Inflows of $31 billion over the LTM increased private fund fee bearing capital to $84 billion and contributed to a 44% increase in private fund fee revenues

AS AT AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Three Months		LTM		Annualized[1]	
	2019	2018	**2019**	2018	**2019**	2018
Base management fees						
Flagship funds						
Real estate	**$ 57**	$ 50	**$ 227**	$ 145	**$ 232**	$ 210
Infrastructure	**54**	43	**184**	173	**285**	173
Private equity	**30**	14	**95**	55	**123**	55
	141	107	**506**	373	**640**	438
Other fund series						
Credit and core plus	**7**	4	**26**	21	**21**	27
Co-investments and other	**28**	17	**97**	68	**99**	60
	176	128	**629**	462	**760**	525
Catch-up fees	**4**	—	**38**	—	**—**	—
Transaction and advisory fees	**5**	2	**16**	7	**12**	19
	$ 185	$ 130	**$ 683**	$ 469	**$ 772**	$ 544

1. Refer to details on annualized fees on page 24.

THREE MONTHS:

- Flagship fee revenues increased by $34 million from the prior year quarter as a result of an increase of $14.5 billion of third-party commitments raised during the last twelve months within our latest flagship infrastructure, real estate and private equity funds. This was partially offset by capital returned following asset realizations within our first flagship real estate and infrastructure funds. Incremental catch-up fees of $4 million related to our fifth flagship private equity fund.
- Additional fees were earned from fundraising and deployment across our latest real estate credit and long-life funds, partially offset by the return of capital following asset realizations.
- Co-investment fees increased as a result of significant co-investment capital raised across our real estate, infrastructure and private equity funds.

LTM:

- **Flagship:** Fee revenues increased by $133 million, a 36% increase, as we closed $14.5 billion of flagship fund capital during the last twelve months, as noted above. We also earned incremental catch-up fees of $38 million related to our third flagship real estate fund and fifth flagship private equity fund.
- **Credit and core-plus:** We raised $2.3 billion of long-life capital during the last twelve months, including $0.7 billion for our infrastructure long-life funds this past quarter. Fees from these funds are earned based on net asset value of the fund. Fees relating to our credit funds increased from the prior period as a result of capital deployed. We also returned capital relating to our real estate credit and multifamily funds as a result of dispositions.
- **Co-investments:** We raised $7.4 billion of co-investment capital during the last twelve months related to acquisitions, which included $2.7 billion of co-investments related to the privatization of GGP, $1.5 billion related to Clarios (formerly Johnson Controls Power Solutions), $1.2 billion related to Forest City, as well as an additional $2.0 billion related to acquisitions within our flagship private equity and infrastructure funds.

Fee Revenues

LISTED PARTNERSHIPS

AS AT AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Three Months 2019	Three Months 2018	LTM 2019	LTM 2018	Annualized[1] 2019	Annualized[1] 2018
Base management fees						
Listed partnerships						
BPY	**$ 36**	$ 34	**$ 153**	$ 154	**$ 145**	$ 140
BEP	**23**	23	**80**	89	**90**	90
BIP	**62**	52	**223**	232	**250**	210
BBU	**14**	13	**56**	47	**55**	55
Other	**7**	4	**22**	13	**25**	15
	142	126	**534**	535	**565**	510
Incentive distributions	**64**	50	**234**	176	**257**	198
Performance fees	**—**	41	**94**	301	**65**	65
	$ 206	$ 217	**$ 862**	$ 1,012	**$ 887**	$ 773

1. Refer to details on annualized fees on page 24.

- Listed partnership base management fees increased by $16 million in the quarter as a result of listed partnership unit price appreciation and capital markets activity since the prior year quarter. Listed partnership unit prices continued to recover from the volatility at the end of 2018, which has led to higher listed partnership fee revenues for the three month period.
- The listed partnership fee bearing capital includes $5.7 billion related to BPY and Brookfield Property REIT Inc. (formerly GGP) equity issued as a result of the GGP privatization. This capital is subject to a 12-month fee waiver which will expire at the end of August 2019 and is not yet included in our annualized fees. Additional inflows over the last twelve months include common and preferred units as well as debt issued by the listed partnerships.
- Incentive distributions increased reflecting higher unit distributions at BIP, BEP and BPY.
- Performance fees represent 20% of the price increase per BBU unit over the previous threshold. As at June 30, 2019 the threshold was $41.96 (2018 – $38.31).
- Base management fee revenues from listed partnerships include $65 million (2018 – $65 million) and $260 million (2018 – $269 million) from Brookfield capital for the three months and last twelve months, respectively.

PUBLIC SECURITIES

AS AT AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Three Months 2019	Three Months 2018	LTM 2019	LTM 2018	Annualized[1] 2019	Annualized[1] 2018
Mutual funds	**$ 18**	$ 19	**$ 73**	$ 50	**$ 75**	$ 80
Separately managed accounts	**9**	10	**37**	35	**36**	36
Other	**2**	1	**6**	16	**5**	2
	$ 29	$ 30	**$ 116**	$ 101	**$ 116**	$ 118

1. Refer to details on annualized fees on page 24.

- The acquisition of an energy and infrastructure investment advisor during the first quarter of 2018 contributed to the $15 million increase in public securities fee revenues earned in the last twelve months.

Incentive Distributions and Performance Fees

We receive a portion of increases in the distributions by BIP, BEP and BPY as an incentive to increase FFO per unit, which should lead to increased unitholder distributions over time. The following table provides the current distribution levels of BIP, BEP and BPY:

ANNUALIZED INCENTIVE DISTRIBUTIONS

AS AT JUN. 30, 2019 (MILLIONS, EXCEPT PER UNIT)	Per Unit: Annualized Distributions	Per Unit: Distribution Hurdles[1]	Per Unit: Incentive Distributions[2]	Units Outstanding	Annualized Incentive Distributions
Brookfield Infrastructure Partners (BIP)	$ 2.01	$ 0.81 / $ 0.88	15% / 25%	398.6	$ 154
Brookfield Renewable Partners (BEP)	2.06	1.50 / 1.69	15% / 25%	311.2	49
Brookfield Property Partners (BPY)[3]	1.32	1.10 / 1.20	15% / 25%	950.7	54
					$ 257

1. We are also entitled to earn a portion of increases in distributions by TerraForm Power ("TERP"), based on distribution hurdles of $0.93 and $1.05. TERP's current annual distribution has not yet reached the first hurdle.
2. Incentive distributions equate to 18% and 33% of limited partner distribution increases over the first and second hurdles, respectively.
3. Incentive distributions from Brookfield Property Partners are earned on distributions made by BPY and BPR.

LISTED PARTNERSHIPS DISTRIBUTIONS (PER UNIT)

	BPY	BEP	BIP
Targeted:			
FFO payout	80%	70%	60% to 70%
Distribution growth	5% to 8%	5% to 9%	5% to 9%
2019[1]	$ 1.32	$ 2.06	$ 2.01
2018	1.26	1.96	1.88
2017	1.18	1.87	1.74
2016	1.12	1.78	1.55
2015	1.06	1.66	1.41

1. Annualized based on the most recently announced distribution levels.

BPY/BEP/BIP

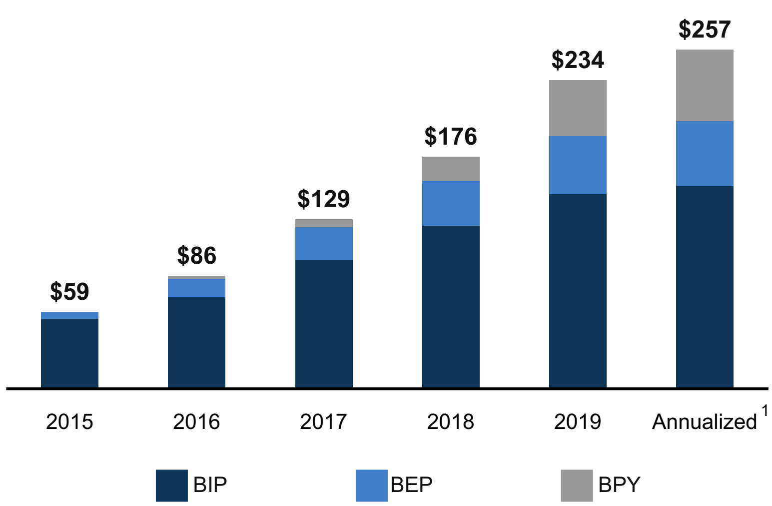
- Distribution policies target a distribution level that is sustainable on a long-term basis while retaining sufficient liquidity for capital expenditures and general purposes.

BBU

- BBU's performance fee is calculated as 20% of the increase in weighted average unit price for the quarter, over the highest previous threshold. There are 149.6 million BBU units outstanding and the current threshold is $41.96.

Incentive Distributions (LTM)

JUN. 30 (MILLIONS)



1. Annualized IDR based on most recently announced distribution levels.

Carried Interest

Carried interest represents our share, as manager, of investment performance in our private funds

We generated carried interest of $584 million in the last twelve months based on investment returns, increasing cumulative gross unrealized carried interest to $2.5 billion

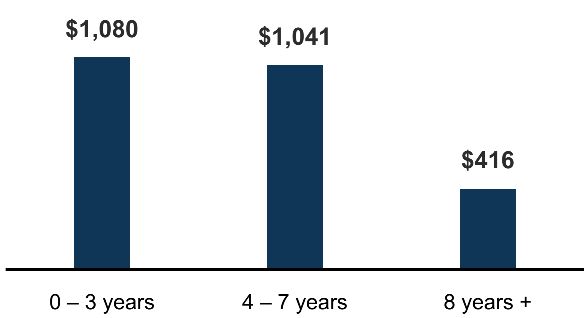
UNREALIZED CARRIED INTEREST CONTINUITY[1,2]

AS AT AND FOR THE PERIODS ENDED JUN. 30, 2019 (MILLIONS)	Three Months – Unrealized Carried Interest	Three Months – Direct Costs	Three Months – Net	LTM – Unrealized Carried Interest	LTM – Direct Costs	LTM – Net
Accumulated unrealized, beginning of period	$ 2,699	$ (810)	$ 1,889	$ 2,527	$ (778)	$ 1,749
In period change						
Unrealized in period	20	(6)	14	584	(140)	444
Foreign currency revaluation	8	(2)	6	(38)	5	(33)
	28	(8)	20	546	(135)	411
Less: realized	(190)	53	(137)	(536)	148	(388)
	(162)	45	(117)	10	13	23
Accumulated unrealized, end of period	**$ 2,537**	**$ (765)**	**$ 1,772**	**$ 2,537**	**$ (765)**	**$ 1,772**

1. Amounts dependent on future investment performance are deferred. Represents management estimate of carried interest if funds were wound up at period end.
2. Carried interest in respect of third-party capital.

Unrealized Carried Interest – Expected Realization Timeline

AS AT JUN. 30, 2019 (MILLIONS)



- Of the $1.1 billion of carried interest expected to be recognized within the next three years, $0.9 billion relates to carried interest from our flagship real estate, infrastructure and private equity funds.

THREE MONTHS:

- Unrealized carried interest generation within our flagship infrastructure and private equity funds were offset by revised valuation assumptions within our second real estate flagship fund, which is in its third year of its fund life and currently in the catch-up stage of carried interest generation.
- We realized $190 million of carried interest in the quarter, primarily from the sale of our facilities management services business within our fourth flagship private equity fund, as well as additional realizations within our first flagship real estate and multifamily funds.

LTM:

- We generated unrealized carried interest across all of our major funds, including significant increases in value from realized dispositions in our first flagship real estate fund as well as generation from our fourth flagship private equity fund as a result of completed and pending asset dispositions and the sell down of our position in our graphite electrode manufacturing business.
- In addition to the realized carried interest noted above, we earned carried interest income from the sale of our U.S. logistics business within our first real estate flagship fund as well as income from the sale of our Australian energy operation and distributions from additional investments within our fourth flagship private equity fund.

Target Carried Interest

Target carried interest reflects our estimate of the carried interest earned on a straight-line basis over the life of a fund, assuming target returns are achieved

AS AT JUN. 30, 2019 (MILLIONS)	Fee Bearing Capital	Carry Eligible Capital[1]	Gross Target Return[2,3]	Average Carried Interest	Annualized Target Carried Interest[4]
Opportunistic	$ 35,670	$ 15,600	18% – 23%	~20%	$ 535
Value add	32,138	13,671	10% – 15%	~20%	270
Credit and core plus	15,858	8,752	10% – 15%	~15%	110
	$ 83,666	38,023			915
Uncalled fund commitments[5,6]		33,759			745
Total carry eligible capital / target carried interest		**$ 71,782**			1,660
Direct costs[7]					(500)
Net target carried interest					**$ 1,160**

1. As at June 30, 2019, $38.0 billion of carry eligible capital has been invested and an additional $33.8 billion of committed capital will become carry eligible once invested.
2. Carried interest is generated once a private fund exceeds its preferred return typically ranging from 5% – 9%. It will typically go through a catch-up period until the manager and limited partner (LP) are earning carry at their respective allocation.
3. Gross target return is before annual fund management fees ranging from 90 bps for core plus funds to 200 bps for certain opportunistic funds.
4. Based on carry eligible capital.
5. Uncalled fund commitments from carry eligible funds.
6. Target carry on uncalled fund commitments is discounted for two years at 10%, reflecting gross target return and average carried interest rate for uncalled fund commitments.
7. We assume a 70% margin on carried interest for planning purposes.

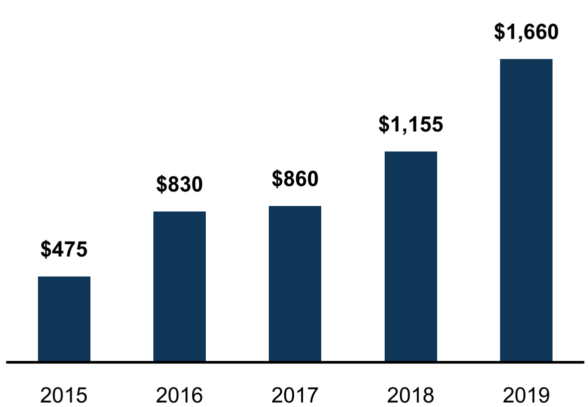
ANNUALIZED TARGET CARRIED INTEREST

Carried interest is our share of investment returns generated by our private funds. As long as investors earn a predetermined preferred return, after a catch-up period, we receive the full carried interest rate.

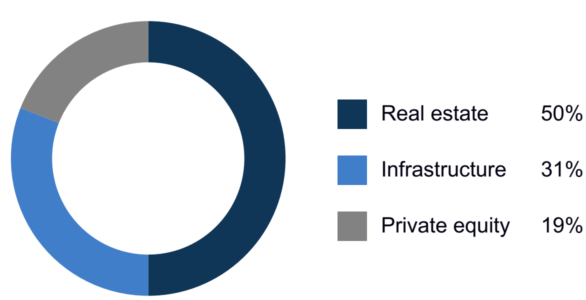
For planning purposes, we use current carry eligible capital multiplied by target fund returns and our average carried interest rate to determine annualized carried interest, and then subtract associated direct costs to arrive at a 70% margin, which is "net target carried interest."

Target carried interest on capital currently invested is $915 million per annum, and we expect to add an additional $745 million per annum when $33.8 billion of uncalled fund commitments are deployed, aggregating to an annualized target carried interest figure of $1.7 billion, or $1.2 billion net of costs.

Target Carried Interest
AS AT JUN. 30 (MILLIONS)



Target Carry Diversification
AS AT JUN. 30, 2019



Private Funds Carried Interest

The majority of our funds are tracking to meet or exceed target returns

The below returns are actuals and illustrate how we are tracking toward target:

AS AT JUN. 30, 2019 (MILLIONS)	Strategy	Vintage[1]	Target Gross IRR[2,3]	Gross Actual IRR[4]	Uncalled Fund Commitments[5]	Invested < 3 years	Invested > 3 years	Total	Accumulated Unrealized Carried Interest
Real estate	Opportunistic – BSREP	2013 – 2019	20%	20%	$ 10,374	$ 5,070	$ 3,927	**$ 19,371**	**$ 733**
	Credit – BREF	2005 – 2017	12% - 15%	13%	1,626	1,195	163	**2,984**	**80**
	Other[6]	2008 – 2018			1,332	6,847	1,075	**9,254**	**94**
Infrastructure	Value add – BIF	2010 – 2016	13% - 15%	15%	12,609	7,406	5,600	**25,615**	**954**
	Other[6]	2008 – 2018			2,198	1,332	697	**4,227**	**38**
Private equity	Opportunistic – BCP	2007 – 2016	20%	29%	4,495	2,679	1,262	**8,436**	**628**
	Other[6]	2015 – 2018			1,125	333	437	**1,895**	**10**
Total carry eligible capital					33,759	24,862	13,161	**71,782**	**$ 2,537**
Non-carry eligible capital[7]					1,268	7,636	2,980	**11,884**	
Fee bearing capital					$ 35,027	$ 32,498	$ 16,141	**$ 83,666**	

1. Year of final close.
2. Gross target return is before annual fund management fees ranging from 90 bps for core plus funds to 200 bps for certain opportunistic funds.
3. Carried interest is generated once a private fund exceeds its preferred return. It will typically go through a catch-up period until the manager and LP are earning carry at their respective allocation.
4. On existing carry eligible funds, excluding long-life funds.
5. Uncalled fund commitments from carry eligible funds. Additional $1.3 billion of uncalled fund commitments relate to funds not eligible to earn carry.
6. Other represents funds and co-investments across the asset classes.
7. Non-carry eligible capital includes various co-investments, separately managed accounts and funds that are not entitled to carry.

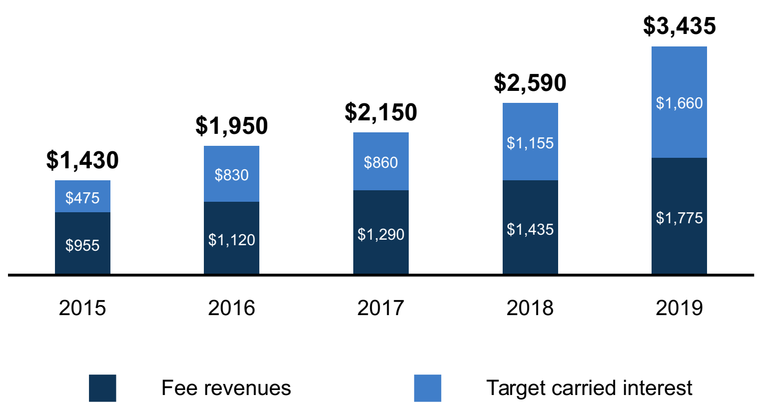
Annualized Fees and Target Carried Interest

ANNUALIZED FEES AND TARGET CARRY

AS AT (MILLIONS)	Jun. 30, 2019	Dec. 31, 2018	Jun. 30, 2018
Base management fees[1]			
Private funds	$ 760	$ 615	$ 525
Listed partnerships[2]	565	470	510
Public securities	116	115	118
Incentive distributions[3]	257	259	198
	1,698	1,459	1,351
Performance fee[4]	65	65	65
Transaction and advisory[5]	12	21	19
Fee revenues	1,775	1,545	1,435
Target carried interest[6]	1,660	1,430	1,155
	$ 3,435	$ 2,975	$ 2,590

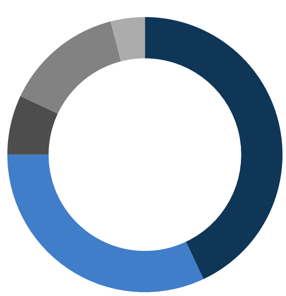
1. Base management fees include $255 million of annualized base fees on Brookfield capital ($252 million from listed partnerships and $3 million from private funds).
2. For details on listed partnership base fee calculations, refer to page 40.
3. Based on most recent quarterly distributions declared.
4. Annualized BBU performance fees assume 10% annualized unit price appreciation.
5. Annualized transaction and advisory fees based on simple average of the last two years' results.
6. Based on prescribed carried interest for private funds and target gross return. Includes only third-party capital.

Annualized Fees and Target Carry
AS AT JUN. 30 (MILLIONS)

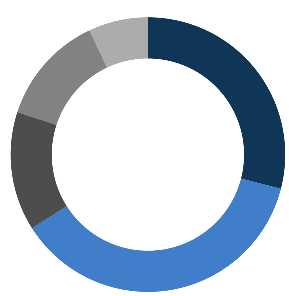


- Annualized listed partnership fee revenues of $565 million exclude the additional $60 million of fee revenues from new BPY capital issued in association with the privatization of GGP, based on its June 30 market value. This capital is subject to a 12-month fee waiver which will expire at the end of August 2019.
- With respect to certain funds for which fees are charged on invested capital only, we estimate annualized base management fees will increase by approximately $70 million when $6.5 billion of uncalled third-party capital is invested.
- BBU's performance fee is calculated as 20% of the increase in weighted average unit price over the previous threshold. The initial unit price hurdle was $25.00 and the current hurdle is $41.96.
- We include base fees on the capital invested by us in our listed partnerships and funds in order to present operating margins and investment returns on a consistent basis. FFO from the associated invested capital is shown net of these fees.
- We expect gross margins for fee revenues and target carried interest to range between 55% to 65% and 65% to 75%, respectively, for planning purposes.

Fee Revenue Diversification[1]
AS AT JUN. 30, 2019



Private funds	43%
Listed partnerships	32%
Public securities	7%
Incentive distributions	14%
Performance fees	4%



Infrastructure	37%
Real estate	29%
Private equity	14%
Renewable power	13%
Public securities	7%

1. Fee revenues based on annualized June 30, 2019 fees, excluding transaction fees and target carried interest.

Private Fund Listing[1]

AS AT JUN. 30, 2019 (MILLIONS, USD UNLESS OTHERWISE NOTED)		Committed Capital[2]	Brookfield Participation[2]	Year[3]
Brookfield Real Estate Funds				
Opportunistic				
Real Estate Opportunity I	$	240	52%	2006
Real Estate Opportunity II		260	29%	2009
Real Estate Turnaround		5,570	18%	2010
Strategic Real Estate Partners I[4]		4,350	31%	2013
Strategic Real Estate Partners II[4]		9,000	26%	2016
Strategic Real Estate Partners III[4]		15,000	25%	2019
Thayer VI		306	48%	2014
Value Add				
U.S. Multifamily Value Add I	$	325	13%	2012
U.S. Multifamily Value Add II		805	37%	2014
U.S. Multifamily Value Add III		1,005	30%	2018
Core Plus				
U.S. Office	$	2,200	83%	2006
DTLA		1,100	45%	2013
Premier Real Estate Partners[5]		2,476	18%	2016
Premier Real Estate Partners Australia[5]	A $	760	48%	2018
Credit				
Real Estate Finance I	$	600	33%	2005
Real Estate Finance IV		1,375	18%	2014
Real Estate Finance V		2,949	14%	2017
Senior Mezzanine Real Estate Finance[5]		1,006	1%	2017
Brookfield Infrastructure Funds				
Value Add				
Global Infrastructure I[4]	$	2,600	25%	2010
Global Infrastructure II[4]		7,000	40%	2013
Global Infrastructure III[4]		14,000	29%	2016
Colombia Infrastructure		360	28%	2009
Credit				
Infrastructure Debt	$	884	17%	2017
Core				
Super-Core Infrastructure Partners[5]	$	1,652	3%	2018
Sustainable Resources				
Timberlands Fund V	$	351	25%	2013
Brazil Timber I		280	18%	2008
Brazil Timber II		95	19%	2013
Brazil Agriculture I		330	31%	2010
Brazil Agriculture II		500	22%	2016
Brookfield Private Equity Funds				
Opportunistic				
Capital Partners II[4]	C $	1,000	40%	2007
Capital Partners III[4]		1,000	25%	2012
Capital Partners IV[4]		4,000	26%	2016
Credit				
Peninsula Brookfield India Real Estate	$	95	—	2013

1. Includes discretionary funds managed by Brookfield Asset Management Inc. or a management affiliate thereof and all investments made by a consortium of investors formed and managed by Brookfield. Excludes direct investments made through managed accounts, joint ventures, co-investments, publicly listed partnerships or investment funds for which Brookfield did not serve as the manager during the investment period. Also excludes closed-end funds currently in the market and fully divested funds.
2. Inclusive of Brookfield commitments; Brookfield participation includes commitments from Brookfield directly held as well as BPY, BEP, BIP and BBU.
3. Year of final close. For long-life funds, year of first close.
4. Flagship funds.
5. Long-life funds.

Capital Invested or Committed

Invested $33 billion of capital during the LTM, including $7 billion in the quarter

CAPITAL INVESTED OR COMMITTED (FUNDING SOURCE)

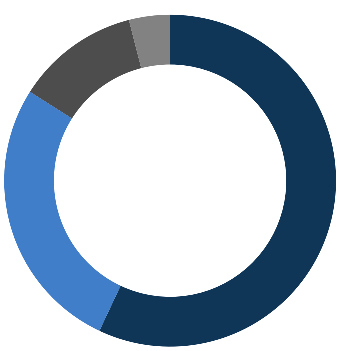
FOR THE LTM ENDED JUN. 30, 2019 (MILLIONS)	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Total
Listed partnerships[1]	$ 15,979	$ 1,961	$ 173	$ 1,107	**$ 19,220**
Private funds[2]	3,557	3,695	487	1,191	**8,930**
Co-investments[2]	1,224	846	—	1,780	**3,850**
Direct[3]	—	—	—	1,297	**1,297**
Total invested	20,760	6,502	660	5,375	**33,297**
Committed – new[4,5]	7,705	5,747	235	3,678	**17,365**
Committed – invested[4]	(19,098)	(4,002)	(15)	(152)	**(23,267)**
Total[4]	$ 9,367	$ 8,247	$ 880	$ 8,901	**$ 27,395**

1. Includes investments made by listed partnerships (BPY, BIP, BEP and BBU) directly or through its participation in private funds and co-investments.
2. Reflects third-party investments managed by Brookfield.
3. Investments made by Brookfield in financial assets or on balance sheet assets other than the listed partnerships.
4. New commitments represent those commitments entered into during the year. Invested commitments represent the amounts invested during the year for commitments which were entered into during the prior period (shown as an outflow to commitments and an inflow to invested). Where capital was both committed and invested in the same period, it will be presented as invested only.
5. Infrastructure commitments include $5.1 billion related to a North American rail business, announced on July 1, 2019.

CAPITAL INVESTED (GEOGRAPHY)

FOR THE LTM ENDED JUN. 30, 2019 (MILLIONS)	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Total
North America	$ 19,728	$ 4,131	$ 423	$ 3,834	**$ 28,116**
South America	190	805	110	74	**1,179**
Europe	625	158	72	132	**987**
Asia and other	217	1,408	55	1,335	**3,015**
Total invested	$ 20,760	$ 6,502	$ 660	$ 5,375	**$ 33,297**

Capital Invested (by capital type)
FOR THE LTM ENDED JUN. 30, 2019



Listed partnerships[1]	57%	Private funds	27%
Co-investments	12%	Direct	4%

SIGNIFICANT INVESTMENTS:

- GGP retail mall portfolio ($14.5 billion)
- Automotive battery manufacturer ($3.7 billion)
- Forest City realty portfolio ($3.5 billion)
- Global commercial & hospitality properties ($2.8 billion)
- Residential energy infrastructure provider ($2.2 billion)
- Australian private health care provider ($1.0 billion)
- Natural gas midstream transportation assets ($1.0 billion)
- Indian pipeline assets ($1.0 billion)
- Infrastructure services company ($0.9 billion)

SIGNIFICANT COMMITMENTS:

- North American rail business ($5.1 billion)
- Oaktree Capital Management ($4.8 billion[2])
- Core office developments ($3.2 billion)
- Federally regulated midstream energy portfolio ($0.9 billion)

1. Included within listed partnership of 57% is 43% relating to the privatization of GGP.
2. $4.8 billion committed to Oaktree Capital Management includes funding of approximately $2.4 billion of cash and 53 million Class A shares of Brookfield.

Invested Capital – Overview

LISTED INVESTMENTS:

Our **listed partnerships** are **BPY, BEP, BIP and BBU**, the flagship entities that hold most of the investments in our four largest operating segments. Each of our flagship entities is publicly traded in the United States and Canada.

- We own 51% (fully diluted) of **Brookfield Property Partners** (BPY), a diversified global real estate company that owns, operates and develops one of the largest portfolios of office, retail, multifamily, logistics, hospitality, triple net lease, self-storage, student housing and manufactured housing assets.
- We own 61% of **Brookfield Renewable Partners** (BEP), one of the world's largest publicly traded renewable power platforms with generating facilities in North America, South America, Europe and Asia.
- We own 30% of **Brookfield Infrastructure Partners** (BIP), one of the largest owners and operators of critical and diverse global infrastructure networks which facilitate the movement and storage of energy, water, freight, passengers and data.
- We own 63% of **Brookfield Business Partners** (BBU), our flagship private equity listed partnership that invests primarily in business services, infrastructure services and industrial companies focused on long-term capital appreciation.

In addition to our flagship entities, we have the following investments that are also publicly traded:

- **Norbord Inc. ("Norbord"):** an international producer of wood-based panels which trades on the TSX and the NYSE. We own 42% of Norbord's shares and equity account for the investment as we exercise significant influence.
- **Acadian:** a leading supplier of primary forest products in Eastern Canada and the Northeastern U.S. We own 45% of Acadian's outstanding shares but consolidate the business as the management arrangements result in us exercising control over the business.
- **Vistra:** an integrated power company based in Texas that trades on the NYSE. Together with our institutional partners, we own approximately 9% of the company which is treated as a financial asset on our balance sheet.

Our **corporate cash and financial assets** portfolio includes corporate cash, assets held as part of our liquidity management operations, seeding investments in new strategies and financial contracts to manage market risk.

UNLISTED INVESTMENTS:

- **Residential:** in North America, we develop land for building homes or selling lots to other homebuilders while in Brazil we develop and construct residential and commercial towers.
- **Energy Contracts:** our contractual arrangement with BEP to purchase power generated by certain North American hydro assets at a fixed price that is then resold on a contracted or uncontracted basis.
- **Other Real Estate:** BAM's direct investment in the third flagship real estate fund, a 27.5% interest in a BAM-sponsored venture that owns operating and development properties in New York and investments in assets in the multifamily sector.
- **Other Infrastructure:** investments in sustainable resources, mainly timber and agricultural assets, in Brazil.
- **Other Private Equity:** direct investments in various operating companies within the Private Equity segment.
- **Other corporate investments:** our investments in insurance businesses whose investment portfolios are primarily held in support of the insurance premium liabilities.

CORPORATE ACTIVITIES:

- Our **corporate borrowings** reflect the amount of recourse debt held in the corporation.
- Net **working capital** includes accounts receivable, accounts payable, other assets and other liabilities, including deferred tax assets and liabilities; FFO includes **corporate costs and cash taxes.**
- **Preferred equity** represents permanent, non-participating equity that provides leverage to our common equity.

Invested Capital – Operating Results

AS AT JUN. 30, 2019 AND DEC. 31, 2018 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Invested Capital		Funds from Operations[1]			
			Three Months		LTM	
	2019	2018	**2019**	2018	**2019**	2018
Listed investments						
Listed partnerships						
BPY	**$ 15,291**	$ 15,160	**$ 176**	$ 170	**$ 710**	$ 701
BPY preferred shares	**16**	435	**2**	19	**37**	76
BEP	**4,600**	4,749	**132**	98	**435**	339
BIP	**1,913**	1,916	**88**	78	**340**	333
BBU[2]	**2,454**	2,017	**94**	55	**399**	70
Other listed investments						
Norbord	**1,230**	1,287	**14**	97	**133**	275
Other	**664**	662	**5**	1	**18**	6
Corporate cash and financial assets[3]	**4,023**	2,275	**35**	14	**108**	151
	30,191	28,501	**546**	532	**2,180**	1,951
Unlisted investments						
Residential	**2,695**	2,606	**18**	14	**64**	53
Energy contracts	**472**	553	**(67)**	(32)	**(164)**	(35)
Other	**3,353**	3,155	**30**	25	**142**	83
	6,520	6,314	**(19)**	7	**42**	101
Corporate activities						
Corporate borrowings/Interest expense	**(7,060)**	(6,409)	**(86)**	(80)	**(338)**	(294)
Working capital/Corporate costs and taxes[4]	**826**	1,081	**(36)**	(42)	**(157)**	(108)
Perpetual preferred shares[5]	**(4,146)**	(4,168)	**—**	—	**—**	—
	(10,380)	(9,496)	**(122)**	(122)	**(495)**	(402)
Invested capital, net / FFO	**$ 26,331**	$ 25,319	**$ 405**	$ 417	**$ 1,727**	$ 1,650
Per share	**$ 26.25**	$ 25.39	**$ 0.38**	$ 0.39	**$ 1.62**	$ 1.53

1. Excludes realized disposition gains.
2. FFO includes the net impact of performance fees paid to BAM of $nil (2018 – $41 million) for the three months ended June 30 and $94 million (2018 – $301 million) for the LTM.
3. Corporate cash and financial assets is inclusive of $2.8 billion of cash and cash equivalents (2018 – $1.3 billion).
4. Invested capital includes net deferred income tax asset of $1.9 billion (2018 – $1.9 billion); FFO includes current tax expense of $13 million (2018 – $18 million) for the three months ended June 30 and current tax expense of $55 million (2018 – $7 million) for the LTM.
5. FFO excludes preferred shares distributions of $38 million (2018 – $38 million) for the three months ended June 30 and $150 million (2018 – $150 million) for the LTM.

THREE MONTHS:

- FFO from invested capital decreased by 3% to $405 million primarily due to lower realized prices on generation sold in our energy contracts and a decline in Norbord results, following an exceptionally high level of OSB pricing in the prior year.
- The aforementioned decreases to FFO were partially offset by contributions from recent acquisitions, same-store growth from strong hydrology condition in our Renewable Power segment and higher margins in our construction business, investment income from our financial assets, as well as the absence of a $41 million ($28 million, net) performance fee paid by BBU in the prior year quarter.

LTM:

- FFO from invested capital increased by $77 million to $1.7 billion due to contributions from recent acquisitions across our listed partnerships, strong pricing and cost savings at our renewable power business, and improved margins at our graphite electrode manufacturing business and construction business. In addition, BBU paid lower performance fees of $94 million compared to $301 million in the prior period.
- The absence of contributions from assets sold, lower returns on our financial asset portfolio, an increase in losses on our energy contracts, decrease in selling prices at Norbord, higher interest expense on corporate debt and higher current tax expense due to absence of recoveries partially offset the aforementioned contributions.

Disposition Gains

FOR THE PERIODS ENDED JUN. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM			
	FFO[1,2]		Net Income[2]		FFO[1,2]		Net Income[2]	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
Real estate								
LP investments								
Marina Village	**$ 14**	$ —	**$ (5)**	$ —	**$ 14**	$ —	**$ (5)**	$ —
IDI	**—**	—	**—**	—	**135**	—	**(29)**	—
Gazeley	**—**	—	**—**	—	**—**	275	**—**	191
Fairfield Residential	**101**	—	**101**	—	**101**	—	**101**	—
Others	**5**	6	**9**	6	**629**	583	**21**	28
	120	6	**105**	6	**879**	858	**88**	219
Infrastructure								
AVN (Chilean toll road)	**—**	—	**—**	—	**91**	—	**—**	—
Transelec	**—**	—	**—**	—	**—**	244	**—**	53
Other infrastructure	**(30)**	—	**7**	—	**(30)**	—	**7**	—
Private equity								
BGIS	**66**	—	**93**	—	**66**	—	**93**	—
BGRS	**142**	—	**109**	—	**142**	—	**109**	—
GrafTech	**—**	89	**—**	—	**120**	89	**—**	—
Quadrant	**—**	—	**—**	—	**55**	—	**55**	—
Other private equity	**1**	37	**—**	37	**—**	52	**(1)**	20
Renewable power	**4**	—	**—**	—	**114**	—	**5**	—
	$ 303	$ 132	**$ 314**	$ 43	**$ 1,437**	$ 1,243	**$ 356**	$ 292
Per share	**$ 0.31**	$ 0.13	**$ 0.32**	$ 0.04	**$ 1.47**	$ 1.27	**$ 0.37**	$ 0.30

1. FFO includes gains recorded in net income, directly in equity, as well as the realization of appraisal gains recorded in prior years.
2. Net of non-controlling interests.

THREE MONTHS:

- **2019:** Significant gains in the quarter are mainly from the sale of our directly held interest in a residential management services company, our facilities management services business, our executive relocation services business, and a number of core office, multifamily and other opportunistic properties; partially offset by a loss in our infrastructure business from the sale of our European port operations.
- **2018:** Dispositions primarily include the sale of our partial interest in our graphite electrode manufacturing business and the sale of a joint venture within our real estate brokerage services business.

LTM:

- **2019:** Core office and retail disposition gains of $195 million and $252 million, respectively; LP investments and other property disposition gains inclusive of our residential management services company, $432 million; sale of a 33% interest in our Chilean toll business, $91 million; sales of various private equity businesses, $383 million; sales of partial interests in renewable power assets, $114 million.
- **2018:** Core office disposition gains of $492 million; LP investments, core retail and other property disposition gains, $366 million; sale of our investment in a Chilean electricity transmission business, $244 million; partial interests in our graphite electrode manufacturing business, $89 million; sale of various private equity businesses, $52 million.

Listed Partnership Results

BPY (NASDAQ: BPY, TSX: BPY.UN) – 51% (fully diluted) ownership interest

AS AT JUN. 30, 2019 AND DEC. 31, 2018 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
	2019	2018	**2019**	2018	**2019**	2018
Core office	**$ 14,219**	$ 14,199	**$ 187**	$ 149	**$ 633**	$ 576
Core retail	**13,711**	14,136	**170**	119	**770**	521
LP investments[1]	**5,068**	5,204	**79**	83	**316**	357
Corporate[1]	**(5,146)**	(5,255)	**(101)**	(105)	**(412)**	(418)
Attributable to unitholders	**27,852**	28,284	**335**	246	**1,307**	1,036
Non-controlling interests	**(12,561)**	(13,124)	**(151)**	(76)	**(577)**	(326)
Segment reallocation and other[2]	**—**	—	**(8)**	—	**(20)**	(9)
Brookfield's interest	**15,291**	15,160	**176**	170	**710**	701
Preferred shares	**16**	435	**2**	19	**37**	76
	$ 15,307	$ 15,595	**$ 178**	$ 189	**$ 747**	$ 777

BEP (NYSE: BEP, TSX: BEP.UN) – 61% ownership interest

AS AT JUN. 30, 2019 AND DEC. 31, 2018 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
	2019	2018	**2019**	2018	**2019**	2018
Proportionate generation (GWh)						
Actual	**n/a**	n/a	**7,602**	6,455	**27,452**	24,237
Long-term average (LTA)	**n/a**	n/a	**7,109**	6,935	**26,443**	24,383
Hydroelectric generation	**$ 8,584**	$ 8,951	**$ 226**	$ 181	**$ 726**	$ 668
Wind energy	**1,360**	1,357	**39**	34	**177**	122
Solar, storage and other	**1,161**	1,155	**34**	23	**125**	58
Corporate	**(3,506)**	(3,637)	**(69)**	(66)	**(260)**	(249)
Attributable to unitholders	**7,599**	7,826	**230**	172	**768**	599
Incentive distributions	**—**	—	**(12)**	(10)	**(44)**	(34)
Non-controlling interests	**(2,999)**	(3,077)	**(86)**	(64)	**(284)**	(226)
Segment reallocation and other[3]	**—**	—	**—**	—	**(5)**	—
Brookfield's interest	**$ 4,600**	$ 4,749	**$ 132**	$ 98	**$ 435**	$ 339

BIP (NYSE: BIP, TSX: BIP.UN) – 30% ownership interest

AS AT JUN. 30, 2019 AND DEC. 31, 2018 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
	2019	2018	**2019**	2018	**2019**	2018
Utilities	**$ 1,850**	$ 1,787	**$ 143**	$ 139	**$ 548**	$ 650
Transport	**3,485**	3,627	**135**	133	**522**	545
Energy	**3,102**	2,817	**96**	54	**352**	224
Data infrastructure	**1,136**	882	**30**	19	**97**	76
Corporate and other	**(3,193)**	(2,684)	**(67)**	(51)	**(227)**	(254)
Attributable to unitholders	**6,380**	6,429	**337**	294	**1,292**	1,241
Incentive distributions	**—**	—	**(38)**	(34)	**(144)**	(125)
Non-controlling interests	**(4,467)**	(4,513)	**(211)**	(182)	**(808)**	(783)
Brookfield's interest	**$ 1,913**	$ 1,916	**$ 88**	$ 78	**$ 340**	$ 333

BBU (NYSE: BBU, TSX: BBU.UN) – 63% ownership interest

AS AT JUN. 30, 2019 AND DEC. 31, 2018 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
	2019	2018	**2019**	2018	**2019**	2018
Business services[1]	**$ 1,117**	$ 1,493	**$ 342**	$ 66	**$ 422**	$ 145
Infrastructure services[1]	**633**	977	**54**	26	**301**	69
Industrials[1]	**740**	359	**46**	99	**386**	258
Corporate and other	**1,396**	134	**(7)**	(14)	**(51)**	(43)
Attributable to unitholders	**3,886**	2,963	**435**	177	**1,058**	429
Performance fees	**—**	—	**—**	(41)	**(94)**	(301)
Non-controlling interests	**(1,432)**	(946)	**(139)**	(44)	**(309)**	(38)
Segment reallocation and other[3]	**—**	—	**(202)**	(37)	**(256)**	(20)
Brookfield's interest	**$ 2,454**	$ 2,017	**$ 94**	$ 55	**$ 399**	$ 70

1. Segments were realigned in 2018; comparative figures have been restated to reflect the revised segment classifications.
2. Reflects fee related earnings and net carried interest reclassified to asset management segment and asset management expenses not included in operating FFO.
3. Relates to disposition gains, net of NCI, included in operating FFO.

Other Investments

In addition to being invested in our four flagship listed partnerships, we hold a number of other listed and unlisted investments

OTHER LISTED INVESTMENTS AND CORPORATE CASH AND FINANCIAL ASSETS

AS AT JUN. 30, 2019 AND DEC. 31, 2018 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Segment	Invested Capital 2019	Invested Capital 2018	Funds from Operations Three Months 2019	Funds from Operations Three Months 2018	Funds from Operations LTM 2019	Funds from Operations LTM 2018
Other listed							
Acadian Timber	Infrastructure	**$ 84**	$ 86	**$ 1**	$ 1	**$ 6**	$ 6
Norbord	Private Equity	**1,230**	1,287	**14**	97	**133**	275
Other listed	Private Equity	**580**	576	**4**	—	**12**	—
		1,894	1,949	**19**	98	**151**	281
Corporate cash and financial assets[1]	Corporate	**4,023**	2,275	**35**	14	**108**	151
		$ 5,917	$ 4,224	**$ 54**	$ 112	**$ 259**	$ 432

1. FFO includes cash distributions received of $24 million (2018 – $18 million) for the three months ended June 30 and $123 million (2018 – $115 million) for the LTM.

- **Norbord:** results from Norbord were lower compared to the prior year quarter and prior year LTM primarily due to a decline in realized product pricing. This was partially offset by lower operating costs.
- **Corporate cash and financial assets:** FFO was higher than the prior year quarter due to mark-to-market gains across our corporate portfolio, our credit opportunity fund and the public securities group.

UNLISTED INVESTMENTS

AS AT JUN. 30, 2019 AND DEC. 31, 2018 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Segment	Invested Capital 2019	Invested Capital 2018	Funds from Operations Three Months 2019	Funds from Operations Three Months 2018	Funds from Operations LTM 2019	Funds from Operations LTM 2018
Residential development							
North America	Residential	**$ 1,828**	$ 1,758	**$ 22**	$ 52	**$ 136**	$ 184
Brazil and other	Residential	**867**	848	**(4)**	(38)	**(72)**	(131)
		2,695	2,606	**18**	14	**64**	53
Energy contracts	Renewable Power	**472**	553	**(67)**	(32)	**(164)**	(35)
Sustainable resources and other	Infrastructure	**681**	885	**3**	7	**24**	22
Other corporate	Corporate	**47**	43	**4**	3	**4**	14
Other unlisted	Various	**2,625**	2,227	**23**	15	**114**	47
		$ 6,520	$ 6,314	**$ (19)**	$ 7	**$ 42**	$ 101

- **Residential:** results from our Residential segment were higher compared to the prior year quarter due to improved margins in our Brazilian operations, partially offset by slower activity in the U.S. and Canadian markets.
- **Energy contracts:** results were lower than the prior period due to lower realized prices on generation sold during both the second quarter and the last twelve months.
- **Other unlisted investments:** FFO increased to $23 million from the prior year quarter. The current quarter FFO includes contributions from our investment in a portfolio of New York office properties acquired in July 2018, initial contributions from our direct investment in our third flagship real estate fund, as well as partial directly held interests in businesses within our Private Equity segment, partially offset by property development expenses.

Capitalization

Our corporate debt has a weighted-average term to maturity of 10 years, while our recourse debt to corporate capitalization remains below 20%

AS AT JUN. 30, 2019 AND DEC. 31, 2018 (MILLIONS)	Average Yield	Average Term (Years)	Invested Capital 2019	Invested Capital 2018
Corporate borrowings				
Term debt	**4.6%**	**10**	**$ 7,060**	$ 6,409
Revolving facilities[1]	**n/a**	**5**	**—**	—
Total corporate borrowings			**7,060**	6,409
Perpetual preferred shares[2]	**4.2%**	**perp.**	**4,146**	4,168
Debt and preferred capital			**$ 11,206**	$ 10,577

1. Revolving credit facilities of $2.6 billion support commercial paper issuances.
2. FFO excludes preferred share distributions of $38 million (2018 – $38 million) for the three months ended June 30 and $150 million (2018 – $150 million) for the LTM.

DEBT TO CAPITALIZATION

AS AT JUN. 30, 2019 AND DEC. 31, 2018 (MILLIONS)	Corporate 2019	Corporate 2018	Consolidated 2019	Consolidated 2018	Our Share[1] 2019	Our Share[1] 2018
Corporate borrowings	**$ 7,060**	$ 6,409	**$ 7,060**	$ 6,409	**$ 7,060**	$ 6,409
Non-recourse borrowings						
Subsidiary borrowings	**—**	—	**6,225**	8,600	**3,849**	5,174
Property specific borrowings	**—**	—	**117,146**	103,209	**41,682**	35,943
	7,060	6,409	**130,431**	118,218	**52,591**	47,526
Accounts payable and other	**3,175**	2,299	**32,595**	23,989	**11,998**	10,297
Deferred income tax liabilities	**277**	197	**13,752**	12,236	**4,736**	4,425
Subsidiary equity obligations	**—**	—	**4,104**	3,876	**1,807**	1,658
Liabilities associated with assets held for sale	**—**	—	**2,325**	812	**355**	262
Equity						
Non-controlling interests	**—**	—	**72,324**	67,335	**—**	—
Preferred equity	**4,146**	4,168	**4,146**	4,168	**4,146**	4,168
Common equity	**26,659**	25,647	**26,659**	25,647	**26,659**	25,647
	30,805	29,815	**103,129**	97,150	**30,805**	29,815
Total capitalization	**$ 41,317**	$ 38,720	**$ 286,336**	$ 256,281	**$ 102,292**	$ 93,983
Debt to capitalization[2]	**17%**	17%	**46%**	46%	**51%**	51%

1. Represents our share of debt and other obligations based on our ownership percentage of the related investments.
2. Determined as the aggregate of corporate borrowings and non-recourse borrowings divided by total capitalization.

Sources and Uses of Cash

We continue to source significant cash flows with few corporate borrowing maturities in the near term

FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Three Months		LTM	
	2019	2018	**2019**	2018
Corporate cash and financial assets, beginning of period	**$ 3,894**	$ 2,889	**$ 3,401**	$ 1,341
Sources				
Cash available for distribution and/or reinvestment[1]	**599**	450	**2,512**	2,184
BPY preferred share redemption	**300**	—	**985**	—
	899	450	**3,497**	2,184
Uses				
Share repurchases[2]	**(60)**	—	**(568)**	(284)
Dividends paid to common shareholders	**(153)**	(144)	**(594)**	(557)
Other investments	**—**	—	**(60)**	(140)
Temporary investments[3]	**—**	—	**(1,732)**	—
Listed partnership equity offerings	**(250)**	—	**(250)**	(653)
	(463)	(144)	**(3,204)**	(1,634)
Net financing activities	**(450)**	—	**630**	1,784
Other sources / (uses)[4]	**143**	206	**(301)**	(274)
In-period change	**129**	512	**622**	2,060
Corporate cash and financial assets, end of period	**$ 4,023**	$ 3,401	**$ 4,023**	$ 3,401

1. Refer to page 34 for reconciliations of IFRS to non-IFRS measures.
2. Includes repurchases of BAM common and preferred shares and BPY LP units.
3. Includes a 27.5% interest in a BAM-sponsored real estate venture that owns operating and development properties in New York which we acquired from BPY.
4. Includes adjustments for accrued items, carried interest proceeds subject to clawback, financial asset mark-to-market changes and other items.

THREE MONTHS:

We generated $599 million of cash available for distribution and/or reinvestment and repatriated $300 million of capital from redemption of BPY preferred shares. We also distributed $153 million to our shareholders, repurchased common and preferred shares and participated in BBU’s equity issuance for $250 million.

The $450 million in net financing activities relates to the repayment of corporate debt in the quarter.

LTM:

Cash available for distribution and/or reinvestment totaled $2.5 billion for the LTM and we received $630 million of additional proceeds through our financing activities.

In addition to the quarterly distribution paid to shareholders, we have used our funds to temporarily warehouse investments on our balance sheet on behalf of our subsidiaries, seed new investment strategies and strategically repurchase shares of BAM and our listed partnerships.

CORPORATE MATURITY PROFILE

AS AT JUN. 30, 2019 (MILLIONS)	Average Term (Years)	Total	Maturity					
			2019	2020	2021	2022	2023	2024+
Corporate borrowings								
Term debt	**10**	$ 7,060	$ —	$ —	$ 267	$ —	$ 459	$ 6,334
Revolving facilities[1]	**5**	—	—	—	—	—	—	—
		7,060	—	—	267	—	459	6,334
Perpetual preferred shares	**perp.**	4,146	—	—	—	—	—	n/a
		$ 11,206	$ —	$ —	$ 267	$ —	$ 459	$ 6,334

1. Revolving credit facilities of $2.6 billion support commercial paper issuances.

Reconciliation of IFRS to Non-IFRS Measures

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	2019	2018
Net income	**$ 704**	$ 1,664
Realized disposition gains in fair value changes or prior periods	**7**	95
Non-controlling interests	**(1,863)**	(1,294)
Financial statement components not included in FFO		
Equity accounted fair value changes and other non-FFO items	**(379)**	283
Fair value changes	**1,398**	(833)
Depreciation and amortization	**1,234**	672
Deferred income taxes	**7**	203
Funds from operations	**1,108**	790
Less: total disposition gains	**(303)**	(132)
Less: net invested capital FFO	**(405)**	(417)
Less: realized carried interest, net	**(137)**	(2)
Corporate activities	**(122)**	(122)
Other wholly owned investments[1]	**(30)**	7
Distributions from investments	**389**	362
Preferred share dividends	**(38)**	(38)
Cash available for distribution and/or reinvestment before realized carried interest	**462**	448
Realized carried interest, net	**137**	2
Cash available for distribution and/or reinvestment[2]	**$ 599**	$ 450

1. Relates to FFO from other wholly owned investments used as a proxy for cash generated.
2. Comparative numbers have been revised to reflect new definition. Refer to glossary of terms starting on page 39.

OVERVIEW

We disclose certain non-IFRS financial measures in these supplemental schedules. Reconciliations of these non-IFRS financial measures to the most directly comparable financial measures calculated and presented in accordance with IFRS are presented above. Management assesses the performance of its business based on these non-IFRS financial measures. These non-IFRS financial measures should be considered in addition to, and not as a substitute for or superior to, net income or other financial measures presented in accordance with IFRS.

Common Share Information

COMMON SHARE CONTINUITY

FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Three Months		LTM	
	2019	2018	**2019**	2018
Outstanding at beginning of period	**955.3**	957.0	**957.5**	958.7
Issued (repurchased)				
Repurchases	**(1.1)**	—	**(6.5)**	(6.6)
Long-term share ownership plans	**1.7**	0.4	**4.7**	5.2
Dividend reinvestment plan	**—**	0.1	**0.2**	0.2
Outstanding at end of period	**955.9**	957.5	**955.9**	957.5
Unexercised options and other share-based plans	**47.3**	46.2	**47.3**	46.2
Total diluted shares at end of period	**1,003.2**	1,003.7	**1,003.2**	1,003.7

- The company holds 38.9 million common shares for management share ownership plans, which have been deducted from the total number of shares outstanding.
  - 8.1 million shares would be issued in respect of these plans if exercised based on current market prices and the balance would be canceled.
- Cash value of unexercised options at June 30, 2019 was $1.2 billion (December 31, 2018 – $1.1 billion).

FFO AND EARNINGS PER SHARE INFORMATION

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Funds from Operations		Net Income	
	2019	2018	**2019**	2018
FFO/Net income	**$ 1,108**	$ 790	**$ 399**	$ 680
Preferred share dividends	**(38)**	(38)	**(38)**	(38)
Dilutive effect of conversion of subsidiary preferred shares	**—**	—	**(5)**	(34)
FFO/Net income available for shareholders	**$ 1,070**	$ 752	**$ 356**	$ 608
Weighted average shares	**955.5**	957.1	**955.5**	957.1
Dilutive effect of the conversion of options and other share-based plans using treasury stock method	**22.8**	18.1	**22.8**	18.1
Shares and share equivalents	**978.3**	975.2	**978.3**	975.2
Per share	**$ 1.09**	$ 0.77	**$ 0.36**	$ 0.62

Entity Basis – Reconciliation to Reportable Segments – Invested Capital

AS AT JUN. 30, 2019 (MILLIONS)	Reportable Segments Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	Total
Asset management								
Fee related earnings	$ 328	$ —	$ —	$ —	$ —	$ —	$ —	**$ 328**
Carried interest, net	—	—	—	—	—	—	—	**—**
	328	—	—	—	—	—	—	**328**
Invested capital								
Listed investments								
Brookfield Property Partners[1]	—	15,307	—	—	—	—	—	**15,307**
Brookfield Renewable Partners	—	—	4,600	—	—	—	—	**4,600**
Brookfield Infrastructure Partners	—	—	—	1,913	—	—	—	**1,913**
Brookfield Business Partners	—	—	—	—	2,454	—	—	**2,454**
Other listed investments								
Acadian Timber	—	—	—	84	—	—	—	**84**
Norbord	—	—	—	—	1,230	—	—	**1,230**
Other listed – private equity	—	—	—	—	580	—	—	**580**
	—	15,307	4,600	1,997	4,264	—	—	**26,168**
Financial assets	—	—	—	—	—	—	4,023	**4,023**
	—	15,307	4,600	1,997	4,264	—	4,023	**30,191**
Unlisted investments								
Residential development	—	—	—	—	—	2,695	—	**2,695**
Energy marketing	—	—	472	—	—	—	—	**472**
Sustainable resources	—	—	—	681	—	—	—	**681**
Other corporate	—	—	—	—	—	—	47	**47**
Other	—	2,146	—	—	479	—	—	**2,625**
	—	2,146	472	681	479	2,695	47	**6,520**
Net working capital	—	—	—	—	—	—	826	**826**
Debt and preferred capital								
Corporate borrowings	—	—	—	—	—	—	(7,060)	**(7,060)**
Perpetual preferred shares	—	—	—	—	—	—	(4,146)	**(4,146)**
	—	—	—	—	—	—	(11,206)	**(11,206)**
	$ 328	$ 17,453	$ 5,072	$ 2,678	$ 4,743	$ 2,695	$ (6,310)	**$ 26,659**

1. Includes $16 million of BPY preferred shares.

Entity Basis – Reconciliation to Reportable Segments – Three Months FFO

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	Total
	Reportable Segments							
Asset management								
Fee related earnings	$ 263	$ —	$ —	$ —	$ —	$ —	$ —	**$ 263**
Carried interest, net	137	—	—	—	—	—	—	**137**
	400	—	—	—	—	—	—	**400**
Invested capital								
Listed investments								
Brookfield Property Partners[1]	—	178	—	—	—	—	—	**178**
Brookfield Renewable Partners	—	—	132	—	—	—	—	**132**
Brookfield Infrastructure Partners	—	—	—	88	—	—	—	**88**
Brookfield Business Partners	—	—	—	—	94	—	—	**94**
Other listed investments								
Acadian Timber	—	—	—	1	—	—	—	**1**
Norbord	—	—	—	—	14	—	—	**14**
Other listed – private equity	—	—	—	—	4	—	—	**4**
	—	178	132	89	112	—	—	**511**
Financial assets	—	—	—	—	—	—	35	**35**
	—	178	132	89	112	—	35	**546**
Unlisted investments								
Residential development	—	—	—	—	—	18	—	**18**
Energy marketing	—	—	(67)	—	—	—	—	**(67)**
Sustainable resources	—	—	—	3	—	—	—	**3**
Other corporate	—	—	—	—	—	—	4	**4**
Other	—	18	—	—	5	—	—	**23**
	—	18	(67)	3	5	18	4	**(19)**
Disposition gains	—	120	4	(30)	209	—	—	**303**
Corporate activities[2]								
Interest expense	—	—	—	—	—	—	(86)	**(86)**
Corporate costs and taxes	—	—	—	—	—	—	(36)	**(36)**
	—	—	—	—	—	—	(122)	**(122)**
	$ 400	$ 316	$ 69	$ 62	$ 326	$ 18	$ (83)	**$ 1,108**

1. Includes $2 million of BPY preferred share distributions.
2. Excludes $38 million of preferred share distributions for the three months, which are included in determining per share results.

Entity Basis – Reconciliation to Reportable Segments – LTM FFO

FOR THE LTM ENDED JUN. 30, 2019 (MILLIONS)	Reportable Segments							
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	**Total**
Asset management								
Fee related earnings	$ 1,048	$ —	$ —	$ —	$ —	$ —	$ —	**$ 1,048**
Carried interest, net	388	—	—	—	—	—	—	**388**
	1,436	—	—	—	—	—	—	**1,436**
Invested capital								
Listed investments								
Brookfield Property Partners[1]	—	747	—	—	—	—	—	**747**
Brookfield Renewable Partners	—	—	435	—	—	—	—	**435**
Brookfield Infrastructure Partners	—	—	—	340	—	—	—	**340**
Brookfield Business Partners	—	—	—	—	399	—	—	**399**
Other listed investments								
Acadian Timber	—	—	—	6	—	—	—	**6**
Norbord	—	—	—	—	133	—	—	**133**
Other listed – private equity					12			**12**
	—	747	435	346	544	—	—	**2,072**
Financial assets	—	—	—	—	—	—	108	**108**
	—	747	435	346	544	—	108	**2,180**
Unlisted investments								
Residential development	—	—	—	—	—	64	—	**64**
Energy marketing	—	—	(164)	—	—	—	—	**(164)**
Sustainable resources	—	—	—	24	—	—	—	**24**
Other corporate	—	—	—	—	—	—	4	**4**
Other	—	81	—	—	33	—	—	**114**
	—	81	(164)	24	33	64	4	**42**
Disposition gains	—	879	114	61	383	—	—	**1,437**
Corporate activities[2]								
Interest expense	—	—	—	—	—	—	(338)	**(338)**
Corporate costs and taxes	—	—	—	—	—	—	(157)	**(157)**
	—	—	—	—	—	—	(495)	**(495)**
	$ 1,436	$ 1,707	$ 385	$ 431	$ 960	$ 64	$ (383)	**$ 4,600**

1. Includes $37 million of BPY preferred share distributions.
2. Excludes $150 million of preferred share distributions for the LTM, which are included in determining per share results.

Glossary of Terms

This Supplemental Information contains key performance measures that we employ in analyzing and discussing our results. These measures include non-IFRS measures. We describe our key financial measures below and include a complete list of our performance measures on pages 108 through 113 of our December 31, 2018 annual report.

- **Fee bearing capital** represents the capital committed, pledged or invested in the listed partnerships, private funds and public securities that we manage which entitles us to earn fee revenues. Fee bearing capital includes both called ("invested") and uncalled ("pledged" or "committed") amounts. When reconciling period amounts we utilize the following definitions:
  - Inflows include capital commitments and contributions to our private and public securities funds and equity issuances in our listed partnerships.
  - Outflows represent distributions and redemptions of capital from within the public securities capital.
  - Distributions represent quarterly distributions from listed partnerships as well as returns of committed capital (excluding market valuation adjustments), redemptions and expiry of uncalled commitments within our private funds.
  - Market activity includes gains (losses) on portfolio investments, listed partnerships and public securities based on market prices.
  - Other include changes in net non-recourse debt included in the determination of listed partnership capitalization and the impact of foreign exchange fluctuations on non-U.S. dollar commitments.
- **Cash available for distribution and/or reinvestment** is a non-IFRS measure that provides insight into earnings received by the corporation that are available for distribution to common shareholders or to be reinvested into the business. It is calculated as the sum of our Asset Management segment FFO (i.e. fee related earnings and realized carried interest, net); distributions from our listed partnerships, other investments that pay regular cash distributions and distributions from our corporate financial assets; other invested capital earnings, which include FFO from our residential operations, energy contracts, sustainable resources and other real estate, private equity and corporate investments that do not pay regular cash distributions; and preferred share dividend payments.
- **Annualized fees** include annualized base management fees, which are determined by the contractual fee rate multiplied by the current level of fee bearing capital, annualized incentive distributions based on our listed partnerships' current annual distribution policies, annualized transaction and public securities performance fees equal a simple average of the last two years' revenues.
- **Fee related earnings** is comprised of fee revenues less direct costs associated with earning those fees, which include employee expenses and professional fees as well as business related technology costs, other shared services and taxes. We use this measure to provide additional insight into the operating profitability of our asset management activities.
- **Carried interest** is a contractual arrangement whereby we receive a fixed percentage of investment gains generated within a private fund provided that the investors receive a pre-determined minimum return. Carried interest is typically paid towards the end of the life of a fund after the capital has been returned to investors and may be subject to "clawback" until all investments have been monetized and minimum investment returns are sufficiently assured. This is referred to as **realized carried interest**. We defer recognition of carried interest in our financial statements until they are no longer subject to adjustment based on future events. Unlike fees and incentive distributions, we only include carried interest earned in respect of third-party capital when determining our segment results.
  - **Accumulated unrealized carried interest** is based on carried interest that would be receivable under the contractual formula at the period end date as if a fund was liquidated and all investments had been monetized at the values recorded on that date. Unrealized carry refers to the change in unrealized carry during a specified period, adjusted for realized carry.
  - **Annualized target carried interest** represents the annualized carried interest we would earn on third-party private fund capital subject to carried interest based on the assumption that we achieve the targeted returns on the private funds. It is determined by multiplying the target gross return of a fund by the percentage carried interest and by the amount of third-party capital, and discounted by a utilization factor representing the average invested capital over the fund life.

Glossary of Terms cont'd

- **Invested capital** is the amount of common equity in our operating segments.
- **Fee revenues** include base management fees, incentive distributions, performance fees and transaction fees presented within our Asset Management segment. Fee revenues exclude carried interest.
- **Funds from operations ("FFO")** is a key measure of financial performance. FFO includes the fees that we earn from managing capital as well as our share of revenues earned and costs incurred within our operations, which include interest expense and other costs. FFO is defined as net income attributable to shareholders prior to fair value changes, depreciation and amortization, and deferred income taxes, and includes disposition gains that are not recorded in net income as determined under IFRS. FFO also includes the company's share of equity accounted investments' funds from operations on a fully diluted basis. Brookfield uses FFO to assess its operating results and believes that many of its shareholders and analysts also find this measure valuable to them.

  FFO and its per share equivalent are non-IFRS measures which do not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Net income is reconciled to FFO on page 34.

  - FFO from **operating activities** represents the company's share of revenues less operating costs and interest expenses: it excludes realized carried interest, disposition gains, fair value changes, depreciation and amortization and deferred income taxes, and includes our proportionate share of similar items recorded by equity accounted investments. We present this measure as we believe it assists in describing our results and reconciling variances within FFO.
  - **Realized carried interest** represents our share of investment returns based on realized gains within a private fund. Realized carried interest earned is recognized when an underlying investment is profitably disposed of and the fund's cumulative returns are in excess of preferred returns, in accordance with the respective terms set out in the fund's governing agreements, and when the probability of clawback is remote. Realized carried interest is determined on third-party capital that is no longer subject to future investment performance.
  - **Realized disposition gains/losses** are included in FFO as the purchase and sale of assets is a normal part of the company's business. They include gains or losses arising from transactions during the reporting period together with any fair value changes and revaluation surplus recorded in prior periods and are presented net of cash taxes payable or receivable. Realized disposition gains include amounts that are recorded in net income, other comprehensive income and as ownership changes in our consolidated statements of equity, and exclude amounts attributable to non-controlling interests unless otherwise noted.
- **Performance fees** are paid to us when we exceed predetermined investment returns within BBU and on certain public securities portfolios. BBU performance fees are accrued quarterly based on the volume-weighted average increase in BBU unit price, whereas performance fees within public securities funds are typically determined annually. Performance fees are not subject to clawback.
- **Incentive distributions** are determined by contractual arrangements and are paid to us by BPY, BEP, BIP and TERP and represent a portion of distributions paid by listed partnerships above a predetermined hurdle.
- **Base management fees** are determined by contractual arrangements, are typically equal to a percentage of fee bearing capital and are accrued quarterly.
  - **Private fund base fees** are typically earned on fee bearing capital from third-party investors only and are earned on invested and/or uninvested fund capital, depending on the stage of the fund life.
  - **Listed partnership base fees** are earned on the total capitalization of the listed partnerships, which includes our investment. Base fees for BPY, BEP and TERP include a quarterly fixed fee amount of $12.5 million, $5 million and $3 million, respectively. BPY and BEP each pay additional fees of 1.25% on the increase in capitalization above their initial capitalization of $11.5 billion and $8 billion, respectively. TERP pays an additional fee of 1.25% on the increase above initial per unit price at the time of acquisition. Base fees for BPR, BIP and BBU are 1.25% of total capitalization. BPR capital is subject to a 12-month fee waiver which will expire at the end of August 2019. Listed partnership capitalization as at June 30, 2019, was as follows: BPY/BPR – $23.2 billion; BEP – $13.9 billion; BIP – $20.0 billion; BBU – $4.6 billion; and TERP – $3.0 billion.
- **Internal rate of return ("IRR")** is the annualized compounded rate of return of the fund, calculated since fund inception.

Notice to Readers

This Supplemental Information contains “forward-looking information” within the meaning of Canadian provincial securities laws and “forward-looking statements,” within the meaning of certain securities laws including Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. We may make such statements in this profile, in other filings with Canadian regulators and the Securities Exchange Commission or in other communications. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions and include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the corporation and its subsidiaries, capital committed to our funds, our liquidity and ability to access and raise capital, our ability to capitalize on investment opportunities, the potential growth of our asset management business and the related revenue streams therefrom, the prospects for increasing our cash flow from or continued achievement of targeted returns on our investments, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as “expects,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would” and “could.”

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of the company to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: investment returns that are lower than target; the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behavior of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; governmental investigations; litigation; changes in tax laws; ability to collect amounts owed; catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, the corporation undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

Notice to Readers cont'd

TARGET RETURNS

The target returns set forth herein are for illustrative and informational purposes only and have been presented based on various assumptions made by Brookfield in relation to the investment strategies being pursued by the funds, any of which may prove to be incorrect. Due to various risks, uncertainties and changes (including changes in economic, operational, political or other circumstances) beyond Brookfield's control, the actual performance of the funds could differ materially from the target returns set forth herein. In addition, industry experts may disagree with the assumptions used in presenting the target returns. No assurance, representation or warranty is made by any person that the target returns will be achieved, and undue reliance should not be put on them. Prior performance is not indicative of future results and there can be no guarantee that the funds will achieve the target returns or be able to avoid losses.

STATEMENT REGARDING USE OF NON-IFRS MEASURES

We disclose a number of financial measures in this Supplemental Information that are calculated and presented using methodologies other than in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). We utilize these measures in managing the business, including for performance measurement, capital allocation and valuation purposes and believe that providing these performance measures on a supplemental basis to our IFRS results is helpful to investors in assessing the overall performance of our businesses. These financial measures should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, similar financial measures calculated in accordance with IFRS. We caution readers that these non-IFRS financial measures or other financial metrics may differ from the calculations disclosed by other businesses and, as a result, may not be comparable to similar measures presented by other issuers and entities.