BROOKFIELD ASSET MANAGEMENT INC.

Q1 2018 Supplemental Information

Three Months Ended March 31, 2018

Brookfield

HIGHLIGHTS

- Fee bearing capital inflows were $20 billion during the last twelve months ("LTM"), bringing the total to $127 billion. This reflects strong market performance by our listed issuers, solid growth in our private funds, and an acquisition in our public securities business.
  - We have raised $9 billion to date for our latest flagship real estate fund and we expect to raise additional capital during the remainder of 2018. During the quarter, we launched fundraising for our next flagship private equity fund as our current fund is over 90% invested and committed.
  - We continue to develop new fund products including open-end and credit funds in our real estate and infrastructure businesses, raising $500 million in aggregate for these strategies during the quarter.
  - We completed the acquisition of a public securities manager which contributed $4 billion of fee bearing capital in and also expanding our retail distribution capabilities.
- Economic net income in our asset management business was $2.1 billion for the LTM period, more than double that of the prior LTM period.
  - Fee related earnings were over $1 billion in the LTM period, a 56% increase compared to the prior year quarter, due to both strong market valuations of our listed partnerships and additional private fund capital. Annualized fees and target carry are at $2.5 billion, a 20% increase.
  - We generated $1.5 billion of unrealized carried interest in the LTM period, tripling the $452 million generated in the prior LTM period, due to strong investment performance in our real estate and private equity funds. Accrued unrealized carried interest is $2.4 billion, or $1.7 billion net of associated costs.
- We maintained core liquidity and uncalled private fund commitments of $32 billion at the end of the quarter, bolstered by over $2.5 billion of annual free cash flow generated from our asset management business and distributions from our invested capital.

Contents

OVERVIEW
Value Creation

For business planning and performance measurement, we assess the value created in our business as the sum of two parts: our Asset Management franchise and our Invested Capital

Asset Management

FOR THE LTM ENDED MAR 31, 2018 (MILLIONS)	Economic Net Income Actual	Economic Net Income Annualized
Fee revenues	$ 1,558	$ 1,425
Direct costs	(482)	(570)
Fee related earnings[1]	1,076	855
Carried interest[2]	1,470	1,040
Direct costs[3]	(433)	(312)
Carried interest, net	1,037	728
Economic net income[6]	**$ 2,113**	**$ 1,583**

Note: we track value creation for planning purposes using multiples of Fee Related Earnings (20x) and Carried Interest, net (10x)

Invested Capital

AS AT MAR 31, 2018 (MILLIONS)	Invested Capital Quoted[4]	Invested Capital IFRS	Invested Capital Blended[5]
BPY	$ 10,629	$ 16,904	$ 16,904
BEP	5,864	4,084	5,864
BIP	4,900	2,105	4,900
BBU	3,165	1,827	3,165
Other listed	4,785	4,913	4,785
Total listed investments	$ 29,343	29,833	35,618
Unlisted investments		4,575	5,718
Corporate capitalization and working capital		(10,316)	(10,316)
Net invested capital		**$ 24,092**	**$ 31,020**

1. *Annualized fee related earnings assumes 60% margin (refer to slide 10). We use a 55%–65% margin for planning purposes*
2. *Actual carried interest is unrealized carried interest generated in the period (refer to slide 7). Annualized carried interest is target carried interest (refer to slide 8)*
3. *We assume 70% margin on carried interest. We use a range of 65%–75% for planning purposes (refer to slide 10)*
4. *Quoted based on March 31, 2018 public pricing*
5. *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 IFRS values as we believe that this best reflects the fair value of the underlying properties. Second, we reflect Brookfield Residential at its privatization value*
6. *Refer to definition on slide 34*

OVERVIEW
Funds from Operations and Net Income

Brookfield

FOR THE PERIODS ENDED MAR. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM			
	Funds from Operations[1]		Net Income[1]		Funds from Operations[1]		Net Income[1]	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Operating activities								
Fee related earnings	**$ 343**	$ 163	**$ 343**	$ 163	**$ 1,076**	$ 691	**$ 1,076**	$ 691
Invested capital	**334**	294	**334**	294	**1,564**	1,440	**1,564**	1,440
	677	457	**677**	457	**2,640**	2,131	**2,640**	2,131
Realized carried interest	**20**	3	**20**	3	**91**	152	**91**	152
Realized disposition gains[2]	**473**	214	**72**	131	**1,575**	925	**215**	303
Fair value changes	**—**	—	**167**	(353)	**—**	—	**304**	(763)
Depreciation and amortization	**—**	—	**(273)**	(201)	**—**	—	**(967)**	(895)
Deferred income taxes	**—**	—	**194**	(74)	**—**	—	**73**	429
	$ 1,170	$ 674	**$ 857**	$ (37)	**$ 4,306**	$ 3,208	**$ 2,356**	$ 1,357
Per share	**$ 1.16**	$ 0.65	**$ 0.84**	$ (0.08)	**$ 4.25**	$ 3.15	**$ 2.26**	$ 1.25

1. *Net of non-controlling interests*
2. *FFO includes gains recorded in net income, directly in equity, and the realization of appraisal gains recorded in prior periods*

Three Months:

- **Fee related earnings:** Fee related earnings were $343 million, a 110% increase over the prior year quarter, as we earned a performance fee from BBU and higher capitalization and distributions from our listed partnerships increased base management fees and incentive distributions, respectively. Private fund fees increased from prior year quarter as we had our first full quarter of contribution from our third flagship real estate fund. Further details on slide 6.
- FFO from **invested capital** increased by 14% benefiting from the contributions of acquisitions, stronger volumes across our businesses, and improved pricing in our renewable power and private equity operations. Contributions from recent investments more than offset the absence of FFO from assets sold prior to or during the current period. Further details on slide 15.
- **Realized carried interest** in the current year resulted from asset sales in our real estate credit and multifamily funds.
- **Realized disposition gains** include the sale of a Chilean electricity transmission business within our infrastructure business and the partial sale of a core office property. Further details on slide 16.
- **Fair value changes** in the current period primarily relate to appraisal gains on opportunistic properties and transaction-related gains, partially offset by mark-to-market losses on financial contracts.
- **Deferred taxes** include gains recognized on the restructuring of entities in our real estate business which lowered the effective tax rate.

ASSET MANAGEMENT
Summarized Results

$127 billion
Fee Bearing Capital
(Gross inflows of $20 billion LTM)

$2.1 billion
in Economic Net Income
(107% increase over 2017 LTM)

56% increase
in Fee Related Earnings
over 2017 LTM

$2.5 billion
Annualized Fee Base and Target Carry
(20% increase over 2017 LTM)

Fee Bearing Capital – Profile

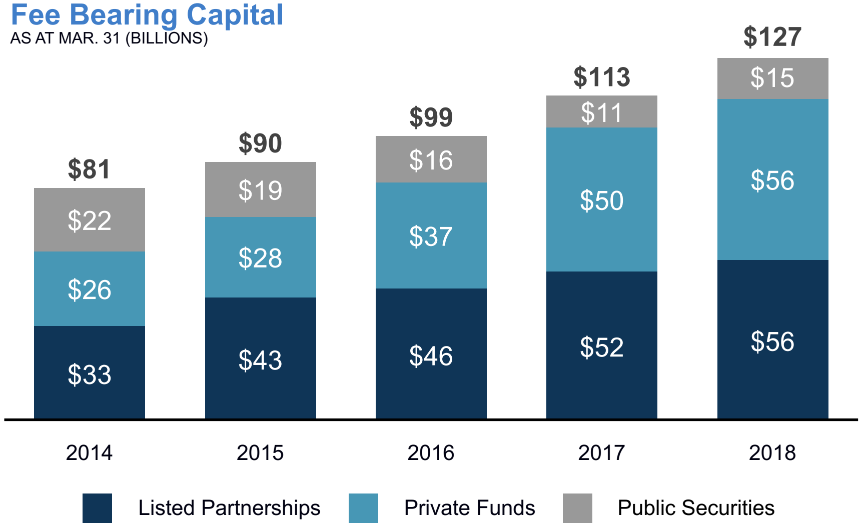
AS AT (MILLIONS)	Mar. 2018	Dec. 2017	Mar. 2017
Listed partnerships	**$ 56,195**	$ 60,560	$ 52,102
Private funds	**55,687**	52,375	49,744
Public securities	**15,083**	12,655	11,268
	$ 126,965	$ 125,590	$ 113,114

- Diversified client base of 515 global private fund investors, with an average commitment of approximately $115 million per client. Approximately 40% are invested in multiple funds.

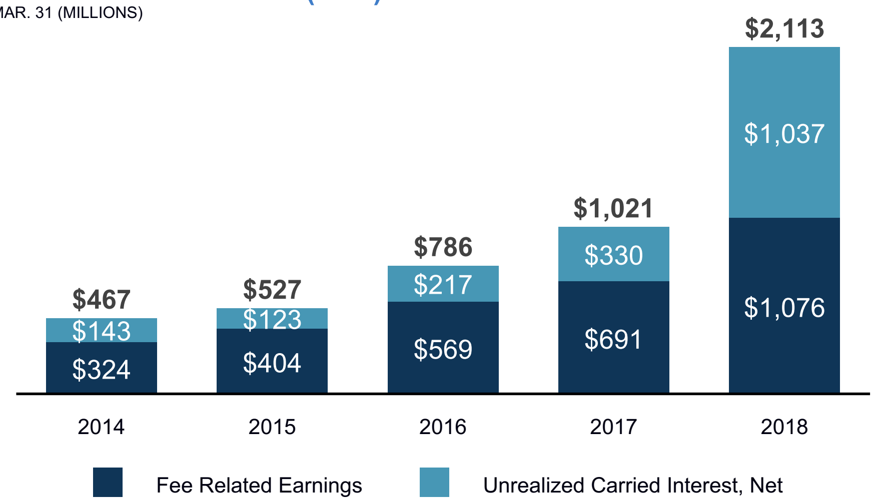
Financial Performance

FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Three Months 2018	Three Months 2017	LTM 2018	LTM 2017
Fee related earnings ("FRE")	**$ 343**	$ 163	**$ 1,076**	$ 691
Realized carried interest, net	**20**	3	**91**	152
Realized disposition gains	**—**	—	**—**	5
Funds from operations	**363**	166	**1,167**	848
Less: Realized carried interest, net	**(20)**	(3)	**(91)**	(152)
Less: Realized disposition gains	**—**	—	**—**	(5)
Unrealized carried interest, net	**246**	137	**1,037**	330
Economic net income	**$ 589**	$ 300	**$ 2,113**	$ 1,021

Fee Bearing Capital
AS AT MAR. 31 (BILLIONS)



Economic Net Income (LTM)
MAR. 31 (MILLIONS)



ASSET MANAGEMENT
Fee Bearing Capital

Inflows of $20 billion contributed to a 12% increase in fee bearing capital during the last twelve months, increasing fee bearing capital to $127 billion

FOR THE PERIODS ENDED MAR 31, 2018 (MILLIONS)	Three Months				LTM			
	Listed Partnerships	Private Funds[1]	Public Securities	**Total Fee Bearing**	Listed Partnerships	Private Funds[1]	Public Securities	**Total Fee Bearing**
Balance, beginning of period	$ 60,560	$ 52,375	$ 12,655	**$ 125,590**	$ 52,102	$ 49,744	$ 11,268	**$ 113,114**
Inflows	355	5,084	909	**6,348**	3,864	13,064	3,225	**20,153**
Outflows	—	—	(1,251)	**(1,251)**	—	—	(2,814)	**(2,814)**
Distributions	(796)	(1,500)	—	**(2,296)**	(2,661)	(3,518)	—	**(6,179)**
Market valuation	(3,260)	41	(1,253)	**(4,472)**	3,658	207	(619)	**3,246**
Other	(664)	(313)	4,023	**3,046**	1,735	(645)	4,023	**5,113**
Change	(4,365)	3,312	2,428	**1,375**	6,596	9,108	3,815	**19,519**
BPY managed capital[2]	—	—	—	**—**	(2,503)	(3,165)	—	**(5,668)**
Balance, end of period[3]	$ 56,195	$ 55,687	$ 15,083	**$ 126,965**	$ 56,195	$ 55,687	$ 15,083	**$ 126,965**

1. *Includes $9.6 billion of co-investment capital (Dec. 31, 2017 – $9.5 billion, Mar. 31, 2017 – $6.1 billion), which earns minimal or no base fees*
2. *Represents the removal of listed partnership and private fund capital managed by BPY, respectively, following the privatization of our previously listed fund BOX and reclassification of several legacy BPO private funds in order to simplify our reporting*
3. *Fee bearing capital includes Brookfield capital of $25 billion in listed partnerships and $0.3 billion in private funds*

Three Months:

- *Inflows:* Private fund inflows include $4.4 billion of commitments raised for our third flagship real estate fund, $0.4 billion for our open-ended real estate funds, and additional fundraising in our multifamily and infrastructure debt funds as well as co-investments. Listed partnership inflows include preferred equity issuances at BIP and BEP.
- *Market valuation*: Listed partnership market valuation decrease is due to lower share prices at our listed partnerships, with the exception of BBU. The total capitalization values of listed partnerships are detailed on slide 25 Public securities market valuation decrease is due to the decline in market value of investments across our public securities funds.
- *Distributions:* Private fund distributions includes $1.3 billion relating to the sale of Transelec within our infrastructure business.
- *Other:* Public securities of $4.0 billion relates to the acquisition of an energy and infrastructure investment advisor. Listed partnership decrease of $0.7 billion includes changes in recourse net debt used in the determination of listed partnership capitalization.

Last Twelve Months:

- *Inflows*: Private fund inflows of $13.1 billion include $6.5 billion of commitments to our third flagship real estate fund, $0.9 billion to our infrastructure debt funds, $0.7 billion to our fifth real estate credit fund, and $0.7 billion to our open-ended real estate funds. Inflows also include $3.5 billion of co-investments and $0.6 billion related to the acquisition of a German renewable power asset manager.
- Inflows to listed partnerships of $3.9 billion include BIP, BEP and BBU common equity issuances. Additional inflows of $1.4 billion relate to the acquisition of TERP, as well as preferred unit and debt issuances by the various listed partnerships.
- Public securities inflows of $3.2 billion relate to new contributions to our real estate and infrastructure focused mutual funds and managed accounts.
- *Outflows*: Public securities outflows reflect redemptions due to client rebalancing that impacted our real estate and infrastructure mutual funds.
- *Distributions*: Private funds distributions include return of capital to clients relating to dispositions across several private funds.

ASSET MANAGEMENT
Fee Related Earnings

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FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Three Months 2018	Three Months 2017	Three Months Variance	LTM 2018	LTM 2017	LTM Variance
Base management fees						
Listed partnerships	**$ 130**	$ 115	$ 15	**$ 544**	$ 435	$ 109
Private funds	**124**	104	20	**439**	424	15
– Catch-up fees	**—**	—	—	**—**	30	(30)
– Reclassified office funds[1]	**—**	8	(8)	**7**	38	(31)
Public securities	**27**	20	7	**92**	88	4
Incentive distributions ("IDRs")	**50**	38	12	**163**	117	46
	331	285	46	**1,245**	1,132	113
Performance fees	**143**	—	143	**285**	—	285
Transaction and advisory fees	**1**	—	1	**28**	7	21
Fee revenues	**475**	285	190	**1,558**	1,139	419
Direct costs						
Compensation and benefits	**(93)**	(87)	(6)	**(343)**	(330)	(13)
Other expenses	**(39)**	(35)	(4)	**(139)**	(118)	(21)
Fee related earnings	**$ 343**	$ 163	$ 180	**$ 1,076**	$ 691	$ 385

1. *Includes fee revenues generated by capital managed by BPY. These fees were reclassified to BPY in the second quarter of 2017*

Three Months:

- Listed partnership fees increased by $15 million as market valuation and capital deployment led to higher levels of fee bearing capital.
- Capital raised for our latest flagship real estate fund contributed an additional $18 million of private fund fees.
- Public securities fees increased due to the acquisition of an energy and infrastructure investment advisor midway through the first quarter of 2018.
- We earned $143 million of performance fees from BBU during the quarter as a result of strong unit price increases.
- Gross profit margin (excluding performance fees) was 60% compared to 57% in the 2017 quarter.
- Fee revenues include $66 million of base management fees from Brookfield capital (2017 – $59 million) within listed partnership base fees.
- The calculation of listed partnership base fees is detailed on slide 25.

Last Twelve Months:

- Listed partnership fees increased by $109 million due to higher levels of fee bearing capital primarily as a result of increased market valuation.
- Private fund base fees, excluding catch-up fees and reclassified office fund fees, increased from prior year due to the first closes of our third flagship real estate fund in the fourth quarter of 2017 and were partially offset by decreases from dispositions, which returned capital to clients. The prior year catch-up fees relate to final closes of flagship funds.
- Incentive distributions increased by 39%, reflecting increased unit distributions at BIP, BEP and BPY.
- Performance fees are attributable to BBU and represent 20% of the price increase per unit above the initial threshold of $25.00.
- Transaction and advisory fees of $28 million (2017 – $7 million) include $25 million of co-investment fees relating to the acquisitions of a road fuels distribution business and a regulated gas transmission business.
- Gross profit margin (excluding catch-up, transaction and performance fees) was 61% compared to 59% in 2017.
- Fee revenues include $271 million of base management fees from Brookfield capital (2017 – $237 million).

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Carried interest represents our share, as manager, of investment performance in our private funds. We generated carried interest of $1.5 billion in the last twelve months based on investment returns, increasing cumulative gross unrealized carried interest to $2.4 billion

Unrealized Carried Interest Continuity[1,2]

FOR THE PERIODS ENDED MAR 31, 2018 (MILLIONS)	Three Months			LTM		
	Unrealized Carried Interest	Direct Costs	Net	Unrealized Carried Interest	Direct Costs	Net
Accumulated unrealized, beginning of period	$ 2,079	$ (649)	$ 1,430	$ 1,064	$ (354)	$ 710
In period change						
Unrealized in period	361	(115)	246	1,470	(433)	1,037
Less: realized	(24)	4	(20)	(118)	27	(91)
	337	(111)	226	1,352	(406)	946
Accumulated unrealized, end of period	**$ 2,416**	**$ (760)**	**$ 1,656**	**$ 2,416**	**$ (760)**	**$ 1,656**

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 MAR. 31, 2018

0-3 Years	49%
4-7 Years	27%
8+ Years	24%

- Estimates based on maturity date of funds currently generating unrealized carried interest.

Three Months:

- Unrealized carried interest in the current quarter, before associated costs, was $361 million. Approximately $200 million relates to our real estate business, predominantly from performance of our U.S. logistics and manufactured housing businesses within our flagship real estate funds. Our real estate credit funds and infrastructure funds also contributed to the carried interest generated in the quarter.

Last Twelve Months:

- We generated unrealized carried interest across all of our major funds, including significant increases in value from our graphite electrodes manufacturing business within our fourth private equity fund and a European logistics company within our first flagship real estate fund that was sold in late 2017.

- Realized carried interest related to our second private equity fund's share of its ownership in Norbord, co-investment carried interest and additional realizations relating to our real estate credit and value-add multifamily funds.

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ASSET MANAGEMENT
Carry Eligible Capital

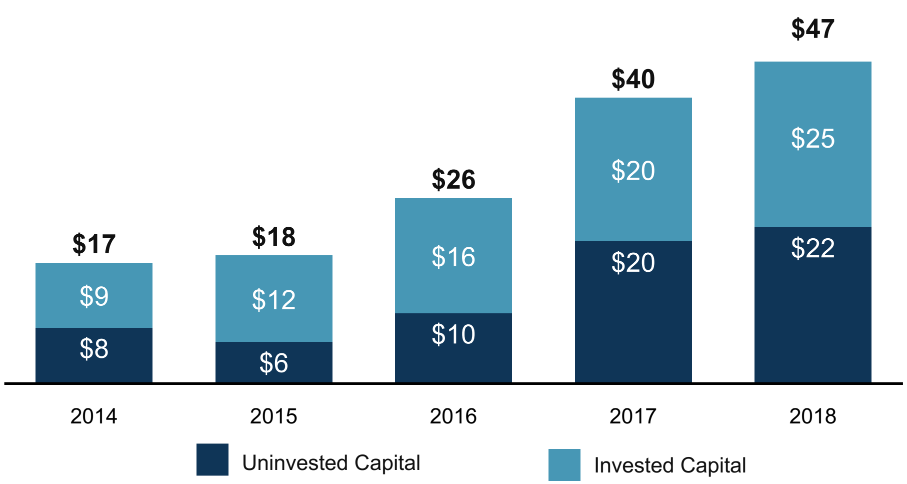
Target carried interest reflects our estimate of the carried interest earned on a straight-line basis over the life of a fund, assuming target returns are achieved

Target Carried Interest – Annualized

AS AT MAR 31, 2018 (MILLIONS)	Fee Bearing Capital	Carry Eligible Capital[1]	Target Return	Average Carried Interest	Utilization Factor[2]	Annualized Target Carried Interest
Credit, Core Plus and Value Add	$ 31,500	$ 24,717	10% – 15%	~18%	85%	$ 395
Opportunistic	24,187	21,841	18% – 23%	~20%	75%	645
	$ 55,687	$ 46,558				$ 1,040

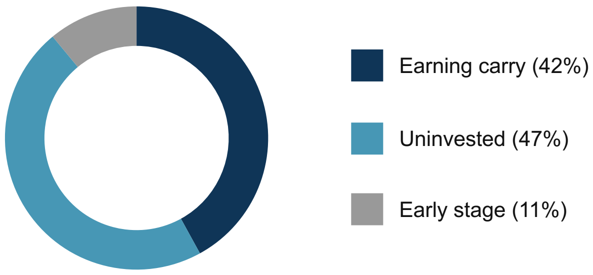
1. *Excludes capital which is not subject to carried interest*
2. *Utilization factor discount represents the average invested capital over the fund life, taking into account the time to deploy capital at the beginning of the fund and to monetize assets at the end of the fund*

Carry Eligible Capital
AS AT MAR. 31 (BILLIONS)



Carry Eligible Capital ($47 billion)
AS AT MAR. 31, 2018

- Carried interest currently unrealized by our private funds lags target carried interest, as a significant portion of carry eligible capital is not yet invested.



Brookfield

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

Target Gross IRR for opportunistic funds is ~18%–23% and for credit, core plus and value add is ~10%–15%
Target Gross MoC for opportunistic funds is ~2.0x, is ~1.8x–2.2x for core plus and value add funds and is ~1.5x for credit funds

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

Performance[1] AS AT MAR. 31, 2018	($ BILLIONS) Committed Capital[2]	($ BILLIONS) Carry Eligible Capital[3]	Vintages	Gross IRR[4]	Net IRR[5]	Gross MoC[4]	Net MoC[5]
Opportunistic							
Real Estate	$ 30	$ 16	2006 – 2017	22%	19%	1.7x	1.6x
Private Equity	6	4	2001 – 2015	29%	23%	2.4x	2.0x
Credit, Core Plus and Value Add							
Real Estate	5	1	2006 – 2016	12%	11%	1.9x	1.8x
Infrastructure	25	16	2006 – 2016	17%	13%	1.7x	1.6x
Sustainable Resources	3	1	2005 – 2015	7%	6%	1.5x	1.4x
Credit	10	4	2004 – 2017	12%	10%	1.4x	1.3x

1. *As at March 31, 2018. Prior performance is not indicative of future results and there can be no guarantee that any Brookfield private funds will achieve comparable results or be able to avoid losses. Excludes co-investments, separately managed accounts and open-ended funds*
2. *Committed capital represents the capital committed at fund inception, which the gross and net returns are measured against, including funds that have been realized. Includes Brookfield capital and excludes co-investments, separately managed accounts and open-ended funds*
3. *Carry eligible capital excludes capital in funds that have been realized and Brookfield capital. Excludes co-investments, separately managed accounts and open-ended funds*
4. *"Gross IRR" and "Gross MoC" reflect performance before fund expenses, management fees and carried interest (if any), which would reduce an investor's return*
5. *"Net IRR" and "Net MoC" are calculated on a fund level and not for any particular investor, and take into account fund expenses, management fees and carried interest (including any fees allocated to, or paid by, Brookfield and its affiliates as a limited partner based on applicable rates). For definitions of IRR and MoC, refer to slide 35*

ASSET MANAGEMENT
Annualized Fees and Target Carry

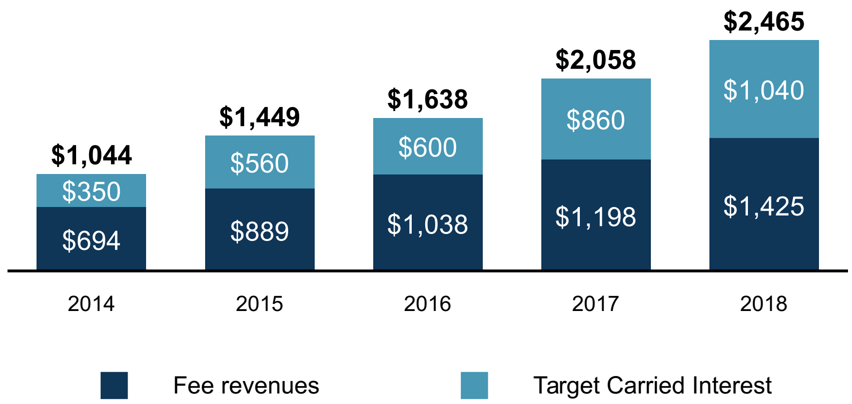
Annualized Fees and Target Carry

AS AT (MILLIONS)	Mar. 31, 2018	Dec. 31, 2017	Mar. 31, 2017
Base management fees[1]			
Listed partnerships[2]	$ 525	$ 575	$ 460
Private funds	500	480	485
Public securities	120	127	80
Incentive distributions[3]	198	198	148
	1,343	1,380	1,173
Performance fee[4]	65	65	—
Transaction and advisory[5]	17	30	25
Fee revenues[6]	1,425	1,475	1,198
Target carried interest[7]	1,040	1,000	860
	$ 2,465	$ 2,475	$ 2,058

1. *Base management fees include $261 million of annualized base fees on Brookfield capital ($258 million from public affiliates and $3 million from private funds)*
2. *For details on listed partnership base fee calculations, refer to slide 25*
3. *Based on most recent quarterly distributions declared*
4. *Annualized BBU performance fees assume 10% unit price appreciation above the hurdle rate of $25.00, and the two-year average performance fees from our public securities business*
5. *Annualized transaction and advisory fees based on simple average of the last two years' results*
6. *Annualized fees as at March 31, 2017 includes $35 million of annualized fee revenue generated by capital managed by BPY. These revenues are now reclassified within BPY's results and therefore are excluded from annualized fees as at March 31, 2018 and December 31, 2017*
7. *Based on prescribed carried interest for private funds and target gross return. Includes only third-party capital*

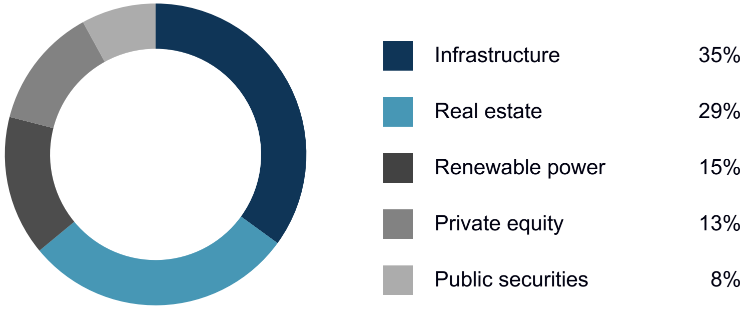
Annualized Fees and Target Carry

AS AT MAR. 31 (MILLIONS)



Fee Revenue Diversification[1]

AS AT MAR. 31 (MILLIONS)



1. *Fee revenues based on annualized March 31, 2018 fees, excludes target carried interest*

- We estimate annualized base management fees will increase by approximately $48 million when $4.0 billion of uncalled third-party capital is invested, with respect to certain funds for which fees are charged on invested capital only.
- BBU's performance fee is calculated as 20% of the increase in weighted average unit price over the highest previous threshold. The unit price initial hurdle was $25.00 and the current mark following the performance fee recognized in the first quarter of 2018 is $36.72.
- We include base fees on the capital invested by us in our funds in order to present operating margins and investment returns on a consistent basis (see note 1 above). FFO from the associated invested capital in 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.

Brookfield

Invested $16 billion of capital during the LTM, including the deployment of $2 billion in the most recent quarter; our Real Estate group committed ~$15 billion to acquire the shares of GGP it does not already own

Capital Deployed (Funding Source)

FOR THE LTM ENDED MAR 31, 2018 (MILLIONS)	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Total
Listed partnerships[1]	$ 1,874	$ 2,112	$ 576	$ 1,004	**$ 5,566**
Private funds[2]	1,586	1,289	1,139	1,102	**5,116**
Co-investments[2]	—	3,156	2	504	**3,662**
Direct[3]	—	—	—	1,419	**1,419**
Total invested	3,460	6,557	1,717	4,029	**15,763**
Committed – new[4]	16,685	602	400	1,910	**19,597**
Committed – invested[4]	(638)	(6,048)	(1,329)	(1,601)	**(9,616)**
Total	$ 19,507	$ 1,111	$ 788	$ 4,338	**$ 25,744**

1. *Includes investments made by listed partnerships (BPY, BIP, BEP and BBU) directly or through its participation in private funds and co-investments*
2. *Reflect 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*

Capital Invested (Geography)

FOR THE LTM ENDED MAR 31, 2018 (MILLIONS)	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Total
North America	$ 2,459	$ 716	$ 560	$ 1,743	**$ 5,478**
South America	379	5,642	739	1,921	**8,681**
Europe	540	104	418	216	**1,278**
Asia and other	82	95	—	149	**326**
Total invested	$ 3,460	$ 6,557	$ 1,717	$ 4,029	**$ 15,763**

Capital Invested

FOR THE LTM ENDED MAR. 31, 2018

Significant investments include:

- Brazilian regulated gas transmission business ($5.2 billion)
- Brazilian water treatment company ($1.2 billion)
- Marine energy services business ($0.8 billion)
- Global solar and wind portfolio ($0.7 billion)
- TerraForm Power ($0.6 billion)
- European housing portfolios ($0.5 billion)

Significant commitments include:

- GGP retail mall portfolio (~$15.2 billion)[1]
- Infrastructure services company ($1.3 billion)
- Global commercial and hospitality properties ($0.9 billion)
- Colombian natural gas distribution company ($0.4 billion)

1. *Committed during the most recent quarter*

ASSET MANAGEMENT
Available Liquidity

Core and Total Liquidity

AS AT MAR. 31, 2018 AND DEC. 31, 2017 (MILLIONS)	Corporate	Real Estate	Renewable Power	Infrastructure	Private Equity and Other	**Total 2018**	Dec. 2017
Cash and financial assets, net	$ 2,889	$ 46	$ 273	$ 557	$ 643	**$ 4,408**	$ 3,218
Undrawn committed credit facilities	1,851	648	812	1,912	250	**5,473**	4,839
Core liquidity	4,740	694	1,085	2,469	893	**9,881**	8,057
Uncalled private fund commitments[1]	—	12,756	2,366	5,393	1,506	**22,021**	18,591
Total liquidity	$ 4,740	$ 13,450	$ 3,451	$ 7,862	$ 2,399	**$ 31,902**	$ 26,648

1. *Third-party private fund uncalled commitments*

- Corporate credit facilities totaled $1.9 billion, of which $79 million was drawn and utilized for letters of credit at March 31, 2018.
- 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 MAR. 31, 2018 AND DEC. 31, 2017 (MILLIONS)	2018	2019	2020	2021	2022+	**Total 2018**	Dec. 2017
Real estate	$ —	$ 108	$ 4,016	$ —	$ 8,632	**$ 12,756**	$ 9,126
Infrastructure and renewable power	—	—	7,109	—	650	**7,759**	7,791
Private equity	—	—	1,415	—	91	**1,506**	1,674
	$ —	$ 108	$ 12,540	$ —	$ 9,373	**$ 22,021**	$ 18,591

- 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 $1.0 billion of third-party fund capital (private funds and co-investments) during the quarter; $8.8 billion over the last twelve months.
- $3.5 billion of fund capital (inclusive of Brookfield commitments) has been committed to transactions yet to be closed (real estate – $1.2 billion; infrastructure – $1.0 billion and private equity – $1.3 billion).

INVESTED CAPITAL
Summarized Results

Brookfield

~85%
of invested capital is held in listed securities

over $34 billion
of capital invested alongside our investors

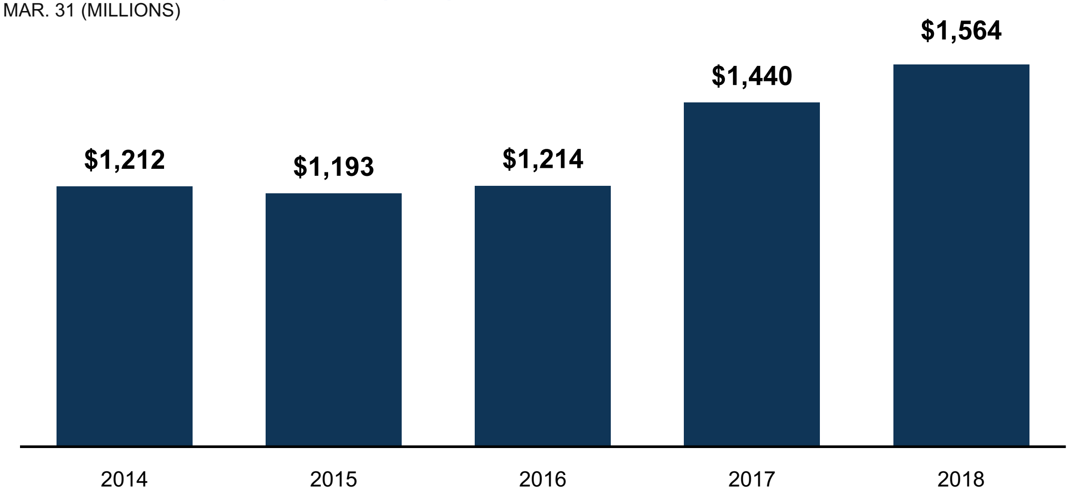
$1.5 billion
of annualized cash flow generated from listed investments

Financial Performance

AS AT MAR. 31, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Invested Capital		Funds from Operations: Three Months		Funds from Operations: LTM	
	2018	2017	**2018**	2017	**2018**	2017
Listed investments	**$ 29,833**	$ 29,132	**$ 487**	$ 409	**$ 1,879**	$ 1,733
Unlisted assets	**4,575**	4,797	**(38)**	(40)	**25**	56
Corporate capitalization[1]	**(10,316)**	(10,189)	**(115)**	(75)	**(340)**	(349)
	24,092	23,740	**334**	294	**1,564**	1,440
Disposition gains	**—**	—	**473**	214	**1,575**	925
	$ 24,092	$ 23,740	**$ 807**	$ 508	**$ 3,139**	$ 2,365

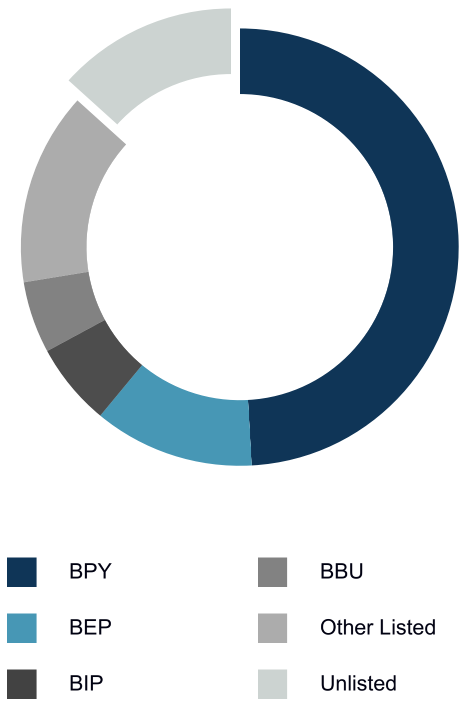
1. *FFO includes interest expense on corporate borrowings and corporate costs, and excludes distributions on preferred shares*

FFO – Operating Activities (LTM)[1]
MAR. 31 (MILLIONS)



1. *Excludes disposition gains and is net of associated asset management fees paid*

Investment Portfolio
AS AT MAR. 31, 2018



- ~85% of our balance sheet is held through listed securities, the majority invested in our four listed partnerships, providing liquidity and increased transparency.

INVESTED CAPITAL
Entity Basis[1]

Brookfield

~85% of our invested capital is held in listed securities, which provides enhanced transparency for investors and financial flexibility and liquidity for Brookfield

AS AT AND FOR THE PERIODS ENDED MAR. 31, 2018 (MILLIONS)	No. of Units	Invested Capital: Quoted[2]	Invested Capital: IFRS	FFO[3]: Three Months	FFO[3]: LTM	Distributed Cash Flow (Current)[4]
Listed Investments						
Brookfield Property Partners	488	$ 9,364	$ 15,639	$ 191	$ 704	$ 615
BPY Preferred Shares	n/a	1,265	1,265	19	76	76
		10,629	16,904	210	780	691
Brookfield Renewable Partners	188	5,864	4,084	110	349	369
Brookfield Infrastructure Partners	118	4,900	2,105	89	335	221
Brookfield Business Partners	88	3,165	1,827	2	28	22
Acadian Timber	8	112	85	2	5	6
Norbord	35	1,264	1,419	52	234	65
		25,934	26,424	465	1,731	1,374
Other investments						
Financial assets[5]	Various	2,889	2,889	22	148	168[6]
Other Listed – Private Equity	Various	520	520	—	—	—
		$ 29,343	29,833	487	1,879	$ 1,542
Unlisted Investments						
Residential development			2,768	(33)	9	
Energy marketing			715	(10)	(46)	
Other			1,092	5	62	
			4,575	(38)	25	
			$ 34,408	$ 449	$ 1,904	

1. *See slides 30 to 32 for a reconciliation to invested capital and total FFO*
2. *Quoted based on March 31, 2018 public pricing*
3. *Excludes realized disposition gains*
4. *Distributed cash flow (current) is calculated by multiplying units held as at March 31, 2018 by distributions per unit*
5. *Includes \$1.6 billion of cash and cash equivalents and \$1.3 billion of financial assets, net of deposits*
6. *Estimated 8% total return on weighted average balance of the last four quarters*

INVESTED CAPITAL – SEGMENT FUNDS FROM OPERATIONS
(Excluding Realized Disposition Gains)

FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Three Months 2018	Three Months 2017	Three Months Variance	LTM 2018	LTM 2017	LTM Variance
Brookfield Property Partners (BPY)	**$ 210**	$ 174	$ 36	**$ 780**	$ 726	$ 54
Brookfield Renewable Partners (BEP)	**110**	97	13	**349**	232	117
Brookfield Infrastructure Partners (BIP)	**89**	70	19	**335**	261	74
Brookfield Business Partners (BBU)[1]	**2**	9	(7)	**28**	149	(121)
Residential development	**(33)**	(8)	(25)	**9**	70	(61)
Energy marketing	**(10)**	(40)	30	**(46)**	(63)	17
Other investments	**59**	48	11	**301**	291	10
Financial assets	**22**	19	3	**148**	123	25
	449	369	80	**1,904**	1,789	115
Unallocated						
Interest expenses	**(78)**	(62)	(16)	**(277)**	(247)	(30)
Corporate costs and taxes	**(37)**	(13)	(24)	**(63)**	(102)	39
FFO – Invested capital	**$ 334**	$ 294	$ 40	**$ 1,564**	$ 1,440	$ 124

1. *BBU FFO is net of performance fees paid to BAM of $143 million for the three months ended Mar. 31, 2018 (2017 – $nil) and $285 million for the LTM (2017 – $nil), which are recorded in asset management FFO*

Three Months:

- **BPY:** Contributions from recent acquisitions, improved leasing activity and merchant-build asset sales led to increased FFO, partially offset by absence of FFO from assets sold and one-time settlement gains in the prior year.
- **BEP:** Strong pricing in North America and Brazil, cost-reduction initiatives and contributions from new acquisitions, partially offset by the absence of a one-time settlement gain reported in the prior year.
- **BIP:** Strong results at our recently acquired Brazilian regulated gas transmission business and organic growth increased FFO, partially offset by the impact of foreign exchange and higher management fees.
- **BBU:** Excluding the impact of performance fees paid, FFO increased due to improved margins in our construction services business, improved pricing and volume growth in our industrial operations and recent acquisitions, partially offset by higher management fees.
- **Residential:** Reflects impact of fewer home closings and lower margins in our North American operations; weaker margins in Brazil were only partially offset by changes in timing of revenue recognition for our Brazilian operations after adopting the new revenue accounting standard.
- **Corporate costs and taxes:** Corporate costs and taxes increased due to the absence of tax recoveries, which were recognized in the prior year.

Last Twelve Months:

- **BPY:** Contribution from recent acquisitions, same-property leasing growth, increased ownership of GGP and sales of merchant-build and condominium assets. These increases were partially offset by the absence of FFO from assets sold and one-time items recognized in the prior year.
- **BEP:** Improved hydrology across our North American operations, improved pricing in Brazil and contributions from acquisitions.
- **BIP:** Contribution from recent acquisitions, higher volumes and tariffs and contributions from development projects completed in the year was partially offset by higher management fees.
- **BBU:** Excluding the impact of performance fees paid, FFO increased as improved pricing and volume in our industrial businesses, primarily our graphite electrode manufacturer and our mining operations, and contributions from recent acquisitions more than offset the increase in management fees paid.
- **Residential:** Reduced margins on our Brazilian projects as well as ongoing marketing and administrative costs.
- **Other Investments:** Improved volumes and higher prices at Norbord were partially offset by the absence of interest income on a debt investment that was converted to equity.
- **Corporate costs and taxes:** Current tax recoveries in the LTM reduced net corporate costs, offset slightly by increase due to expansion.

INVESTED CAPITAL

Realized Disposition Gains – Brookfield Share, Net of Non-Controlling Interests

Brookfield

FOR THE PERIODS ENDED MAR. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM			
	Funds from Operations[1,2]		Net Income[2]		Funds from Operations[1,2]		Net Income[2]	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Real Estate								
Bay Adelaide Center	**$ 161**	$ —	**$ 20**	$ —	**$ 161**	$ —	**$ 20**	$ —
1801 California Street	**73**	—	**13**	—	**73**	—	**13**	—
245 Park Avenue	**—**	—	**—**	—	**469**	—	**2**	—
Gazeley – European operations	**—**	—	**—**	—	**275**	—	**191**	—
Principal Place Commercial	**—**	141	**—**	69	**—**	141	**—**	69
20 Fenchurch St.	**—**	—	**—**	—	**57**	—	**9**	—
College and Spadina	**—**	—	**—**	—	**31**	—	**12**	—
Other properties	**—**	1	**(9)**	—	**250**	612	**(68)**	147
	234	142	**24**	69	**1,316**	753	**179**	216
Infrastructure	**244**	—	**53**	—	**244**	95	**53**	20
Private Equity	**(5)**	62	**(5)**	62	**(17)**	62	**(17)**	62
Norbord partial sale	**—**	—	**—**	—	**32**	—	**—**	—
Other	**—**	10	**—**	—	**—**	15	**—**	5
	$ 473	$ 214	**$ 72**	$ 131	**$ 1,575**	$ 925	**$ 215**	$ 303
Per share	**$ 0.49**	$ 0.22	**$ 0.07**	$ 0.13	**$ 1.61**	$ 0.95	**$ 0.22**	$ 0.31

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

Value of assets sold:

- During the last twelve months, we sold $3.7 billion net assets at a 6% premium above appraised values.

First Quarter:

- **Real Estate:** Disposition gains of $234 million relate to the sale of two core office properties. Property losses in net income relate to the impact of cash taxes on the sale of directly held properties and impact of current period revaluation.
- **Infrastructure:** The sale of our investment in a Chilean electricity transmission business resulted in a $244 million disposition gain.

Last Twelve Months:

- **2018:** Core office and retail disposition gains, $962 million; opportunistic and other property disposition gains, $354 million; partial sale of Norbord shares, $32 million; sale of Chilean electricity transmission business, $244 million.
- **2017:** Core office and retail disposition gains, $329 million; retail property disposition gains, $424 million; sale of a bath and shower manufacturing business, $62 million; sale of a European gas distribution business, $42 million; sale of a toehold interest in an Australian ports business, $20 million.

INVESTED CAPITAL
Financial Position and Performance

Brookfield

BPY (NASDAQ: BPY; TSX: BPY.UN) – 64% (fully diluted) ownership interest

AS AT MAR. 31, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2018	2017	**2018**	2017	**2018**	2017
Core office	**$ 14,497**	$ 13,913	**$ 153**	$ 156	**$ 589**	$ 637
Core retail	**8,610**	8,844	**116**	110	**521**	458
Opportunistic	**5,621**	5,238	**114**	83	**408**	351
Corporate	**(6,179)**	(5,809)	**(115)**	(112)	**(470)**	(459)
Attributable to unitholders	**22,549**	22,186	**268**	237	**1,048**	987
Non-controlling interests	**(6,910)**	(6,798)	**(83)**	(74)	**(331)**	(309)
Segment reallocation and other[1]	**—**	—	**6**	(8)	**(13)**	(28)
Brookfield's interest	**15,639**	15,388	**191**	155	**704**	650
Preferred Shares	**1,265**	1,265	**19**	19	**76**	76
	$ 16,904	$ 16,653	**$ 210**	$ 174	**$ 780**	$ 726

1. *Reflects fee related earnings and net carried interest reclassified to asset management segment as well as current taxes related to disposition gains*

BEP (NYSE: BEP, TSX: BEP.UN) – 60% ownership interest

AS AT MAR. 31, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED MAR. 31 ($ MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2018	2017	**2018**	2017	**2018**	2017
Proportionate generation (GWh)						
Actual	**n/a**	n/a	**6,694**	6,161	**24,501**	20,487
Long-term average (LTA)	**n/a**	n/a	**6,351**	5,889	**23,713**	22,911
Hydroelectric generation	**$ 8,820**	$ 8,821	**$ 208**	$ 191	**$ 703**	$ 488
Wind energy	**917**	939	**37**	30	**112**	100
Solar, storage and other	**740**	682	**15**	—	**36**	24
Corporate	**(3,713)**	(3,584)	**(67)**	(55)	**(243)**	(214)
Attributable to unitholders	**6,764**	6,858	**193**	166	**608**	398
Non-controlling interests	**(2,680)**	(2,715)	**(73)**	(62)	**(226)**	(144)
Incentive distributions	**—**	—	**(10)**	(7)	**(33)**	(22)
Brookfield's interest	**$ 4,084**	$ 4,143	**$ 110**	$ 97	**$ 349**	$ 232

INVESTED CAPITAL
Financial Position and Performance (cont'd)

Brookfield

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

AS AT MAR. 31, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Invested Capital		Funds from Operations: Three Months		Funds from Operations: LTM	
	2018	2017	**2018**	2017	**2018**	2017
Utilities	**$ 2,366**	$ 3,290	**$ 169**	$ 100	**$ 679**	$ 399
Transport	**4,067**	4,116	**137**	123	**546**	452
Energy	**1,820**	1,806	**66**	62	**213**	197
Communications	**650**	614	**19**	19	**76**	77
Corporate and other	**(1,887)**	(2,822)	**(58)**	(43)	**(272)**	(154)
Attributable to unitholders	**7,016**	7,004	**333**	261	**1,242**	971
Incentive distributions	**—**	—	**(34)**	(28)	**(119)**	(89)
Non-controlling interests	**(4,911)**	(4,906)	**(210)**	(163)	**(788)**	(621)
Brookfield's interest	**$ 2,105**	$ 2,098	**$ 89**	$ 70	**$ 335**	$ 261

BBU (NYSE: BBU, TSX: BBU.UN) – 68% ownership interest

AS AT MAR. 31, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Invested Capital		Funds from Operations: Three Months		Funds from Operations: LTM	
	2018	2017	**2018**	2017	**2018**	2017
Construction services	**$ 751**	$ 959	**$ 9**	$ (3)	**$ 38**	$ 69
Business services	**442**	448	**8**	4	**70**	56
Energy	**690**	660	**38**	20	**70**	65
Industrial operations	**342**	661	**98**	79	**151**	90
Corporate and other	**461**	310	**(15)**	(5)	**(34)**	(22)
Attributable to unitholders	**2,686**	3,038	**138**	95	**295**	258
Performance fees	**—**	—	**(143)**	—	**(285)**	—
Non-controlling interests	**(859)**	(974)	**2**	(24)	**1**	(47)
Segment reallocation and other[1]	**—**	—	**5**	(62)	**17**	(62)
Brookfield's interest	**$ 1,827**	$ 2,064	**$ 2**	$ 9	**$ 28**	$ 149

1. *Reallocations relate to disposition gains, net of NCI, included in BBU's operating FFO*

INVESTED CAPITAL
Financial Position and Performance (cont'd)

Brookfield

Residential Development

AS AT MAR. 31, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
	2018	2017	**2018**	2017	**2018**	2017
North America	**$ 1,656**	$ 1,711	**$ (4)**	$ 11	**$ 154**	$ 173
Brazil and other	**1,112**	1,204	**(29)**	(19)	**(145)**	(103)
	$ 2,768	$ 2,915	**$ (33)**	$ (8)	**$ 9**	$ 70

Energy Marketing

FOR THE PERIODS ENDED MAR. 31 ($ MILLIONS, EXCEPT PER MWH INFORMATION)	Three Months – Generation (GWh)		Three Months – FFO		Three Months – Per MWh		LTM – Generation (GWh)		LTM – FFO		LTM – Per MWh	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Contracted	**787**	866	**$ 65**	$ 68	**$ 83**	$ 79	**3,398**	2,627	**$ 282**	$ 207	**$ 83**	$ 79
Uncontracted and financial contracts	**1,708**	1,665	**97**	63	**57**	38	**6,132**	5,016	**325**	236	**53**	47
	2,495	2,531	**162**	131	**65**	52	**9,530**	7,643	**607**	443	**64**	58
Less: Purchases from BEP	**(2,495)**	(2,531)	**(172)**	(171)	**(69)**	(68)	**(9,530)**	(7,643)	**(653)**	(506)	**(69)**	(66)
FFO	**—**	—	**$ (10)**	$ (40)	**$ (4)**	$ (16)	**—**	—	**$ (46)**	$ (63)	**$ (5)**	$ (8)

- We have agreements to purchase approximately 8,400 GWh from BEP annually based on long-term average generation. Approximately 34% of the acquired power is sold under long-term contracts with high credit-quality counterparties. We attempt to maximize the value we receive on this electricity through optimization of storage and sale of merchant electricity at peak times, or by executing long-term contracts for this power at rates which we believe are favorable based on our expectation of pricing of electricity generated by new build construction.
- We expect the negative spread on uncontracted power to turn positive over the longer term as prices for renewable power increase. Existing long-term contracts provide both a current positive FFO contribution as well as future increases through escalation clauses and the opportunity to renew contracts in the future.

First Quarter:

- FFO deficit decreased by $30 million primarily from higher energy and capacity prices, particularly in our U.S. northeast market, increasing uncontracted realized pricing to $57/MWh from $38/MWh in the prior year quarter. The benefits from higher realized prices from uncontracted sales were partially offset by lower deliveries on our contracted power.
  - Ancillary revenues including capacity payments, green credits and revenues generated for the peaking ability of our plants totaled $37 million (2017 – $10 million), increasing average realized prices by $14/MWh (2017 – $4/MWh).

INVESTED CAPITAL
Financial Position and Performance (cont'd)

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

Financial Assets

AS AT MAR. 31, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Segment	Invested Capital 2018	Invested Capital 2017	Funds from Operations – Three Months 2018	Funds from Operations – Three Months 2017	Funds from Operations – LTM 2018	Funds from Operations – LTM 2017
Financial assets	Corporate	**$ 2,889**	$ 2,255	**$ 22**	$ 19	**$ 148**	$ 123

Other Investments

AS AT MAR. 31, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Segment	Invested Capital 2018	Invested Capital 2017	Funds from Operations – Three Months 2018	Funds from Operations – Three Months 2017	Funds from Operations – LTM 2018	Funds from Operations – LTM 2017
Other Investments							
Acadian Timber	Infrastructure	**$ 85**	$ 88	**$ 2**	$ 3	**$ 5**	$ 8
Norbord	Private Equity	**1,419**	1,364	**52**	37	**234**	151
Other listed	Private Equity	**520**	467	**—**	—	**—**	83
Sustainable resources	Infrastructure	**656**	648	**6**	10	**19**	22
Other unlisted	Various	**436**	433	**(1)**	(2)	**43**	27
		$ 3,116	$ 3,000	**$ 59**	$ 48	**$ 301**	$ 291

INVESTED CAPITAL
Corporate Capitalization

Corporate debt maturities are well distributed over the next 10 years, with ~89% of our term debt maturing after five years

AS AT MAR. 31, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Average Yield	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
		2018	2017	**2018**	2017	**2018**	2017
Corporate borrowings	**4.6%**	**$ 6,476**	$ 5,659	**$ 78**	$ 62	**$ 277**	$ 247
Perpetual preferred shares[1]	**4.1%**	**4,192**	4,192	**—**	—	**—**	—
Net working capital / Corporate costs and taxes[2]	**n/a**	**883**	928	**37**	13	**63**	102
Deferred income tax asset, net	**n/a**	**(1,235)**	(590)	**—**	—	**—**	—
		$ 10,316	$ 10,189	**$ 115**	$ 75	**$ 340**	$ 349

1. *FFO excludes preferred shares distributions of $38 million (2017 – $36 million) for the three months; $147 million (2017 – $136 million) for the last twelve months*
2. *Corporate costs and taxes FFO includes current tax expense of $10 million (2017 – recovery of $12 million) for the three months; current tax recovery of $34 million (2017 – expense of $8 million) for the last twelve months*

Corporate Maturity Profile

AS AT MAR 31, 2018 (MILLIONS)	Average Term (Years)	Total	Maturity 2018	2019	2020	2021	2022	2023+
Corporate borrowings								
Term debt	**11**	$ 6,476	$ —	$ 467	$ —	$ 271	$ —	$ 5,738
Revolving facilities[1]	**4**	—	—	—	—	—	—	—
		6,476	—	467	—	271	—	5,738
Perpetual preferred shares	**perp.**	4,192	—	—	—	—	—	n/a
		$ 10,668	$ —	$ 467	$ —	$ 271	$ —	$ 5,738

1. *Revolving credit facilities of $1.9 billion to support commercial paper issuances*

INVESTED CAPITAL
Growth Capital Backlog

Brookfield

We complement our acquisition activities with capital expansion and development projects which we expect will enhance the value of our various operations once completed and commissioned

Capital Backlog (by Geography)

AS AT MAR 31, 2018 (MILLIONS)	North America	South America	Europe	Asia and Other	**Total**
Real estate	$ 3,177	$ —	$ 3,378	$ 343	**$ 6,898**
Infrastructure	290	2,231	1,433	97	**4,051**
Renewable power	536	664	344	—	**1,544**
Private equity and other	782	693	64	699	**2,238**
	$ 4,785	$ 3,588	$ 5,219	$ 1,139	**$ 14,731**

Our capital backlog of $15 billion provides additional opportunity to deploy capital and is a major source of organic growth; it consists of a diverse set of projects across our business, including the expansion and/or development of:

- **Real estate:** Planned capital expansion of $7 billion includes development projects in progress across our premier office buildings, retail malls and mixed-used complexes. Within our core office business we have 10 million square feet of development projects underway, including our premier office building development ongoing in London within our core office and Canary Wharf investments over the next eight years, and further core office development ongoing within North America. Additional projects include North American retail mall developments.
- **Infrastructure:** Planned capital expansion projects of $4 billion consist primary of upgrade and expansion projects within our transport and utilities segments. The largest contributor to capital development within our transport segment over the next three years are our South American toll road operations, focusing on enhancing capacity and capturing volume growth. Within our utilities segment, our U.K. regulated distribution business and South American electricity transmission operations are the largest contributors to capital.
- **Renewable power:** Planned capital expansion projects of $2 billion consist primarily of hydroelectric generating stations and wind facilities development projects. Over the next three years, we expect to complete significant development across South America, Europe and North America.
- **Private equity and other:** Planned capital expansion of $2 billion includes significant expansion at our Brazilian water treatment business and our marine energy services business. Additional planned expansion includes projects across our energy, commodities sites and exploration, and manufacturing facilities businesses.

Additional Information

ASSET MANAGEMENT
Private Funds

AS AT MAR. 31, 2018 ($ MILLIONS)[1]		Committed Capital[3]	Brookfield Participation[3]	Year[4]
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[2]		4,350	31%	2013
Strategic Real Estate Partners II[2]		9,000	26%	2016
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
Core Plus				
U.S. Office	$	2,200	83%	2006
DTLA		1,100	45%	2013
Premier Real Estate Partners[5]		1,420	21%	2016
Credit				
Real Estate Finance I	$	600	33%	2005
Real Estate Finance III		420	12%	2012
Real Estate Finance IV		1,375	18%	2014
Real Estate Finance V		2,949	14%	2017
Senior Mezzanine Real Estate Finance[5]		450	2%	2017

AS AT MAR. 31, 2018 ($ MILLIONS)[1]		Committed Capital[3]	Brookfield Participation[3]	Year[4]
Brookfield Infrastructure Funds				
Value Add				
Global Infrastructure I[2]	$	2,660	25%	2010
Global Infrastructure II[2]		7,000	40%	2013
Global Infrastructure III[2]		14,000	29%	2016
Colombia Infrastructure		360	28%	2009
Credit				
Infrastructure Debt	$	884	17%	2017
Sustainable Resources				
Island Timberlands	$	530	—	2005
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[2]	C$	1,000	40%	2007
Capital Partners III[2]	$	1,000	25%	2012
Capital Partners IV[2]		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 issuers or investment funds for which Brookfield did not serve as the manager during the investment period. Also excludes funds currently in the market and fully divested funds*
2. *Flagship funds*
3. *Inclusive of Brookfield commitments; Brookfield participation includes commitments from Brookfield directly held as well as BPY, BEP, BIP and BBU*
4. *Year of final close*
5. *Open-ended fund*

LISTED ISSUER BASE MANAGEMENT FEES AND ASSOCIATED CAPITALIZATION

AS AT AND FOR THE PERIODS ENDED MAR. 31, 2018 (MILLIONS)	Capitalization	Three Months			Annualized[1]		
		Fixed Base Fee	Variable Base Fee	**Total Base Fee**	Fixed Base Fee	Variable Base Fee	**Total Base Fee**
Listed Investments							
Brookfield Property Partners	$ 18,796	$ 13	$ 24	**$ 37**	$ 50	$ 100	**$ 150**
Brookfield Renewable Partners	13,251	5	16	**21**	20	65	**85**
Brookfield Infrastructure Partners	18,126	—	55	**55**	—	222	**222**
Brookfield Business Partners	4,108	—	13	**13**	—	52	**52**
	54,281	18	108	**126**	70	439	**509**
Other Listed Investments							
TerraForm Power	1,662	3	—	**3**	10	3	**13**
Acadian Timber	252	—	1	**1**	—	3	**3**
	1,914	3	1	**4**	10	6	**16**
Total	$ 56,195	$ 21	$ 109	**$ 130**	$ 80	$ 445	**$ 525**

Brookfield Property Partners (BPY): We earn base management fees paid quarterly of $12.5 million ($50 million annually) and an additional equity enhancement distribution of 0.3125% (1.25% annually) of the amount by which the partnership's total capitalization value exceeded its initial total capitalization value ($11.5 billion). Capitalization is calculated as the volume-weighted average of the closing prices of the LP units on the Nasdaq for each of the last five trading days of the quarter multiplied by the number of units issued and outstanding on those days, plus the amount of third-party debt, net of cash, with recourse to the partnership.

Brookfield Renewable Partners (BEP): We earn base management fees paid quarterly of $5 million ($20 million annually) and an additional equity enhancement distribution of 0.3125% (1.25% annually) of the amount by which the partnership's total capitalization value exceeded the initial capitalization value ($8 billion). Capitalization is calculated as the volume-weighted average of the closing prices of the LP units on the principal exchange for each of the last five trading days of the quarter multiplied by the number of units issued and outstanding on those days, plus the amount of third-party debt and preferred securities, net of cash, with recourse to the partnership.[2]

Brookfield Infrastructure Partners (BIP): We earn base management fees paid quarterly equal to 0.3125% of the market value of the respective partnership (1.25% annually). Capitalization is calculated as the volume-weighted average of the closing prices of the LP units on the principal exchange for each of the last five trading days of the quarter multiplied by the number of units issued and outstanding on those days, plus the amount of third-party debt and preferred securities, net of cash, with recourse to the partnership.[2]

Brookfield Business Partners (BBU): We earn base management fees paid quarterly equal to 0.3125% of the market value of the respective partnership (1.25% annually). Capitalization is calculated as the volume-weighted average of the closing prices of the LP units on the principal exchange for the quarter multiplied by the number of units issued and outstanding on the last day of the quarter, plus the amount of third-party debt, net of cash, with recourse to the partnership.[2]

TerraForm Power (TERP): For the first four quarters following the acquisition of TERP, on October 16, 2017, we earn base management fees paid quarterly of $2.5 million ($10 million annually) followed by $3 million per quarter ($12 million annually) for the following four quarters. Thereafter, we earn base management fees paid quarterly of $3.75 million ($15 million annually). We earn an additional equity enhancement distribution of 0.3125% (1.25% annually) of the amount by which the company's capitalization value at the end of each quarter exceeded its initial capitalization value at the time of acquisition ($1.4 billion). Capitalization is calculated as the volume-weighted average of the closing prices of the LP units on the Nasdaq for the quarter multiplied by the number of units outstanding on the last day of the quarter.

1. *Annualized fee revenues illustrate potential future performance based on our current level of listed partnership fee bearing capital*
2. *For units traded on multiple exchanges, the principal exchange is determined on the basis of aggregate trading volume for the period*

LISTED ISSUER INCENTIVE DISTRIBUTIONS

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

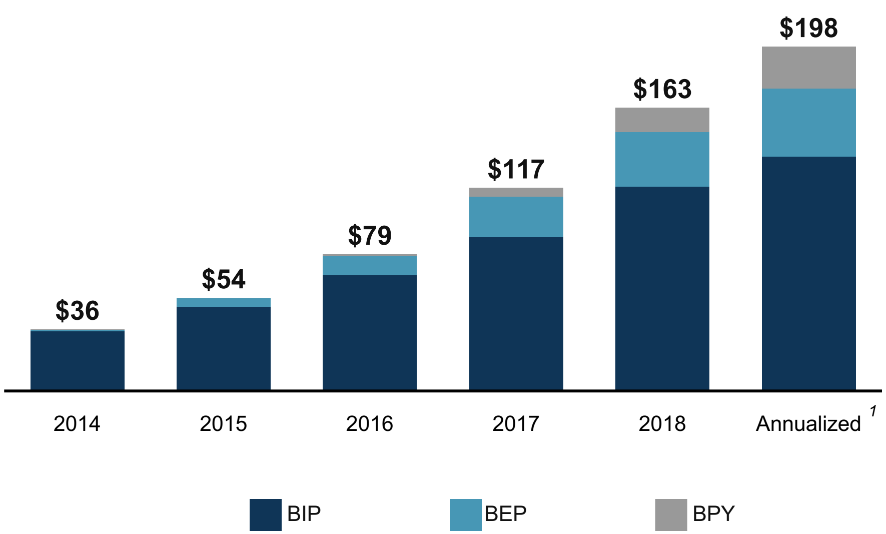
Annualized Incentive Distributions

AS AT MAR 31, 2018 (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)	$ 1.88	$ 0.81 / $ 0.88	15% / 25%	394.1	$ 135
Brookfield Renewable Partners (BEP)	1.96	1.50 / 1.69	15% / 25%	312.8	39
Brookfield Property Partners (BPY)	1.26	1.10 / 1.20	15% / 25%	703.7	24
					$ 198

1. *We are also entitled to earn a portion of increases in distributions by 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*

Incentive Distributions (LTM)

MAR. 31 (MILLIONS)



1. *Annualized 2018 IDR based on most recently announced distribution levels*

Listed Partnerships: Distributions (per unit)

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.

	BPY	BEP	BIP
Targeted:			
- FFO payout	80%	60% to 70%	60% to 70%
- Distribution growth	5% to 8%	5% to 9%	5% to 9%
2018[1]	$ 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
2014	1.00	1.55	1.28

1. *Annualized based on current distribution levels*

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. Following the fee paid in the first quarter of 2018, the threshold was revised upwards to $36.72.

DEBT TO CAPITALIZATION

Capitalization

AS AT MAR. 31, 2018 AND DEC. 31, 2017 (MILLIONS)	Corporate 2018	Corporate 2017	Our Share[1] 2018	Our Share[1] 2017	Consolidated 2018	Consolidated 2017
Corporate borrowings	**$ 6,476**	$ 5,659	**$ 6,476**	$ 5,659	**$ 6,476**	$ 5,659
Non-recourse borrowings						
Property specific borrowings	**—**	—	**30,578**	30,210	**65,901**	63,721
Subsidiary borrowings	**—**	—	**5,467**	5,711	**7,938**	9,009
	6,476	5,659	**42,521**	41,580	**80,315**	78,389
Accounts payable and other	**1,576**	2,140	**9,802**	10,880	**18,656**	17,965
Deferred income tax liabilities	**161**	160	**4,589**	5,204	**11,146**	11,409
Subsidiary equity obligations	**—**	—	**1,654**	1,648	**3,935**	3,661
Capitalization associated with assets held for sale	—	—	**249**	703	**568**	1,424
Equity						
Non-controlling interests	**—**	—	**—**	—	**52,667**	51,628
Preferred equity	**4,192**	4,192	**4,192**	4,192	**4,192**	4,192
Common equity	**24,456**	24,052	**24,456**	24,052	**24,456**	24,052
	28,648	28,244	**28,648**	28,244	**81,315**	79,872
Total capitalization	**$ 36,861**	$ 36,203	**$ 87,463**	$ 88,259	**$ 195,935**	$ 192,720
Debt to capitalization[2]	**18%**	16%	**49%**	47%	**41%**	41%

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*

- Capitalization includes accounts payable and other liabilities and deferred income taxes, as well as borrowings, subsidiary equity obligations and equity, which is consistent with how we assess our leverage ratios and how we present them to our rating agencies.
  - Corporate capitalization shows debt on a deconsolidated basis.
  - Proportionate consolidation, which reflects our proportionate interest in the underlying entities, depicts the extent to which our underlying assets are leveraged, which we believe is an important component of enhancing shareholder returns.
  - Consolidated capitalization reflects the full consolidation of wholly owned and partially owned entities; however, it excludes amounts within equity accounted investments.

COMMON SHARE INFORMATION

Common Share Continuity

FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Three Months		LTM	
	2018	2017	**2018**	2017
Outstanding at beginning of period	**958.8**	958.2	**958.6**	958.6
Issued (repurchased)				
Repurchases	**(5.2)**	(1.9)	**(6.7)**	(3.4)
Long-term share ownership plans	**3.4**	2.2	**5.0**	3.0
Dividend reinvestment plan	**—**	0.1	**0.1**	0.4
Outstanding at end of period	**957.0**	958.6	**957.0**	958.6
Unexercised options and other share-based plans	**46.5**	47.7	**46.5**	47.7
Total diluted shares at end of period	**1,003.5**	1,006.3	**1,003.5**	1,006.3

- The company holds 34.0 million common shares for management share ownership plans, which have been deducted from the total number of shares outstanding.
  - — 4.7 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 March 31, 2018 was $1,1 billion (December 31, 2017 – $994 million).

FFO and Earnings Per Share Information

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS)	Funds from Operations		Net Income	
	2018	2017	**2018**	2017
Funds from operations/Net income	**$ 1,170**	$ 674	**$ 857**	$ (37)
Preferred share dividends	**(38)**	(36)	**(38)**	(36)
Funds from operations/Net income available for shareholders	**$ 1,132**	$ 638	**$ 819**	$ (73)
Weighted average shares	**957.9**	958.5	**957.9**	958.5
Dilutive effect of the conversion of options and other share-based plans using treasury stock method	**19.1**	19.1	**19.1**	—
Shares and share equivalents	**977.0**	977.6	**977.0**	958.5

FINANCIAL PERFORMANCE (IFRS)

Condensed Statements of Operations

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)		2018		2017		Change
Revenue	**$**	**12,631**	$	6,001	$	6,630
Direct costs		**(10,091)**		(4,387)		(5,704)
Gross margin		**2,540**		1,614		926
Other income and gains		**342**		265		77
Equity accounted income		**288**		335		(47)
Expenses						
Interest		**(1,037)**		(843)		(194)
Corporate costs		**(27)**		(25)		(2)
Fair value changes		**572**		(204)		776
Depreciation and amortization		**(670)**		(499)		(171)
Income tax		**(153)**		(125)		(28)
Net income		**1,855**		518		1,337
Non-controlling interests		**(998)**		(555)		(443)
Net income (loss) attributable to shareholders	**$**	**857**	$	(37)	$	894
Per share	**$**	**0.84**	$	(0.08)	$	0.92

Financial Highlights

- **Revenues** more than doubled due to earnings generated from acquired businesses, in particular a U.K. road fuel distribution business and our Brazilian regulated gas transmission business. Excluding the impact of acquisitions, improved volumes and pricing at existing businesses, such as our graphite electrode business, contributed to increases in revenue. This was partially offset by the absence of revenue from assets sold.
- **Gross margin** was positively impacted by the contributions of acquisitions, higher pricing in our renewable power business, improved market prices at our graphite electrode business and improved OSB pricing at Norbord.
- **Other income and gains** relate to the realized gains on the sale of our Chilean electricity transmission business. The prior year gains relate to the sale of our bath and shower products manufacturing business.
- **Interest expense** increased due to debts assumed from acquired businesses, higher borrowings used to finance acquisitions and the issuance of an additional $1.2 billion of corporate debt.
- **Fair value changes** in the current year include gains recognized on two recent acquisitions due to the recognition of deferred tax assets which were not previously utilized and appraisal gains recognized on numerous investment properties in our opportunistic portfolio. These gains were partially offset by unrealized losses on certain financial contracts. The prior period also included unrealized losses on these financial contracts and modest appraisal reductions within our core office portfolio.
- **Net income attributable to shareholders** increased due to the aforementioned impacts as well as a lower proportion of income being attributed to non-controlling interest based on the mix of income earned across the portfolio relative to our ownership in the various businesses.

Entity Basis – Reconciliation to Reportable Segments – Invested Capital

AS AT MAR 31, 2018 (MILLIONS)	Reportable Segments							
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	**Total**
Asset Management								
Fee related earnings	$ 364	$ —	$ —	$ —	$ —	$ —	$ —	**$ 364**
Carried interest, net	—	—	—	—	—	—	—	**—**
	364	—	—	—	—	—	—	**364**
Invested Capital								
Listed Investments								
Brookfield Property Partners[1]	—	16,904	—	—	—	—	—	**16,904**
Brookfield Renewable Partners	—	—	4,084	—	—	—	—	**4,084**
Brookfield Infrastructure Partners	—	—	—	2,105	—	—	—	**2,105**
Brookfield Business Partners	—	—	—	—	1,827	—	—	**1,827**
Cash and financial assets	—	—	—	—	—	—	2,889	**2,889**
Acadian	—	—	—	85	—	—	—	**85**
Norbord	—	—	—	—	1,419	—	—	**1,419**
Private equity – other listed	—	—	—	—	520	—	—	**520**
	—	16,904	4,084	2,190	3,766	—	2,889	**29,833**
Unlisted Investments								
Residential Development	—	—	—	—	—	2,768	—	**2,768**
Brookfield Energy Marketing	—	—	715	—	—	—	—	**715**
Other investments	—	69	—	656	328	—	39	**1,092**
	—	69	715	656	328	2,768	39	**4,575**
Capitalization (slide 21)								
Borrowings	—	—	—	—	—	—	(6,476)	**(6,476)**
Net working capital/operating costs	—	—	—	—	—	—	352	**352**
Preferred shares	—	—	—	—	—	—	(4,192)	**(4,192)**
	—	—	—	—	—	—	(10,316)	**(10,316)**
	$ 364	$ 16,973	$ 4,799	$ 2,846	$ 4,094	$ 2,768	$ (7,388)	**$ 24,456**

1. *Includes $1.3 billion of BPY preferred shares*

Brookfield

Entity Basis – Reconciliation to Reporting Segments – Three Months FFO

FOR THE THREE MONTHS ENDED MAR. 31, 2018 (MILLIONS)	Reporting Segments							
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	**Total**
Asset Management								
Fee related earnings	$ 343	$ —	$ —	$ —	$ —	$ —	$ —	**$ 343**
Carried interest, net	20	—	—	—	—	—	—	**20**
	363	—	—	—	—	—	—	**363**
Invested Capital								
Listed investments								
Brookfield Property Partners[1]	—	210	—	—	—	—	—	**210**
Brookfield Renewable Partners	—	—	110	—	—	—	—	**110**
Brookfield Infrastructure Partners	—	—	—	89	—	—	—	**89**
Brookfield Business Partners	—	—	—	—	2	—	—	**2**
Cash and financial assets	—	—	—	—	—	—	22	**22**
Acadian	—	—	—	2	—	—	—	**2**
Norbord	—	—	—	—	52	—	—	**52**
	—	210	110	91	54	—	22	**487**
Unlisted investments								
Residential Development	—	—	—	—	—	(33)	—	**(33)**
Brookfield Energy Marketing	—	—	(10)	—	—	—	—	**(10)**
Other investments	—	(5)	—	6	5	—	(1)	**5**
	—	(5)	(10)	6	5	(33)	(1)	**(38)**
Disposition Gains	—	234	—	244	(5)	—	—	**473**
Capitalization (slide 21)[2]								
Borrowings	—	—	—	—	—	—	(78)	**(78)**
Net working capital/operating costs	—	—	—	—	—	—	(37)	**(37)**
	—	—	—	—	—	—	(115)	**(115)**
	$ 363	$ 439	$ 100	$ 341	$ 54	$ (33)	$ (94)	**$ 1,170**

1. *Includes $19 million of BPY preferred share distributions*
2. *Excludes $38 million (2017 – $36 million) of preferred share distributions for the three months, which are included in determining per share results*

Entity Basis – Reconciliation to Reporting Segments – LTM FFO

FOR THE LTM ENDED MAR 31, 2018 (MILLIONS)	Reporting Segments							
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	**Total**
Asset Management								
Fee related earnings	$ 1,076	$ —	$ —	$ —	$ —	$ —	$ —	**$ 1,076**
Carried interest, net	91	—	—	—	—	—	—	**91**
	1,167	—	—	—	—	—	—	**1,167**
Invested Capital								
Listed investments								
Brookfield Property Partners[1]	—	780	—	—	—	—	—	**780**
Brookfield Renewable Partners	—	—	349	—	—	—	—	**349**
Brookfield Infrastructure Partners	—	—	—	335	—	—	—	**335**
Brookfield Business Partners	—	—	—	—	28	—	—	**28**
Cash and financial assets	—	—	—	—	—	—	148	**148**
Acadian	—	—	—	5	—	—	—	**5**
Norbord	—	—	—	—	234	—	—	**234**
	—	780	349	340	262	—	148	**1,879**
Unlisted investments								
Residential development	—	—	—	—	—	9	—	**9**
Brookfield Energy Marketing	—	—	(46)	—	—	—	—	**(46)**
Other investments	—	22	—	19	8	—	13	**62**
	—	22	(46)	19	8	9	13	**25**
Disposition Gains	—	1,316	—	244	15	—	—	**1,575**
Capitalization (slide 21)[2]								
Borrowings	—	—	—	—	—	—	(277)	**(277)**
Net working capital/operating costs	—	—	—	—	—	—	(63)	**(63)**
	—	—	—	—	—	—	(340)	**(340)**
	$ 1,167	$ 2,118	$ 303	$ 603	$ 285	$ 9	$ (179)	**$ 4,306**

1. *Includes $76 million of BPY preferred share distributions*
2. *Excludes $147 million (2017 – $136 million) of preferred share distributions for the LTM, which are included in determining per share results*

Brookfield

RECONCILIATION OF NET INCOME TO FFO

The following table reconciles net income to total segment FFO:

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS)		2018		2017
Net income	**$**	**1,855**	$	518
Realized disposition gains recorded as fair value changes or prior periods		**420**		152
Non-controlling interests in FFO		**(1,462)**		(929)
Financial statement components not included in FFO				
Equity accounted fair value changes and other non-FFO items		**333**		122
Fair value changes		**(572)**		204
Depreciation and amortization		**670**		499
Deferred income taxes		**(74)**		108
Total segment FFO	**$**	**1,170**	$	674

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 103 through 108 of our December 31, 2017 annual report.

- **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 slide 33.

  — FFO from **Operating Activities** represents the company’s share of revenues less operating costs and interest expenses; excludes 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. 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.

- **Invested Capital** is the amount of common equity in our segments and the underlying business within the 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.
- **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.
- **Economic Net Income ("ENI")** is a non-IFRS measure that represents the sum of our fee related earnings and unrealized carried interest generated in the period, net of associated costs. We utilize this measure as a supplement to FFO for our asset management segment to assess operating performance, including the fee revenues and carried interest generated on unrealized changes in value of our private fund investment portfolios. Continued growth in this measure is a leading indicator for future growth in FFO of our asset management segment.
- **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.

GLOSSARY OF TERMS (cont'd)

- **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 leverage included in the determination of listed partnership capitalization and the impact of foreign exchange fluctuations on non-U.S. dollar commitments.
- **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.
- **Performance Fees** are paid to us when we exceed predetermined investment returns within BBU and on certain portfolios managed in our public securities activities. BBU performance fees are accrued quarterly, whereas performance fees within public security funds are typically determined on an annual basis. Performance fees are not subject to clawback.
- **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 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 performance fees equal a simple average of the last two years' revenues.
- **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.
- **Internal Rate of Return ("IRR")** is the annualized compounded rate of return of the fund, calculated since fund inception.
- **Multiple of Capital ("MoC")** represents the ratio of total distributions plus estimates of remaining values to the equity invested.

CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

Note: This Supplemental Information contains forward-looking information within the meaning of Canadian provincial securities laws and other "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 or the Securities Exchange Commission (SEC) or in other communications. These forward-looking statements include, among others, statements with respect to our financial and operating objectives and strategies to achieve those objectives, 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 there from, the prospects for increasing our cash flow from or continued achievement of targeted returns on our investments, as well as the outlook for the Company's businesses and other statements with respect to our beliefs, outlooks, plans, expectations, and intentions.

Although Brookfield Asset Management believes that the 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 which may cause the actual results, performance or achievements of the company to differ materially from anticipated future results, performance or achievement 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: economic and financial conditions in the countries in which we do business; the behavior of financial markets including fluctuations in interest and exchange rates; availability of equity and debt financing; strategic actions including dispositions; the ability to effectively integrate acquisitions into existing operations and the ability to attain expected benefits; adverse hydrology conditions; regulatory and political factors within the countries in which the company operates; acts of God, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts; and other risks and factors detailed from time to time in the company's form 40-F filed with the Securities and Exchange Commission as well as other documents filed by the company with the securities regulators in Canada and the United States including in the Annual Information Form under the heading "Business Environment and Risks."

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Brookfield Asset Management, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The company 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.