



BROOKFIELD ASSET MANAGEMENT

# Q3 2021 Supplemental Information

# 2021 Third Quarter Highlights

**\$650B**

TOTAL ASSETS  
UNDER MANAGEMENT

**\$341B**

FEE-BEARING CAPITAL

**\$80B**

DEPLOYABLE CAPITAL

## PERFORMANCE UPDATE

**We generated \$1.2 billion of distributable earnings (“DE”) during the quarter and \$6.6 billion in the last twelve months (“LTM”).**

- DE before realizations in the quarter increased by 24% compared to the prior year, driven by increased earnings across the business.
- Over the LTM, DE before realizations of \$3.3 billion is 31% higher than last year, with total DE nearly doubling over the prior year, benefiting from strong carried interest realizations and disposition gains from our principal investments.
- Fee-related earnings were \$451 million in the quarter, and \$1.8 billion over the LTM, representing increases of 21% and 25%, respectively over the prior year period, in line with the significant growth in fee-bearing capital over those periods.

**Inflows totaled \$34 billion since the end of the second quarter as a result of strong fundraising momentum.**

- Inflows were largely driven by the first close of our fourth flagship real estate fund, a founders’ close on our transition fund and capital raised within our real estate secondaries strategy.
- We launched fundraising for our sixth flagship private equity fund at the end of the quarter and expect this fund to be larger than its predecessor based on our strong track record from prior vintages. Our latest flagship infrastructure fund is approximately 70% committed and we expect to begin fundraising for the next vintage early next year.
- Fee-bearing capital has increased by \$52 billion or 18% over the LTM, to \$341 billion.
- Perpetual fee-bearing capital now totals \$113 billion, a 28% increase from last year, primarily driven by increases across our perpetual affiliates.
- We currently have \$35 billion of additional capital that is committed and will earn annual fees of approximately \$350 million once invested.

**We continued to generate significant cash flow from harvesting mature assets throughout our businesses, surfacing \$8 billion of gross monetizations this quarter and \$42 billion over the LTM.**

- Earnings from these monetizations were \$369 million for the quarter, comprised of disposition gains on principal investments of \$223 million and net realized carried interest of \$146 million.
- In the quarter, we generated \$1.0 billion of carried interest through strong investment performance, representing growth of 16% in our accumulated unrealized carried interest during the period, taking the total to \$6.9 billion (\$4.0 billion attributable to Brookfield, net of costs).

**We executed on a number of strategic initiatives that will support the growth of our business.**

- In the third quarter, Brookfield Reinsurance sourced and closed an agreement to reinsure approximately \$2 billion of long-dated annuities.
- In October, Brookfield Reinsurance closed the previously announced agreement with American Equity Life to reinsure up to \$10 billion of long-dated annuities, which includes \$4 billion of in-force policies and an additional \$6 billion of policies to be reinsured in the future as new business is written.
- Subsequent to quarter end, we launched our non-traded REIT (“Brookfield REIT”), following completion of the transition from Oaktree which will help us enhance our footprint across the private wealth channel and should attract new investors in the private wealth space. This product is an income-oriented investment strategy and will invest in high-quality, stabilized assets.

# 2021 Third Quarter Highlights cont'd

## OPERATING RESULTS

**FFO<sup>1</sup> was \$1.4 billion in the quarter and \$7.9 billion over the LTM, 36% and 85% higher than the comparative periods, respectively, driven by strong performance across the business and disposition gains.**

- Our operating FFO was \$934 million in the quarter, due to strong results in our asset management franchise, as well as a higher contribution from our real estate business due to the recent privatization of BPY.
- Operating FFO was \$3.6 billion over the LTM, a 17% increase over the prior period, as a result of growth in same-store results and contributions from a number of recently acquired investments.

**Net income in the quarter was \$2.7 billion, or \$797 million attributable to BAM shareholders.**

- We had meaningful uplifts in our asset valuations as well as solid gains from monetizations in the quarter, resulting in a 5 times increase in net income versus prior year.
- For the LTM, net income grew to \$10.7 billion, with \$3.5 billion or \$2.13 per share of net income attributable to BAM shareholders.

## LIQUIDITY

**Deployable capital at September 30, 2021 was approximately \$80 billion, benefiting from high levels of core liquidity and significant capital raised through our private funds.**

- At September 30, 2021, we had \$14 billion of core liquidity which includes \$5 billion at BAM. In addition, we have \$66 billion of uncalled private fund commitments.
- During the quarter, we strengthened our liquidity position by opportunistically issuing \$600 million of 10-year green bond financing at 2.34% and completed a \$250 million re-opening of our 2051 notes at 3.26%.

**Our balance sheet continues to be extremely conservatively capitalized, with a corporate debt to market capitalization ratio of 11% at quarter-end.**

- As of September 30, 2021, our corporate debt totaled \$10 billion, with a weighted-average interest rate of 4.2% and a weighted-average remaining term of 14 years.
- Our corporate debt is supplemented with \$4 billion of perpetual preferred shares, which carry an average cost of 4.0%.

1. Refer to the Glossary of Terms starting on page 37.

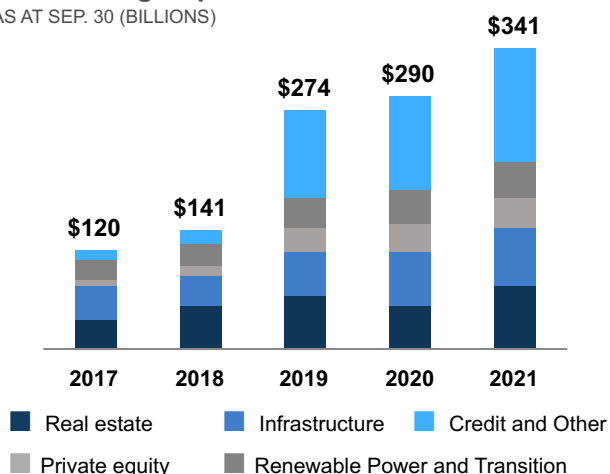
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# Performance Highlights

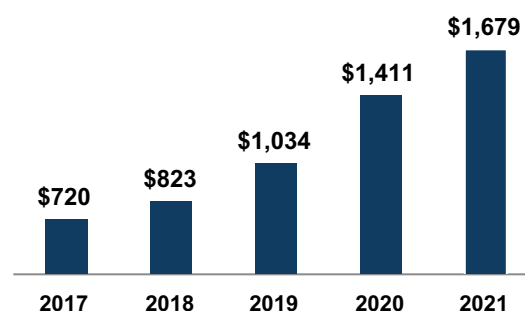
## Fee-Bearing Capital

AS AT SEP. 30 (BILLIONS)



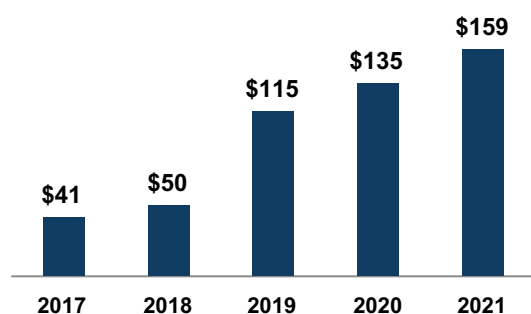
## Fee-Related Earnings<sup>1</sup>

FOR THE LTM ENDED SEP. 30 (MILLIONS)



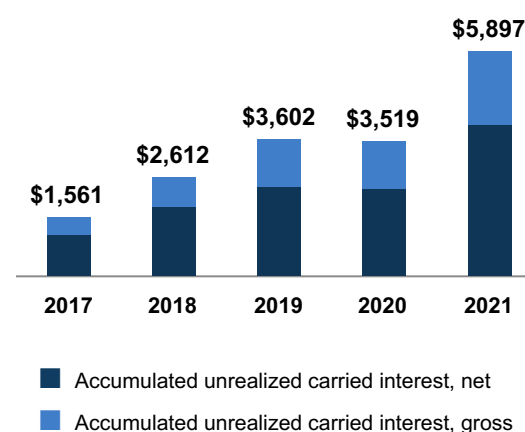
## Carry Eligible Capital

AS AT SEP. 30 (BILLIONS)



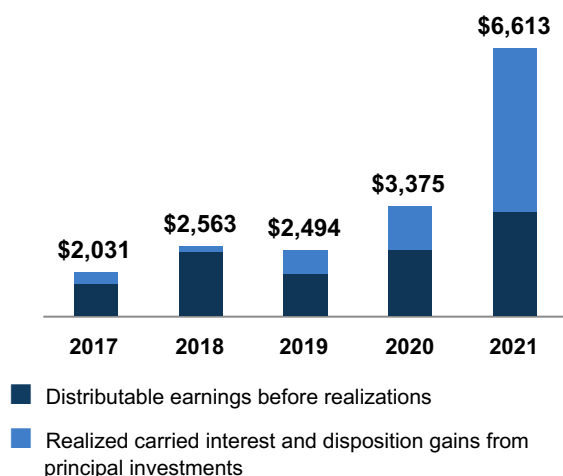
## Accumulated Unrealized Carried Interest

AS AT SEP. 30 (MILLIONS)



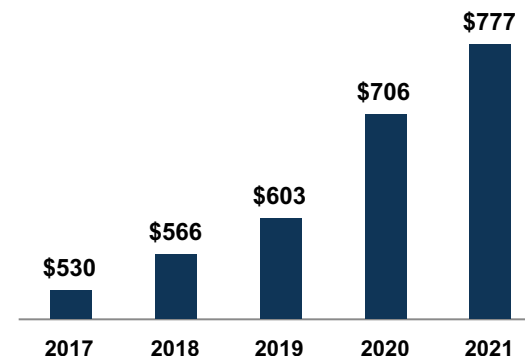
## Distributable Earnings

FOR THE LTM ENDED SEP. 30 (MILLIONS)



## Distributions to Common Shareholders<sup>2</sup>

FOR THE LTM ENDED SEP. 30 (MILLIONS)



See endnotes.

# Distributable Earnings (“DE”)

DE was \$6.6 billion over the LTM, an increase of 96% over the prior period

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months		LTM		Annualized <sup>1</sup>
	2021	2020	2021	2020	
Fee revenues	\$ 857	\$ 728	\$ 3,319	\$ 2,795	\$ 3,557
Direct costs	(365)	(325)	(1,413)	(1,282)	(1,747)
	492	403	1,906	1,513	1,810
Amounts not attributable to Brookfield shareholders	(41)	(31)	(148)	(102)	(127)
Fee-related earnings	451	372	1,758	1,411	1,683
Perpetual affiliates	509	360	1,678	1,467	2,040
Corporate cash and financial assets <sup>2</sup>	(29)	80	227	236	244
Other principal investments <sup>3</sup>	92	39	231	(40)	229
Distributions from investments	572	479	2,136	1,663	2,513
Corporate activities	(144)	(135)	(584)	(536)	(597)
Preferred share dividends <sup>4</sup>	(39)	(34)	(156)	(144)	(156)
	(183)	(169)	(740)	(680)	(753)
Add back: equity-based compensation costs	33	23	114	93	132
<b>Distributable earnings before realizations</b>	<b>873</b>	<b>705</b>	<b>3,268</b>	<b>2,487</b>	<b>\$ 3,575</b>
Realized carried interest, net	146	27	805	252	
Disposition gains from principal investments	223	158	2,540	636	
<b>Distributable earnings<sup>5</sup></b>	<b>\$ 1,242</b>	<b>\$ 890</b>	<b>\$ 6,613</b>	<b>\$ 3,375</b>	
<b>Distributable earnings per share</b>	<b>\$ 0.77</b>	<b>\$ 0.58</b>	<b>\$ 4.23</b>	<b>\$ 2.20</b>	

- DE represents the deconsolidated earnings of the corporation. It is predominantly made up of our asset manager earnings, as well as the cash flow we receive from our principal investments, including disposition gains from these investments.
- Cash flow from invested capital primarily relates to distributions from the perpetual affiliates that target annual distribution growth rates of 5% – 9% and payout ratios of approximately 70% (BPG, BIP, and BEP) of FFO.
- Unlike BPG, BIP and BEP, which pay out a meaningful portion of their FFO, BBU pays a modest distribution as the majority of its FFO is reinvested within the business. For comparability across these entities and industry metrics, below we have provided a proxy distribution for BBU as an indication of the cash flows attributable to BAM based on its ownership in BBU that, for simplicity, is calculated using an assumed payout ratio of 70% of BBU's FFO and disposition gains that is aligned to the payout ratios of the other perpetual affiliates.

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months		LTM	
	2021	2020	2021	2020
<b>Distributable earnings</b>	<b>\$ 1,242</b>	<b>\$ 890</b>	<b>\$ 6,613</b>	<b>\$ 3,375</b>
Add: proxy for BBU distribution payout, at our share	124	92	388	325
Add: proxy for payout of disposition gains at BBU, at our share	—	—	231	34
Less: distributions from BBU currently within DE	(6)	(6)	(24)	(24)
<b>Distributable earnings with proxy for BBU</b>	<b>\$ 1,360</b>	<b>\$ 976</b>	<b>\$ 7,208</b>	<b>\$ 3,710</b>
<b>Distributable earnings with proxy for BBU, per share</b>	<b>\$ 0.84</b>	<b>\$ 0.64</b>	<b>\$ 4.61</b>	<b>\$ 2.42</b>

See endnotes.

# Asset Management

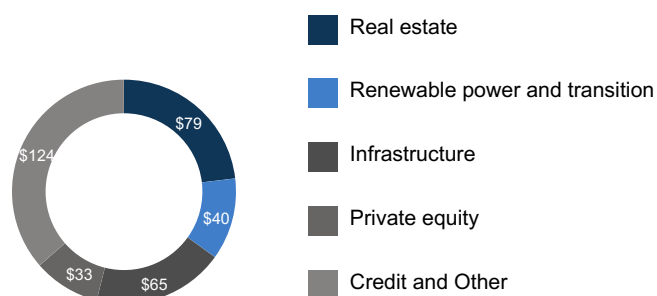
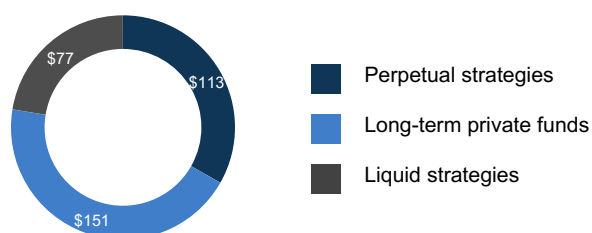
We create value for our shareholders through increasing the value of our asset management franchise by i) increasing fee-bearing capital, which increases our fee-related earnings and ii) achieving attractive investment returns, which enables us to earn performance income (carried interest).

Our asset management activities generated annualized fee-related earnings of \$1.7 billion and target carried interest of \$2.0 billion, representing growth of 19% and 18%, over the LTM, respectively. These increases were due to growth in fee-bearing capital and carry eligible capital, which both grew by 18% over the LTM.

AS AT AND FOR THE LTM ENDED SEP. 30 (MILLIONS)	Fee-Bearing Capital <sup>1</sup>		Actual		Annualized	
	2021	2020	2021	2020	2021	2020
Fee-related earnings <sup>2</sup>						
Real estate <sup>3</sup>	\$ 78,926	\$ 56,862	\$ 712	\$ 562	\$ 802	\$ 570
Renewable power and transition	40,321	37,101	504	378	480	415
Infrastructure	64,864	60,426	844	776	896	821
Private equity <sup>3</sup>	32,927	30,654	445	388	484	471
Credit and other <sup>3</sup>	124,364	104,570	814	691	895	718
	<u>\$ 341,402</u>	<u>\$ 289,613</u>	<u>3,319</u>	<u>2,795</u>	<u>3,557</u>	<u>2,995</u>
Direct costs <sup>4</sup>			(1,413)	(1,282)	(1,747)	(1,471)
			<u>1,906</u>	<u>1,513</u>	<u>1,810</u>	<u>1,524</u>
Earnings not attributable to BAM			(148)	(102)	(127)	(105)
			<u>1,758</u>	<u>1,411</u>	<u>1,683</u>	<u>1,419</u>
Carried interest						
Carried interest <sup>5,6,7</sup>			1,754	482	3,675	3,097
Direct costs <sup>4</sup>			(747)	(191)	(1,376)	(1,176)
			<u>1,007</u>	<u>291</u>	<u>2,299</u>	<u>1,921</u>
Carried interest not attributable to BAM			(202)	(39)	(305)	(237)
			<u>805</u>	<u>252</u>	<u>1,994</u>	<u>1,684</u>
<b>Total fee-related earnings and carried interest, net</b>			<u><b>\$ 2,563</b></u>	<u><b>\$ 1,663</b></u>	<u><b>\$ 3,677</b></u>	<u><b>\$ 3,103</b></u>

## Fee-Bearing Capital Diversification

AS AT SEP. 30 (BILLIONS)



**Perpetual strategies** include capital in our perpetual affiliates and perpetual private funds, which includes core and core plus strategies that can continually raise new capital.

**Long-term private funds** are long duration in nature and include closed-end value-add and opportunistic strategies. Capital is typically committed for 10 years from the inception of the fund with two one-year extension options.

**Liquid strategies** represent publicly listed funds and separately managed accounts, focused on fixed income and equity securities across a number of different sectors.

See endnotes.

# Invested Capital

We create value for our shareholders by increasing the cash income generated by our invested capital as well as capital appreciation over time as we execute on operational improvements and disciplined recycling of the underlying assets.

Our plan value from invested capital was \$65.2 billion on a blended basis as at September 30, 2021, in which we earn diversified, long-term, stable cash flows via dividends. Our invested capital generates \$2.5 billion of annualized distributions from our investments (September 30, 2020 – \$1.8 billion). The balance of the earnings is retained for reinvesting in our investments.

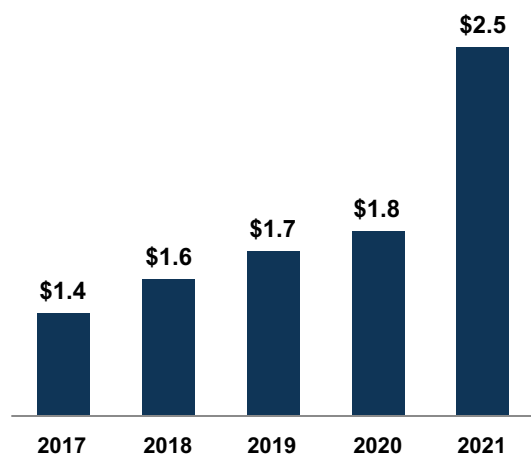
The following table provides a breakdown of our invested capital as at September 30, 2021 and December 31, 2020. We provide three methods for you to review: quoted prices, our IFRS values, and the blended values. We recommend you focus on the blended values as we have control over these assets and believe we could liquidate for these values. Nonetheless, we provide this information so you can choose how to assess the numbers.

AS AT SEP. 30, 2021 AND DEC. 31, 2020  
(MILLIONS)

	No. of Units	Quoted <sup>1</sup>		IFRS		Blended <sup>2</sup>		Cash Flow
		2021	2020	2021	2020	2021	2020	Annualized <sup>3</sup>
BEP <sup>4</sup>	312.0	\$ 11,602	\$ 15,015	\$ 3,619	\$ 4,573	\$ 11,602	\$ 15,015	\$ 381
BIP	132.5	7,466	6,743	1,915	1,920	7,466	6,743	270
BBU	94.5	4,336	3,546	2,706	2,175	4,336	3,546	24
Corporate cash and financial assets <sup>5</sup>	Various	3,042	4,456	3,042	4,456	3,042	4,456	244
		26,446	29,760	11,282	13,124	26,446	29,760	919
BPG	N/A	N/A	N/A	30,010	19,331	30,010	19,331	1,365
Other investments <sup>6,7</sup>	Various	N/A	N/A	6,526	7,001	7,917	8,445	229
Total investments				47,818	39,456	64,373	57,536	2,513
Working capital, net				787	742	787	742	N/A
<b>Invested capital</b>				48,605	40,198	65,160	58,278	<b>\$ 2,513</b>
Debt and preferred capital <sup>8</sup>				(14,684)	(13,452)	(14,684)	(13,452)	
<b>Invested capital, net</b>				<b>\$ 33,921</b>	<b>\$ 26,746</b>	<b>\$ 50,476</b>	<b>\$ 44,826</b>	

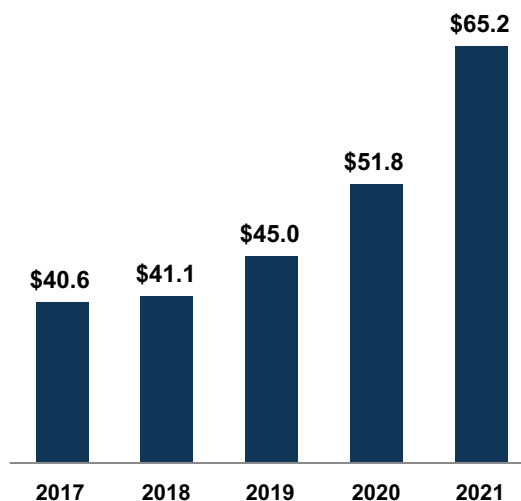
## Annualized Cash Flow

AS AT SEP. 30 (BILLIONS)



## Invested Capital

AS AT SEP. 30 (BILLIONS)



See endnotes.

# 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<sup>1</sup>;
2. Our perpetual affiliates (BEP, BIP, BBU and BPG); and
3. Managed funds or investments, either held directly or within perpetual affiliates.

## LIQUIDITY

The Corporation has very few non-discretionary capital requirements. We maintain significant liquidity (\$5 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 very low leveraged corporate balance sheet.

On a group basis, as at September 30, we had approximately \$80 billion of group liquidity, which included corporate liquidity, perpetual affiliate liquidity, and uncalled private fund commitments. Uncalled fund commitments include third-party commitments available for drawdown in our private funds.

AS AT SEP. 30, 2021 AND DEC. 31, 2020  
(MILLIONS)

	Corporate Liquidity		Group Liquidity	
	2021	2020	2021	2020
Cash and financial assets, net	\$ 3,042	\$ 4,456	\$ 5,520	\$ 6,823
Undrawn committed credit facilities	2,177	2,526	8,931	9,194
<b>Core liquidity</b>	<b>5,219</b>	<b>6,982</b>	<b>14,451</b>	<b>16,017</b>
Third-party uncalled private fund commitments	—	—	65,859	60,594
<b>Total liquidity</b>	<b>\$ 5,219</b>	<b>\$ 6,982</b>	<b>\$ 80,310</b>	<b>\$ 76,611</b>

## CAPITAL STRUCTURE

Virtually all of the debt within our business is issued by entities or assets within the funds, or other investing entities, that we manage and generally has no recourse to the Corporation. Only 6% of our consolidated debt is issued by, or has recourse to, the Corporation.

Our Corporate capitalization was \$60 billion as at September 30, 2021, with a debt to capitalization level of approximately 17% at the corporate level based on book values, which excludes virtually all of the value of our asset management operations (see page 23 for details). Based on our market capitalization the corporate debt to capitalization level was 11%.

- Corporate borrowings totaled \$10 billion, with a weighted-average term of 14 years, and a weighted-average interest rate of 4.2%.
- Our corporate borrowings are supplemented by \$4 billion of perpetual preferred shares with a weighted-average cost of 4.0%.

	Average Term (Years)	Total	Maturity					
			2021	2022	2023	2024	2025	2026+
Corporate borrowings								
Term debt	14	\$ 9,959	\$ —	\$ —	\$ —	\$ 1,153	\$ 500	\$ 8,306
Revolving facilities <sup>2</sup>	5	350	—	—	—	—	—	350
		10,309	—	—	—	1,153	500	8,656
Perpetual preferred shares <sup>3</sup>	perp.	4,375	—	—	—	—	—	n/a
		<u>\$ 14,684</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,153</u>	<u>\$ 500</u>	<u>\$ 8,656</u>

See endnotes.



# Liquidity Profile

## CORE AND TOTAL LIQUIDITY

AS AT SEP. 30, 2021 AND DEC. 31, 2020 (MILLIONS)	Corporate	Real Estate	Renewable Power and Transition	Infrastructure	Private Equity	Credit and Other	Total 2021	Dec. 2020
Cash and financial assets, net	\$ 3,042	\$ 128	\$ 510	\$ 732	\$ 464	\$ 644	\$ 5,520	\$ 6,823
Undrawn committed credit facilities	2,177	1,055	1,955	1,770	1,324	650	8,931	9,194
<b>Core liquidity</b>	<b>5,219</b>	<b>1,183</b>	<b>2,465</b>	<b>2,502</b>	<b>1,788</b>	<b>1,294</b>	<b>14,451</b>	<b>16,017</b>
Uncalled private fund commitments <sup>1</sup>	—	24,303	3,117	11,046	9,450	17,943	65,859	60,594
<b>Total liquidity</b>	<b>\$ 5,219</b>	<b>\$ 25,486</b>	<b>\$ 5,582</b>	<b>\$ 13,548</b>	<b>\$ 11,238</b>	<b>\$ 19,237</b>	<b>\$ 80,310</b>	<b>\$ 76,611</b>

- We have total liquidity of \$80.3 billion at the end of the quarter, comprised of \$14.5 billion of core liquidity and \$65.9 billion of uncalled private fund commitments.
  - Core liquidity represents our principal sources of short-term liquidity, which consists of our cash and financial assets, net of deposits and other associated liabilities, and undrawn committed credit facilities.
- At the corporate level, we have \$5.2 billion of liquidity, consisting of \$3.0 billion of cash and financial assets and \$2.2 billion of undrawn credit facilities.

## UNCALLED FUND COMMITMENTS – EXPIRY PROFILE

AS AT SEP. 30, 2021 AND DEC. 31, 2020 (MILLIONS)	2021	2022	2023	2024	2025+	Total 2021 <sup>2</sup>	Dec. 2020
Real estate	\$ —	\$ 597	\$ 454	\$ 696	\$ 22,556	\$ 24,303	\$ 16,501
Renewable power and transition	—	58	—	—	3,059	3,117	4,748
Infrastructure	6	104	—	150	10,786	11,046	12,236
Private equity	37	—	92	—	9,321	9,450	9,144
Credit and other	—	—	26	1,216	16,701	17,943	17,965
	<b>\$ 43</b>	<b>\$ 759</b>	<b>\$ 572</b>	<b>\$ 2,062</b>	<b>\$ 62,423</b>	<b>\$ 65,859</b>	<b>\$ 60,594</b>

- Approximately \$23.9 billion of the uncalled fund commitments are currently earning fees. The remainder will become fee bearing once the capital is invested.
- We invested approximately \$8.7 billion of third-party fund capital (including private funds and co-investments) during the quarter and \$22.9 billion during the last nine months.
- \$7.4 billion of third-party capital is committed to investments not yet funded as at September 30, 2021 (real estate – \$3.5 billion; renewable power and transition – \$0.1 billion; infrastructure – \$1.1 billion; private equity – \$1.6 billion; and credit and other – \$1.1 billion).

See endnotes.

# Summary of Results – Funds from Operations

**We generated \$7.9 billion in FFO over the last twelve months, including \$1.4 billion in the current quarter**

FOR THE PERIODS ENDED SEP. 30  
(MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Three Months		LTM		Page Ref.
	2021	2020	2021	2020	
<b>Operating FFO</b>					
<b>Fee-related earnings</b>					
Base management fees	\$ 783	\$ 634	\$ 2,918	\$ 2,451	pages 14-16
Incentive distributions ("IDRs")	72	77	317	296	
Transaction and advisory fees	2	17	5	48	
<b>Total fee revenues</b>	<b>857</b>	<b>728</b>	<b>3,240</b>	<b>2,795</b>	
Direct costs	(365)	(325)	(1,413)	(1,282)	
<b>Fee-related earnings</b>	<b>492</b>	<b>403</b>	<b>1,827</b>	<b>1,513</b>	
Performance fees	—	—	79	—	
Fee-related earnings not attributable to BAM	(41)	(31)	(148)	(102)	
	<b>451</b>	<b>372</b>	<b>1,758</b>	<b>1,411</b>	page 14
<b>Invested capital</b>					
Perpetual affiliates	560	391	1,872	1,836	page 28
Corporate cash and financial assets	(29)	80	227	236	page 29
	<b>531</b>	<b>471</b>	<b>2,099</b>	<b>2,072</b>	
BBU performance fee, net to BAM	—	—	(51)	—	page 28
	<b>531</b>	<b>471</b>	<b>2,048</b>	<b>2,072</b>	
Other investments	96	142	357	116	page 29
Corporate activities					
Corporate interest expense	(111)	(98)	(431)	(370)	
Corporate costs and taxes	(33)	(37)	(153)	(166)	
	<b>(144)</b>	<b>(135)</b>	<b>(584)</b>	<b>(536)</b>	page 26
<b>Total operating FFO</b>	<b>934</b>	<b>850</b>	<b>3,579</b>	<b>3,063</b>	
<b>Realized carried interest, net</b>					
Realized carried interest	304	42	1,754	482	
Direct costs	(123)	(13)	(747)	(191)	
	<b>181</b>	<b>29</b>	<b>1,007</b>	<b>291</b>	page 17
Realized carried interest, net, not attributable to BAM	(35)	(2)	(202)	(39)	
	<b>146</b>	<b>27</b>	<b>805</b>	<b>252</b>	
<b>Disposition gains</b>	<b>328</b>	<b>162</b>	<b>3,541</b>	<b>973</b>	page 27
<b>Total funds from operations<sup>1,2</sup></b>	<b>\$ 1,408</b>	<b>\$ 1,039</b>	<b>\$ 7,925</b>	<b>\$ 4,288</b>	
<b>Per share</b>					
Total operating FFO	\$ 0.56	\$ 0.53	\$ 2.19	\$ 1.90	
Total FFO	<b>0.85</b>	<b>0.65</b>	<b>4.97</b>	<b>2.70</b>	

See endnotes.

# Funds from Operations and Net Income

FOR THE PERIODS ENDED SEP. 30  
(MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Three Months				LTM			
	FFO <sup>1</sup>		Net Income <sup>1</sup>		FFO <sup>1</sup>		Net Income <sup>1</sup>	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating activities								
Fee-related earnings	\$ 451	\$ 372	\$ 451	\$ 372	\$ 1,758	\$ 1,411	\$ 1,758	\$ 1,411
Invested capital	483	478	483	478	1,821	1,652	1,821	1,652
	934	850	934	850	3,579	3,063	3,579	3,063
Realized carried interest, net	146	27	146	27	805	252	805	252
Realized disposition gains <sup>2,3</sup>	328	162	89	13	3,541	973	248	102
Fair value changes <sup>3</sup>	—	—	255	(340)	—	—	999	(1,693)
Depreciation and amortization <sup>3</sup>	—	—	(449)	(446)	—	—	(1,797)	(1,694)
Deferred income taxes <sup>3</sup>	—	—	(178)	68	—	—	(343)	39
	<u>\$ 1,408</u>	<u>\$ 1,039</u>	<u>\$ 797</u>	<u>\$ 172</u>	<u>\$ 7,925</u>	<u>\$ 4,288</u>	<u>\$ 3,491</u>	<u>\$ 69</u>
Per share	<u>\$ 0.85</u>	<u>\$ 0.65</u>	<u>\$ 0.47</u>	<u>\$ 0.10</u>	<u>\$ 4.97</u>	<u>\$ 2.70</u>	<u>\$ 2.13</u>	<u>\$ (0.02)</u>

See endnotes.

# Detailed — Analysis

# Asset Management Operating Results

## FEE-BEARING CAPITAL

AS AT AND FOR THE PERIODS ENDED SEP. 30, 2021 (MILLIONS)	Three Months						LTM					
	Real Estate	Renewable Power & Transition	Infrastructure	Private Equity	Credit and Other	Total <sup>1</sup>	Real Estate	Renewable Power & Transition	Infrastructure	Private Equity	Credit and Other	Total <sup>1</sup>
<b>Opening</b>	\$70,891	\$ 40,530	\$ 63,881	\$31,514	\$118,250	<b>\$325,066</b>	\$56,862	\$ 37,101	\$ 60,426	\$30,654	\$104,570	<b>\$289,613</b>
Inflows	8,306	171	1,709	1,072	9,318	<b>20,576</b>	15,702	1,036	2,865	1,738	24,413	<b>45,754</b>
Outflows	(52)	—	—	—	(2,480)	<b>(2,532)</b>	(381)	—	—	—	(9,399)	<b>(9,780)</b>
Distributions	(856)	(574)	(957)	(239)	(487)	<b>(3,113)</b>	(2,535)	(1,389)	(2,516)	(1,166)	(1,580)	<b>(9,186)</b>
Market valuation	262	(261)	147	(96)	445	<b>497</b>	8,625	3,575	4,973	2,051	8,463	<b>27,687</b>
Other	375	455	84	676	(682)	<b>908</b>	653	(2)	(884)	(350)	(2,103)	<b>(2,686)</b>
Change	8,035	(209)	983	1,413	6,114	<b>16,336</b>	22,064	3,220	4,438	2,273	19,794	<b>51,789</b>
<b>End of period<sup>2</sup></b>	<b>\$78,926</b>	<b>\$ 40,321</b>	<b>\$ 64,864</b>	<b>\$32,927</b>	<b>\$124,364</b>	<b>\$341,402</b>	<b>\$78,926</b>	<b>\$ 40,321</b>	<b>\$ 64,864</b>	<b>\$32,927</b>	<b>\$124,364</b>	<b>\$341,402</b>

1. Long-term private funds and perpetual strategies include \$22.4 billion of co-investment capital (Jun. 30, 2021 – \$22.4 billion, Sep. 30, 2020 – \$22.3 billion), which earn minimal or no base fees.
2. Fee-bearing capital includes Brookfield capital of \$52.3 billion (Jun. 30, 2021 – \$42.6 billion, Sep. 30, 2020 – \$34.3 billion) in perpetual strategies and \$0.2 billion (Jun. 30, 2021 – \$0.2 billion, Sep. 30, 2020 – \$0.2 billion) in long-term private funds.

Inflows to fee-bearing capital represent additional capital which began earning fees in the period. Today, we have an additional \$35 billion of committed capital not currently within fee-bearing capital, that will earn approximately \$350 million of fees once invested.

**Real estate:** Fee-bearing capital increased by \$8.0 billion in the current quarter due to our fourth flagship fund completing its first close in the quarter. This was partially offset by distributions within the normal course of business and asset sales.

**Renewable power and transition:** Fee-bearing capital from our renewable power and transition business decreased by \$0.2 billion in the third quarter primarily due to a lower market capitalization of BEP as well as distributions to unitholders.

**Infrastructure:** Fee-bearing capital increased by \$1.0 billion due to a capital market issuance for BIPC and higher market valuations within our funds, partially offset by distributions to unitholders.

**Private equity:** Fee-bearing capital increased by \$1.4 billion during the quarter primarily due to movement in working capital and higher market capitalization of BBU.

**Credit and other:** Fee-bearing capital increased by \$6.1 billion due to \$2 billion of capital inflows from our reinsurance business segment, capital raised and deployed across various credit strategies and higher market valuations compared to the prior quarter. These items were partially offset by redemptions from public strategies and distributions.

# Asset Management Operating Results cont'd

## FEE-RELATED EARNINGS

FOR THE PERIODS ENDED SEP. 30  
(MILLIONS)

	Three Months			LTM		
	2021	2020	Variance	2021	2020	Variance
Base management fees						
Real estate	\$ 201	\$ 126	\$ 75	\$ 670	\$ 506	\$ 164
Renewable power and transition	99	90	9	425	314	111
Infrastructure	166	147	19	646	575	71
Private equity	96	87	9	363	365	(2)
Credit and other	221	184	37	814	691	123
Incentive distributions	72	77	(5)	317	296	21
Transaction and advisory fees	2	17	(15)	5	48	(43)
	<b>857</b>	<b>728</b>	<b>129</b>	<b>3,240</b>	<b>2,795</b>	<b>445</b>
Direct costs						
Compensation and benefits	(281)	(251)	(30)	(1,086)	(980)	(106)
Other expenses	(84)	(74)	(10)	(327)	(302)	(25)
	<b>(365)</b>	<b>(325)</b>	<b>(40)</b>	<b>(1,413)</b>	<b>(1,282)</b>	<b>(131)</b>
<b>Fee-related earnings before performance fees<sup>1</sup></b>	<b>492</b>	<b>403</b>	<b>89</b>	<b>1,827</b>	<b>1,513</b>	<b>314</b>
Performance fees	—	—	—	79	—	79
<b>Total fee-related earnings</b>	<b>\$ 492</b>	<b>\$ 403</b>	<b>\$ 89</b>	<b>\$ 1,906</b>	<b>\$ 1,513</b>	<b>\$ 393</b>
<i>Margin before performance fees</i>	<b>57%</b>	<b>55%</b>		<b>56%</b>	<b>54%</b>	
<b>Fee-related earnings attributable to:</b>						
Brookfield	\$ 451	\$ 372	\$ 79	\$ 1,758	\$ 1,411	\$ 347
Non-Brookfield shareholders <sup>2</sup>	41	31	10	148	102	46
<b>Total fee-related earnings</b>	<b>\$ 492</b>	<b>\$ 403</b>	<b>\$ 89</b>	<b>\$ 1,906</b>	<b>\$ 1,513</b>	<b>\$ 393</b>
<i>Margin before performance fees – at our share<sup>3</sup></i>	<b>60%</b>	<b>58%</b>		<b>59%</b>	<b>57%</b>	

1. Oaktree contributed fee revenues of \$269 million (2020 – \$232 million) for the three months ended September 30, 2021 and \$1.0 billion (2020 – \$860 million) over the LTM. Included in the fee-related earnings are Oaktree's compensation and benefits of \$124 million (2020 – \$119 million) and \$480 million (2020 – \$452 million) for the three months and LTM period, respectively, and other direct costs of \$39 million (2020 – \$33 million) and \$152 million (2020 – \$145 million) for the three months and LTM period, respectively.

2. Represents Oaktree fee-related earnings attributable to the 38% of Oaktree not held by Brookfield.

3. Margin at our share is calculated using our 62% share of Oaktree's fee revenues and costs. Brookfield margin on a standalone basis was 66% for the three months ended September 30, 2021 (2020 – 65%) and 65% for the LTM ended September 30, 2021 (2020 – 65%).

**Real estate:** Fee revenues increased due to the first close of the fourth flagship fund and higher valuations. See page 15 for further breakdown.

**Renewable power and transition:** Fee revenues were higher as a result of the increased market capitalization of BEP over the LTM period, partially offset by the end of an earlier vintage fund's investment period in the prior year. See page 15 for further breakdown.

**Infrastructure:** Fee revenues were higher as a result of the increased market capitalization and capital issuances of BIP and BIPC, partially offset by the end of an earlier vintage fund's investment period in the prior year. See page 15 for further breakdown.

**Private equity:** Fee revenues were higher due to the increased market capitalization of BBU compared to the prior year, partially offset by the end of the fourth flagship fund's investment period in the prior year. See page 16 for further breakdown.

**Credit and other:** Fee revenues increased due to capital deployed within our close-end funds and market valuation increases in our open-end and evergreen strategies. See page 16 for further breakdown.

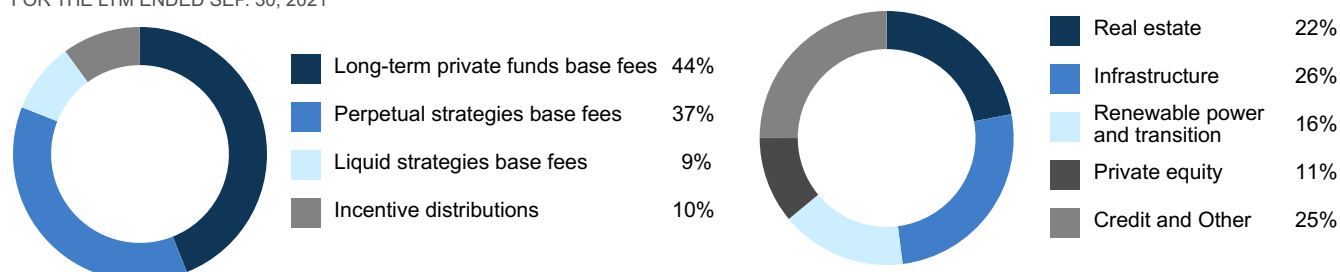
**Incentive distributions:** Reflects increased distribution levels at BIP and BEP, partially offset by the absence of BPY's IDR following the privatization.

**Performance fees:** Fees relate to BBU and represent 20% of the unit price increase over the previous threshold.

**Direct costs:** Direct costs increased to support the continued growth of the franchise including new product development and the broadening of our distribution capabilities.

## Fee Revenue Diversification

FOR THE LTM ENDED SEP. 30, 2021



# Fee Revenues

## REAL ESTATE

AS AT AND FOR THE PERIODS ENDED SEP. 30  
(MILLIONS)

### Fee revenues

Long-term private funds  
Perpetual strategies

Co-investments and other funds

Total base management fees

Incentive distributions

Three Months		LTM		Annualized <sup>1</sup>	
2021	2020	2021	2020	2021	2020
\$ 102	\$ 69	\$ 329	\$ 287	\$ 426	\$ 275
78	40	268	157	293	170
180	109	597	444	719	445
21	17	73	62	83	68
201	126	670	506	802	513
—	14	42	56	—	57
\$ 201	\$ 140	\$ 712	\$ 562	\$ 802	\$ 570

1. Refer to details on annualized fees on page 20.

## RENEWABLE POWER AND TRANSITION

AS AT AND FOR THE PERIODS ENDED SEP. 30  
(MILLIONS)

### Base management fees

Long-term private funds  
Perpetual strategies

Co-investments and other funds

Total base management fees

Catch-up fees

Incentive distributions

Transaction and advisory fees

Three Months		LTM		Annualized <sup>1</sup>	
2021	2020	2021	2020	2021	2020
\$ 24	\$ 23	\$ 94	\$ 97	\$ 98	\$ 93
71	64	313	195	284	243
95	87	407	292	382	336
4	3	17	16	16	11
99	90	424	308	398	347
—	—	1	6	—	—
20	17	77	61	80	67
1	1	2	3	2	1
\$ 120	\$ 108	\$ 504	\$ 378	\$ 480	\$ 415

1. Refer to details on annualized fees on page 20. Renewable power and transition fees include fees allocated to renewable power investments in infrastructure funds.

## INFRASTRUCTURE

AS AT AND FOR THE PERIODS ENDED SEP. 30  
(MILLIONS)

### Base management fees

Long-term private funds  
Perpetual strategies

Co-investments and other funds

Total base management fees

Catch-up fees

Incentive distributions

Transaction and advisory fees

Three Months		LTM		Annualized <sup>1</sup>	
2021	2020	2021	2020	2021	2020
\$ 61	\$ 60	\$ 247	\$ 256	\$ 255	\$ 256
105	86	391	293	418	342
166	146	638	549	673	598
—	1	3	9	15	20
166	147	641	558	688	618
—	—	5	17	—	—
52	46	198	179	197	181
—	14	—	22	11	22
\$ 218	\$ 207	\$ 844	\$ 776	\$ 896	\$ 821

1. Refer to details on annualized fees on page 20. Renewable power and transition fees include fees allocated to renewable power investments in infrastructure funds.

# Fee Revenues

## PRIVATE EQUITY

AS AT AND FOR THE PERIODS ENDED SEP. 30  
(MILLIONS)

	Three Months		LTM		Annualized <sup>1</sup>	
	2021	2020	2021	2020	2021	2020
Base management fees						
Long-term private funds	\$ 67	\$ 71	\$ 269	\$ 277	\$ 268	\$ 295
Perpetual strategies	25	15	82	73	101	61
	92	86	351	350	369	356
Co-investments and other funds	3	1	11	4	12	11
Total base management fees	95	87	362	354	381	367
Catch-up fees	1	—	1	11	—	—
Performance fees	—	—	79	—	90	90
Transaction and advisory fees	1	2	3	23	13	14
	<u>\$ 97</u>	<u>\$ 89</u>	<u>\$ 445</u>	<u>\$ 388</u>	<u>\$ 484</u>	<u>\$ 471</u>

1. Refer to details on annualized fees on page 20.

## CREDIT AND OTHER

AS AT AND FOR THE PERIODS ENDED SEP. 30  
(MILLIONS)

	Three Months		LTM		Annualized <sup>1</sup>	
	2021	2020	2021	2020	2021	2020
Base management fees						
Long-term private funds	\$ 108	\$ 80	\$ 384	\$ 294	\$ 439	\$ 321
Perpetual strategies	36	34	134	117	148	120
Liquid strategies <sup>2</sup>	77	70	296	280	308	277
Total base management fees	221	184	814	691	895	718
Total fee revenues	<u>\$ 221</u>	<u>\$ 184</u>	<u>\$ 814</u>	<u>\$ 691</u>	<u>\$ 895</u>	<u>\$ 718</u>

1. Refer to details on annualized fees on page 20.

2. Represents open-end funds within our credit strategy, the net share of DoubleLine's fee revenues, and our public securities group.

## INCENTIVE DISTRIBUTIONS

We receive a portion of increases in the distributions by BIP and BEP as an incentive to increase FFO per unit, which should lead to increased unitholder distributions over time.

### Annualized Incentive Distributions

	Per Unit			Units Outstanding	Annualized Incentive Distributions
	Annualized Distributions	Distribution Hurdles	Incentive Distributions <sup>1</sup>		
Brookfield Infrastructure (BIP) <sup>2</sup>	\$ 2.04	\$ 0.73 / \$0.79	15% / 25%	487.2	\$ 197
Brookfield Renewable (BEP) <sup>3</sup>	1.22	0.80 / 0.90	15% / 25%	645.7	80
					<u>\$ 277</u>

1. Incentive distributions equate to 18% and 33% of limited partner distribution increases over the first and second hurdles, respectively.

2. Incentive distributions from Brookfield Infrastructure are earned on distributions made by BIP and BIPC.

3. Incentive distributions from Brookfield Renewable are earned on distributions made by BEP and BEPC.



# Carried Interest

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

We generated carried interest of \$4.7 billion during the LTM taking our total gross unrealized carried interest balance to \$6.9 billion

## UNREALIZED CARRIED INTEREST CONTINUITY<sup>1,2</sup>

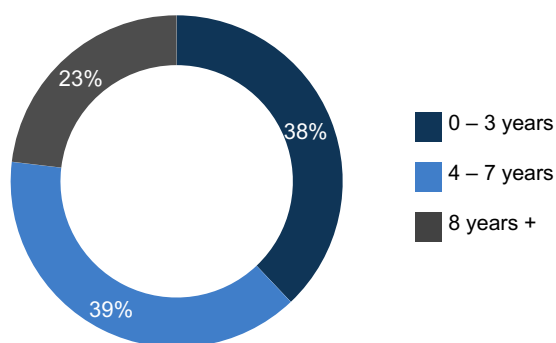
	Three Months			LTM		
	Unrealized Carried Interest	Direct Costs	Net	Unrealized Carried Interest	Direct Costs	Net
AS AT AND FOR THE PERIODS ENDED SEP. 30, 2021 (MILLIONS)						
Accumulated unrealized, beginning of period	\$ 6,208	\$ (2,292)	\$ 3,916	\$ 3,995	\$ (1,489)	\$ 2,506
In period change						
Generated in period	1,011	(276)	735	4,660	(1,696)	2,964
Foreign currency revaluation	(65)	16	(49)	(51)	9	(42)
	946	(260)	686	4,609	(1,687)	2,922
Less: realized	(304)	123	(181)	(1,754)	747	(1,007)
	642	(137)	505	2,855	(940)	1,915
<b>Accumulated unrealized, end of period</b>	<b>6,850</b>	<b>(2,429)</b>	<b>4,421</b>	<b>6,850</b>	<b>(2,429)</b>	<b>4,421</b>
Carried interest not attributable to BAM shareholders	(953)	499	(454)	(953)	499	(454)
<b>Accumulated unrealized, end of period, net</b>	<b>\$ 5,897</b>	<b>\$ (1,930)</b>	<b>\$ 3,967</b>	<b>\$ 5,897</b>	<b>\$ (1,930)</b>	<b>\$ 3,967</b>

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 SEP. 30, 2021 (MILLIONS)



- \$2.2 billion of carried interest are expected to be recognized across our funds and product lines within the next three years

## THREE MONTHS

- Unrealized carried interest before foreign exchange and associated costs increased \$1.0 billion during the current quarter, primarily related to higher valuations in our credit funds, as well as our flagship infrastructure, real estate and private equity funds during the quarter.
- We realized \$304 million of carried interest in the quarter, primarily from realizations in our real estate, infrastructure and credit strategies.

## LTM

- In addition to the realized carried interest noted above, over the LTM we generated carried interest income from valuation increases in our fifth flagship private equity fund and real estate funds, as well as realizations within our credit platform.

# 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 SEP. 30, 2021 (MILLIONS)	Carry Eligible Capital <sup>1</sup>	Gross Target Return <sup>2,3</sup>	Average Carried Interest	Annualized Target Carried Interest <sup>4</sup>
Opportunistic	\$ 24,385	18% – 23%	~20%	\$ 836
Value add	829	10% – 15%	~20%	22
Credit, core plus and other	42,270	10% – 15%	~15%	707
Oaktree	38,749	10% – 20%	~20%	986
	106,233			2,551
Uncalled fund commitments <sup>5,6</sup>				
Brookfield	35,476			745
Oaktree	17,225			379
<b>Total carry eligible capital/target carried interest</b>	<b>\$ 158,934</b>			<b>3,675</b>
Target carried interest not attributable to BAM shareholders <sup>7</sup>				(584)
				<b>\$ 3,091</b>

1. As at September 30, 2021, \$106.2 billion of carry eligible capital has been invested and an additional \$52.7 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. Represents Oaktree target carried interest attributable to the 38% of Oaktree not held by Brookfield.

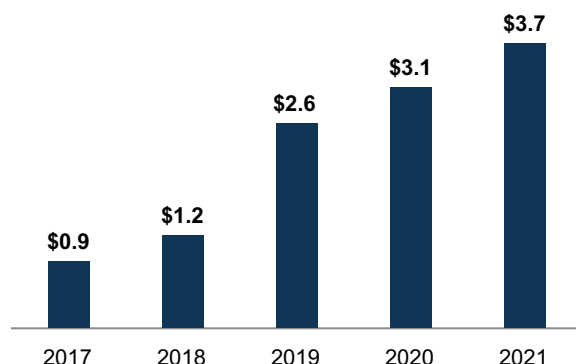
## ANNUALIZED TARGET CARRIED INTEREST

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 for Brookfield, and 50% margin for Oaktree, which is “net target carried interest.”

Target carried interest on capital currently invested is \$2.6 billion per annum, and \$1.1 billion on capital not yet invested. Total target carried interest is \$3.1 billion at our share, or \$2.0 billion net of costs.

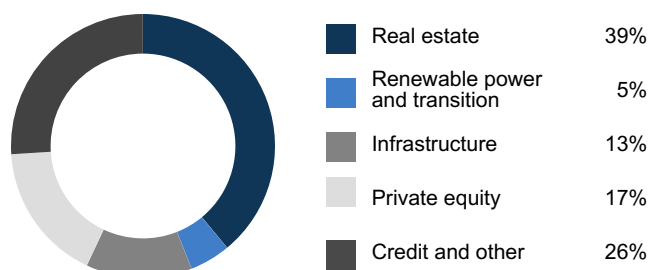
### Target Carried Interest

AS AT SEP. 30 (BILLIONS)



### Target Carry Diversification

AS AT SEP. 30, 2021



# Private Funds Carried Interest

## Virtually all of our funds are tracking to meet or exceed their preferred return hurdle

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

AS AT SEP. 30, 2021 (MILLIONS)	Strategy	Vintage <sup>1</sup>	Target Gross IRR <sup>2,3</sup>	Gross Actual IRR <sup>4</sup>	Uncalled Fund Commitments <sup>5</sup>	Invested < 3 years	Invested > 3 years	Total	Accumulated Unrealized Carried Interest
<b>Real estate</b>	Opportunistic – BSREP	2013 – 2019	20%	19%	\$ 10,417	\$ 1,814	\$ 13,059	\$ 25,290	\$ 1,321
	Credit – BREF	2005 – 2017	12% – 15%	10%	1,461	949	1,039	3,449	68
	Other <sup>6</sup>	2008 – 2018			3,091	9,460	3,808	16,359	202
<b>Infrastructure</b>	Core Plus – BIF	2010 – 2020	13% – 15%	15%	6,212	15,876	5,802	27,890	1,824
	Other <sup>6</sup>	2008 – 2018			5,279	3,965	797	10,041	27
<b>Private equity</b>	Opportunistic – BCP	2007 – 2019	20%	28%	2,931	3,096	1,996	8,023	782
	Other <sup>6</sup>	2015 – 2018			6,085	3,856	1,967	11,908	141
<b>Oaktree</b>					17,225	25,680	13,069	55,974	1,532
<b>Total private fund carry eligible capital</b>					52,701	\$ 64,696	\$ 41,537	158,934	\$ 5,897
<b>Non-carry eligible capital<sup>7</sup></b>					13,158			77,135	
					\$ 65,859			\$ 236,069	

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 perpetual funds.

5. Uncalled fund commitments from carry eligible funds. Additional \$13.2 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)	Sep. 30, 2021	Dec. 31, 2020	Sep 30, 2020
Base management fees			
Real estate	\$ 802	\$ 634	\$ 513
Renewable power and transition	398	450	347
Infrastructure	688	609	618
Private equity	381	371	367
Credit and other	895	760	718
Incentive distributions <sup>1</sup>	277	334	305
	<b>3,441</b>	<b>3,158</b>	<b>2,868</b>
Performance fee <sup>2</sup>	90	90	90
Transaction and advisory <sup>3</sup>	26	35	37
Fee revenues	<b>3,557</b>	<b>3,283</b>	<b>2,995</b>
Target carried interest <sup>4</sup>			
Brookfield funds	2,310	1,881	1,863
Oaktree funds	1,365	1,308	1,234
	<b>3,675</b>	<b>3,189</b>	<b>3,097</b>
	<b>7,232</b>	<b>6,472</b>	<b>6,092</b>
Revenues not attributable to BAM shareholders			
Management fees	(423)	(374)	(350)
Target carried interest	(584)	(502)	(474)
	<b>\$ 6,225</b>	<b>\$ 5,596</b>	<b>\$ 5,268</b>

1. Based on most recent quarterly distributions declared.

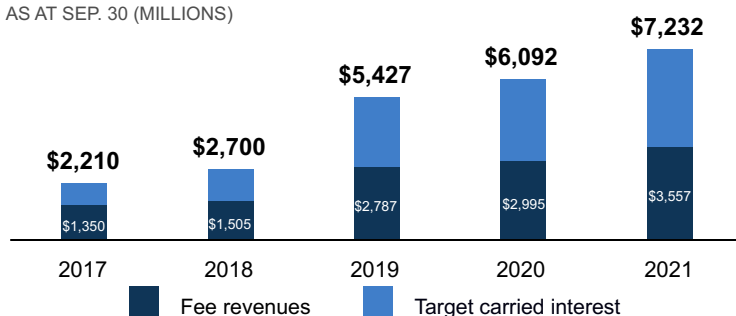
2. Annualized BBU performance fees assume 10% annualized unit price appreciation from the \$25.00 initial spin-out value in 2016, adjusted for current BBU units outstanding.

3. Annualized transaction and advisory fees based on simple average of the last two years' results.

4. Based on prescribed carried interest for private funds and target gross return. Includes only third-party capital.

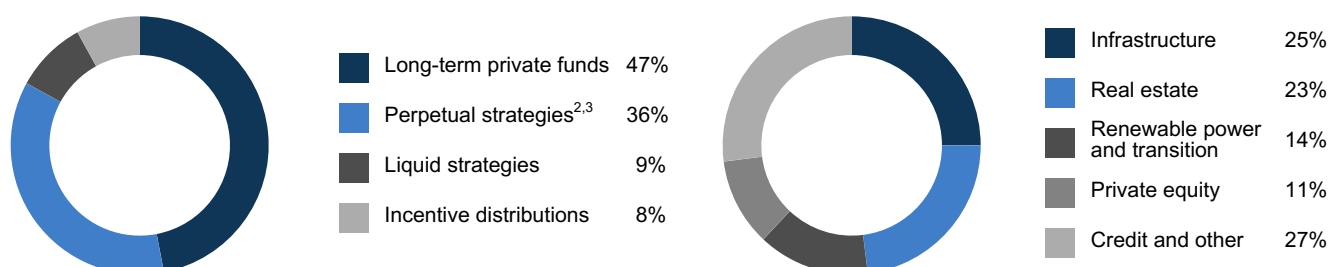
## Annualized Fees and Target Carry

AS AT SEP. 30 (MILLIONS)



## Fee Revenue Diversification<sup>1</sup>

AS AT SEP. 30, 2021



1. Fee revenues based on annualized fees as at September 30, 2021, excluding transaction fees, performance fees and target carried interest.

2. Perpetual strategies base management fees include \$528 million of annualized base fees on Brookfield capital from perpetual affiliates.

3. For details on perpetual strategies base fee calculations, refer to the Glossary of Terms on page 38.

- We have approximately \$35 billion of additional capital not in fee-bearing capital today that will earn approximately \$350 million of fees and \$240 million of target carried interest once invested.
- 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 147.6 million BBU units outstanding and the current high watermark threshold is \$44.64.
- We include base fees on the capital invested by us in our perpetual affiliates 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 use a margin range of 55% – 65% on Brookfield fee revenue and a range of 25% – 35% on Oaktree fee revenue for planning purposes.
- We use a margin range of 65% – 75% on Brookfield carried interest and a range of 45% – 55% on Oaktree carried interest for planning purposes.

# Private Fund Listing<sup>1</sup>

AS AT SEP. 30, 2021  
(MILLIONS, USD UNLESS OTHERWISE NOTED)

	Committed Capital <sup>2</sup>	Brookfield Participation <sup>2</sup>	Year <sup>3</sup>
<b>BROOKFIELD REAL ESTATE FUNDS</b>			
<b>Opportunistic</b>			
Real Estate Turnaround	\$ 5,570	18%	2010
Strategic Real Estate Partners I <sup>4</sup>	4,350	31%	2013
Strategic Real Estate Partners II <sup>4</sup>	9,000	26%	2016
Strategic Real Estate Partners III <sup>4</sup>	15,000	25%	2019
Thayer VI	306	48%	2014
Opportunity Zone	1,011	—%	2019
<b>Value Add</b>			
U.S. Multifamily Value Add II	\$ 805	37%	2014
U.S. Multifamily Value Add III	1,005	30%	2018
<b>Core Plus</b>			
U.S. Office	\$ 2,200	83%	2006
DTLA	1,100	45%	2013
Premier Real Estate Partners <sup>5</sup>	3,799	11%	2016
Premier Real Estate Partners Australia <sup>5</sup>	A \$ 848	30%	2018
European Real Estate Partnership	€ 1,198	17%	2020
Single Family Rental	300	26%	2020
<b>BROOKFIELD INFRASTRUCTURE FUNDS</b>			
<b>Value Add</b>			
Global Infrastructure I <sup>4</sup>	\$ 2,660	25%	2010
Global Infrastructure II <sup>4</sup>	7,000	40%	2013
Global Infrastructure III <sup>4</sup>	14,000	29%	2016
Global Infrastructure IV <sup>4</sup>	20,000	25%	2020
Global Infrastructure IV Renewable <sup>4</sup>	748	25%	2020
<b>Core</b>			
Super-Core Infrastructure Partners <sup>5</sup>	\$ 5,081	1%	2018
<b>Sustainable Resources</b>			
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
<b>BROOKFIELD PRIVATE EQUITY FUNDS</b>			
<b>Opportunistic</b>			
Capital Partners II <sup>4</sup>	C \$ 1,000	40%	2007
Capital Partners III <sup>4</sup>	1,000	25%	2012
Capital Partners IV <sup>4</sup>	4,000	26%	2016
Capital Partners V <sup>4</sup>	9,000	33%	2019
<b>BROOKFIELD CREDIT FUNDS</b>			
<b>Credit Funds</b>			
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 <sup>5</sup>	1,249	1%	2017
Infrastructure Debt I	884	17%	2017
Infrastructure Debt – Euro	€ 202	30%	2018
Infrastructure Debt II	2,701	13%	2020
Peninsula Brookfield India Real Estate	95	—%	2013

1. Excludes Oaktree funds. 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 perpetual affiliates 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 BPG, BEP, BIP and BBU.

3. Year of final close. For perpetual funds, year of first close.

4. Flagship funds.

5. Perpetual funds.

# Capital Invested or Committed

**Invested \$53 billion of capital during the LTM, including \$23 billion in the quarter**

## CAPITAL INVESTED OR COMMITTED (FUNDING SOURCE)

FOR THE LTM ENDED SEP. 30 (MILLIONS)	Real Estate	Renewable Power and Transition	Infrastructure	Private Equity	Credit and Other	Total
<b>Capital Invested</b>						
Perpetual strategies <sup>1</sup>	\$ 3,936	\$ 929	\$ 2,640	\$ 1,653	\$ 4,418	\$ 13,576
Long-term private funds <sup>2</sup>	7,308	1,342	1,871	2,621	13,023	26,165
Co-investments <sup>2</sup>	630	15	155	519	1,065	2,384
Direct <sup>3</sup>	8,517	—	—	—	2,481	10,998
Total invested	20,391	2,286	4,666	4,793	20,987	53,123
<b>Capital Committed</b>						
New commitments entered <sup>4</sup>	4,793	103	1,628	3,803	5,323	15,650
Previous commitments that were invested in the current period <sup>4</sup>	(2,689)	(628)	(307)	(91)	(175)	(3,890)
Total committed	2,104	(525)	1,321	3,712	5,148	11,760
Total invested or committed <sup>4</sup>	\$ 22,495	\$ 1,761	\$ 5,987	\$ 8,505	\$ 26,135	\$ 64,883

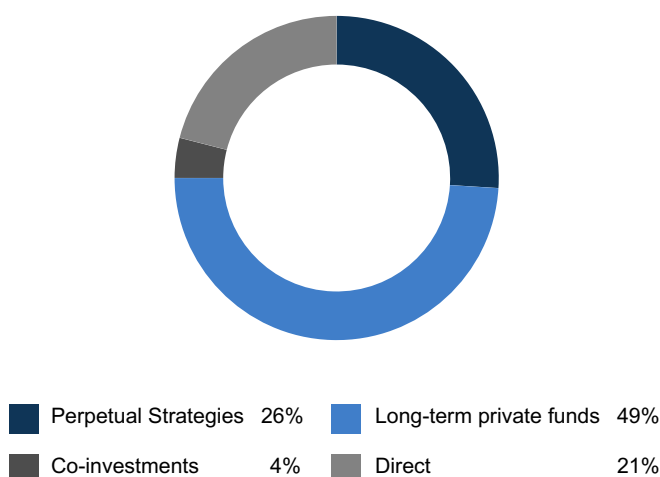
1. Includes investments made by perpetual affiliates (BPG, BIP, BEP and BBU) and Oaktree on their balance sheets, or investments in perpetual private funds.
2. Reflects third-party investments in long-term private funds managed by Brookfield and Oaktree.
3. Investments made by Brookfield in financial assets or on balance sheet assets.
4. New commitments represent those commitments entered into during the period. Invested commitments represent the amounts invested during the period 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 is presented as invested only.

## CAPITAL INVESTED (GEOGRAPHY)

FOR THE LTM ENDED SEP. 30 (MILLIONS)	Real Estate	Renewable Power and Transition	Infrastructure	Private Equity	Credit and Other	Total
North America	\$ 15,719	\$ 1,698	\$ 4,307	\$ 3,135	\$ 14,897	\$ 39,756
South America	71	210	134	531	835	1,781
Europe	3,056	238	33	1,081	3,062	7,470
Asia and other	1,545	140	192	46	2,193	4,116
Total invested	\$ 20,391	\$ 2,286	\$ 4,666	\$ 4,793	\$ 20,987	\$ 53,123

## Capital Invested (by capital type)

FOR THE LTM ENDED SEP. 30, 2021



## SIGNIFICANT INVESTMENTS

- Opportunistic credit investments (\$8.0 billion)
- BPY privatization (\$6.5 billion)<sup>1</sup>
- Inter Pipeline (\$3.2 billion)
- Sagen (formerly "Genworth Canada") (\$1.3 billion)
- Shepherds Flat (\$0.6 billion)
- Indian office portfolio (\$0.6 billion)
- China Retail Portfolio – Mayfair (\$0.6 billion)

## SIGNIFICANT COMMITMENTS

- American National (\$3.6 billion)
- Modulaire Group (\$1.6 billion)
- King Street Properties (\$1.5 billion)
- DexKo Global (\$1.3 billion)
- Inter Pipeline (\$1.3 billion)
- Opportunistic credit portfolios (\$1.1 billion)

1. Balance represents \$3.0B of capital invested in cash, \$3.0B of Brookfield shares and \$0.5B of BPY preferred shares issued.

# Capitalization

**Our corporate debt has a weighted-average term to maturity of 14 years, while our recourse debt to corporate capitalization remains below 20%**

AS AT SEP. 30, 2021 AND DEC. 31, 2020 (MILLIONS)		Average Rate	Average Term (Years)	Leverage	
				2021	2020
Corporate borrowings					
Term debt		4.2%	14	\$ 9,959	\$ 9,077
Revolving facilities <sup>1</sup>		n/a	5	350	—
Total corporate borrowings				10,309	9,077
Perpetual preferred shares <sup>2</sup>		4.0%	perp.	4,375	4,375
Debt and preferred capital				\$ 14,684	\$ 13,452

1. Reflects \$350 million of commercial paper outstanding as at September 30, 2021.

2. Includes \$230 million of perpetual subordinated notes issued in November 2020 by a wholly owned subsidiary of Brookfield, included within non-controlling interest.

## DEBT TO CAPITALIZATION

	Corporate		Consolidated	
	2021	2020	2021	2020
AS AT SEP. 30, 2021 AND DEC. 31, 2020 (MILLIONS)				
Corporate borrowings	\$ 10,309	\$ 9,077	\$ 10,309	\$ 9,077
Non-recourse borrowings				
Subsidiary borrowings	—	—	13,370	10,768
Property specific borrowings	—	—	142,795	128,556
	10,309	9,077	166,474	148,401
Accounts payable and other	5,040	4,963	52,087	50,682
Deferred income tax liabilities	1,102	432	17,729	15,913
Subsidiary equity obligations	—	—	3,790	3,699
Liabilities associated with assets held for sale	—	—	1,773	2,359
Equity				
Non-controlling interests	230	230	80,618	86,804
Preferred equity	4,145	4,145	4,145	4,145
Common equity	38,808	31,693	38,808	31,693
	43,183	36,068	123,571	122,642
<b>Total capitalization</b>	<b>\$ 59,634</b>	<b>\$ 50,540</b>	<b>\$ 365,424</b>	<b>\$ 343,696</b>
Debt to capitalization <sup>1</sup>	17%	18%	46%	43%

1. 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 from our operations and principal investments

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)

## Corporate cash and financial assets, beginning of period

### Sources

Distributable earnings, before realizations<sup>1, 2</sup>

Proceeds from realized carry<sup>2</sup>

Dispositions of principal investments<sup>2</sup>

### Uses

Share repurchases<sup>3</sup>

Dividends paid to common shareholders

Temporary and other investments<sup>4</sup>

BPY privatization

Debt repayment<sup>5</sup>

Perpetual affiliate unit/share purchases

### Net financing activities

### Other sources / (uses)<sup>6</sup>

### In-period change

## Corporate cash and financial assets, end of period

	Three Months		LTM	
	2021	2020	2021	2020
<b>Corporate cash and financial assets, beginning of period</b>	<b>\$ 6,199</b>	<b>\$ 3,229</b>	<b>\$ 3,675</b>	<b>\$ 1,641</b>
<b>Sources</b>				
Distributable earnings, before realizations <sup>1, 2</sup>	873	705	3,268	2,487
Proceeds from realized carry <sup>2</sup>	144	30	474	398
Dispositions of principal investments <sup>2</sup>	370	273	3,064	1,208
	<b>1,387</b>	<b>1,008</b>	<b>6,806</b>	<b>4,093</b>
<b>Uses</b>				
Share repurchases <sup>3</sup>	—	(17)	(355)	(485)
Dividends paid to common shareholders	(204)	(182)	(777)	(706)
Temporary and other investments <sup>4</sup>	(743)	(387)	(3,153)	(2,009)
BPY privatization	(3,426)	—	(3,426)	—
Debt repayment <sup>5</sup>	(2,000)	—	(2,000)	—
Perpetual affiliate unit/share purchases	—	(433)	(230)	(479)
	<b>(6,373)</b>	<b>(1,019)</b>	<b>(9,941)</b>	<b>(3,679)</b>
<b>Net financing activities</b>	<b>1,208</b>	<b>495</b>	<b>1,803</b>	<b>1,554</b>
<b>Other sources / (uses)<sup>6</sup></b>	<b>621</b>	<b>(38)</b>	<b>699</b>	<b>66</b>
<b>In-period change</b>	<b>(3,157)</b>	<b>446</b>	<b>(633)</b>	<b>2,034</b>
<b>Corporate cash and financial assets, end of period</b>	<b>\$ 3,042</b>	<b>\$ 3,675</b>	<b>\$ 3,042</b>	<b>\$ 3,675</b>

1. Refer to page 30 for reconciliations of IFRS to non-IFRS measures.

2. Subject to timing differences between period when earned and period when cash is received.

3. Includes repurchases of BAM common and preferred shares.

4. This includes cash used to fund the purchase of Oaktree, capital calls, seed investments and various risk management trades.

5. Relates to cash utilized to opportunistically repay high coupon debt.

6. Includes adjustments for accrued items, carried interest proceeds subject to clawback, financial asset mark-to-market changes and other items.



# Invested Capital – Overview

## PERPETUAL INVESTMENTS

Our **perpetual affiliates** are **BEP, BIP, BBU and BPG**, the flagship entities that hold most of the investments in our four largest operating segments. BEP, BIP and BBU are publicly traded in the United States and Canada.

- We own 48% 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 27% 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 64% of **Brookfield Business Partners** (BBU), our flagship private equity perpetual strategy that invests primarily in business services and industrial companies focused on long-term capital appreciation.
- We own 100% of **Brookfield Property Group** (BPG), a diversified global real estate portfolio that owns, operates and develops one of the largest portfolios of office, retail, multifamily, logistics, hospitality, triple net lease, student housing and manufactured housing assets.

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.

## OTHER 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:** we owned an approximate 1% interest in West Fraser as at September 30, 2021 and subsequent to quarter end, we sold our remaining stake in the business. We also have an approximate 4% interest in Vistra. In addition, we have investments in sustainable resources, mainly timber and agricultural assets, direct investments in various operating companies within the Private Equity segment, our share of Oaktree's balance sheet investments and investments in our insurance business.

## 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 SEP. 30, 2021 AND DEC. 31, 2020  
AND FOR THE PERIODS ENDED SEP. 30  
(MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Invested Capital		Funds from Operations <sup>1</sup>			
			Three Months		LTM	
	2021	2020	2021	2020	2021	2020
<b>Perpetual investments</b>						
<b>Perpetual affiliates</b>						
BEP	\$ 3,619	\$ 4,573	\$ 81	\$ 72	\$ 340	\$ 409
BIP	1,915	1,920	101	90	392	349
BBU <sup>2</sup>	2,706	2,175	177	132	554	466
BPG	30,010	19,331	201	97	535	612
<b>Corporate cash and financial assets<sup>3</sup></b>	<b>3,042</b>	<b>4,456</b>	<b>(29)</b>	<b>80</b>	<b>227</b>	<b>236</b>
	<b>41,292</b>	<b>32,455</b>	<b>531</b>	<b>471</b>	<b>2,048</b>	<b>2,072</b>
<b>Other investments</b>						
Residential	2,557	2,730	76	37	190	104
Energy contracts	641	581	(21)	(11)	(103)	(158)
Norbord / West Fraser <sup>4</sup>	94	1,327	1	105	126	166
Other	3,234	2,363	40	11	144	4
	<b>6,526</b>	<b>7,001</b>	<b>96</b>	<b>142</b>	<b>357</b>	<b>116</b>
<b>Corporate activities</b>						
Corporate borrowings / Interest expense	(10,309)	(9,077)	(111)	(98)	(431)	(370)
Working capital / Corporate costs and taxes <sup>5</sup>	787	742	(33)	(37)	(153)	(166)
Perpetual preferred shares <sup>6</sup>	(4,375)	(4,375)	—	—	—	—
	<b>(13,897)</b>	<b>(12,710)</b>	<b>(144)</b>	<b>(135)</b>	<b>(584)</b>	<b>(536)</b>
<b>Invested capital, net / FFO</b>	<b>\$ 33,921</b>	<b>\$ 26,746</b>	<b>\$ 483</b>	<b>\$ 478</b>	<b>\$ 1,821</b>	<b>\$ 1,652</b>
<b>Per share</b>	<b>\$ 20.55</b>	<b>\$ 17.00</b>	<b>\$ 0.28</b>	<b>\$ 0.29</b>	<b>\$ 1.06</b>	<b>\$ 0.98</b>

1. Excludes realized disposition gains.

2. FFO includes the net impact of performance fees paid to BAM of \$nil (2020 – \$nil) for the three months ended September 30 and \$79 million (2020 – \$nil) for the LTM.

3. Corporate cash and financial assets is inclusive of \$1.7 billion of cash and cash equivalents (December 31, 2020 – \$3.2 billion).

4. Norbord was acquired by West Fraser on February 1, 2021. As part of the transaction, the company's investment in Norbord was converted into a 19% interest in West Fraser's outstanding common shares. As at September 30, 2021, we held approximately 1% of West Fraser.

5. Invested capital includes net deferred income tax asset of \$1.9 billion (December 31, 2020 – \$1.7 billion); FFO includes current tax expense of \$6 million (2020 – \$12 million) for the three months ended September 30, 2021 and \$40 million (2020 – \$64 million) for the LTM.

6. Includes \$230 million of perpetual subordinated notes issued in November 2020 by a wholly owned subsidiary of Brookfield, included within non-controlling interest. FFO excludes preferred shares distributions of \$39 million (2020 – \$34 million) for the three months ended September 30, 2021 and \$156 million (2020 – \$144 million) for the LTM.

# Disposition Gains

FOR THE PERIODS ENDED SEP. 30  
(MILLIONS)

	Three Months				LTM			
	FFO <sup>1,2</sup>		Net Income <sup>2</sup>		FFO <sup>1,2</sup>		Net Income <sup>2</sup>	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Real estate</b>								
Core	\$ —	\$ —	\$ —	\$ —	\$ 23	\$ —	\$ (6)	\$ —
Transition and development	(43)	5	(7)	3	293	102	(138)	61
LP Investments	(11)	(12)	(22)	2	213	32	13	(30)
	(54)	(7)	(29)	5	529	134	(131)	31
<b>Renewable power and transition</b>								
Secondary offerings	—	—	—	—	1,021	479	—	—
Other renewable power	(2)	3	(2)	3	59	32	64	4
	(2)	3	(2)	3	1,080	511	64	4
<b>Infrastructure</b>								
BIPC secondary offering	—	140	—	—	—	140	—	—
Enwave	145	—	120	—	249	—	203	—
U.K. smart meter portfolio	—	—	—	—	92	—	48	—
Other infrastructure	—	12	—	5	50	70	—	14
	145	152	120	5	391	210	251	14
<b>Private equity</b>								
Norbord / West Fraser <sup>3</sup>	239	—	—	—	1,025	—	(44)	—
Other private equity	—	—	—	—	392	104	120	53
	239	—	—	—	1,417	104	76	53
<b>Corporate</b>								
Other corporate	—	14	—	—	124	14	(12)	—
	—	14	—	—	124	14	(12)	—
	\$ 328	\$ 162	\$ 89	\$ 13	\$ 3,541	\$ 973	\$ 248	\$ 102

1. FFO includes gains (net of losses) 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.

3. Norbord was acquired by West Fraser on February 1, 2021. As part of the transaction, the company's investment in Norbord was converted into a 19% interest in West Fraser's outstanding common shares. As at September 30, 2021, we held approximately 1% of West Fraser and subsequent to quarter end, we disposed of our remaining stake in the business.

# Perpetual Affiliates Results

## BEP (NYSE: BEP, TSX: BEP.UN) – 48% ownership interest

AS AT SEP. 30, 2021 AND DEC. 31, 2020  
AND FOR THE PERIODS ENDED SEP. 30  
(MILLIONS)

	Invested Capital		Funds from Operations			
	2021	2020	Three Months		LTM	
	2021	2020	2021	2020	2021	2020
Attributable to unitholders	\$ 7,494	\$ 9,029	\$ 210	\$ 157	\$ 921	\$ 777
Incentive distributions	—	—	(20)	(17)	(77)	(60)
Non-controlling interests	(3,875)	(4,456)	(100)	(65)	(434)	(294)
Segment reallocation and other <sup>2</sup>	—	—	(9)	(3)	(70)	(14)
Brookfield's interest	\$ 3,619	\$ 4,573	\$ 81	\$ 72	\$ 340	\$ 409

## BIP (NYSE: BIP, TSX: BIP.UN) – 27% ownership interest

AS AT SEP. 30, 2021 AND DEC. 31, 2020  
AND FOR THE PERIODS ENDED SEP. 30  
(MILLIONS)

	Invested Capital		Funds from Operations			
	2021	2020	Three Months		LTM	
	2021	2020	2021	2020	2021	2020
Attributable to unitholders	\$ 7,938	\$ 6,589	\$ 422	\$ 365	\$ 1,645	\$ 1,414
Incentive distributions	—	—	(52)	(46)	(197)	(179)
Non-controlling interests	(6,023)	(4,669)	(265)	(226)	(1,035)	(874)
Segment reallocation and other <sup>2</sup>	—	—	(4)	(3)	(21)	(12)
Brookfield's interest	\$ 1,915	\$ 1,920	\$ 101	\$ 90	\$ 392	\$ 349

## BBU (NYSE: BBU, TSX: BBU.UN) – 64% ownership interest

AS AT SEP. 30, 2021 AND DEC. 31, 2020  
AND FOR THE PERIODS ENDED SEP. 30  
(MILLIONS)

	Invested Capital		Funds from Operations			
	2021	2020	Three Months		LTM	
	2021	2020	2021	2020	2021	2020
Attributable to unitholders	\$ 4,158	\$ 3,492	\$ 276	\$ 208	\$ 1,472	\$ 818
Performance fees	—	—	—	—	(79)	—
Non-controlling interests	(1,452)	(1,317)	(99)	(76)	(509)	(304)
Segment reallocation and other <sup>2</sup>	—	—	—	—	(330)	(48)
Brookfield's interest	\$ 2,706	\$ 2,175	\$ 177	\$ 132	\$ 554	\$ 466

## BPG – 100% ownership interest

AS AT SEP. 30, 2021 AND DEC. 31, 2020  
AND FOR THE PERIODS ENDED SEP. 30  
(MILLIONS)

	Invested Capital		Funds from Operations			
	2021	2020	Three Months		LTM	
	2021	2020	2021	2020	2021	2020
Core	\$ 15,262	\$ 15,217	\$ 143	\$ 147	\$ 550	\$ 588
Transitional and Development	9,397	8,955	145	85	528	662
LP Investments	8,232	6,433	78	33	150	164
Corporate	(2,897)	(1,675)	(118)	(86)	(420)	(297)
Attributable to unitholders	29,994	28,930	248	179	808	1,117
Non-controlling interests	—	(9,615)	(23)	(67)	(202)	(453)
Segment reallocation and other <sup>1</sup>	—	—	(24)	(15)	(71)	(52)
Brookfield's interest	29,994	19,315	201	97	535	612
Preferred shares	16	16	—	—	—	—
	\$ 30,010	\$ 19,331	\$ 201	\$ 97	\$ 535	\$ 612

1. Reflects fee-related earnings and net carried interest reclassified to asset management segment and asset management expenses not included in operating FFO.

2. Relates to disposition gains, net of NCI, included in operating FFO.

# Other Investments

In addition to being invested in our four flagship perpetual affiliates, we hold a number of other investments

## CORPORATE CASH AND FINANCIAL ASSETS

AS AT SEP. 30, 2021 AND DEC. 31, 2020 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Segment	Invested Capital		Funds from Operations			
				Three Months		LTM	
		2021	2020	2021	2020	2021	2020
Corporate cash and financial assets	Corporate	<u>\$ 3,042</u>	<u>\$ 4,456</u>	<u>\$ (29)</u>	<u>\$ 80</u>	<u>\$ 227</u>	<u>\$ 236</u>

## OTHER INVESTMENTS

AS AT SEP. 30, 2021 AND DEC. 31, 2020 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Segment	Invested Capital		Funds from Operations			
				Three Months		LTM	
		2021	2020	2021	2020	2021	2020
Residential development							
North America	Residential	\$ 1,996	\$ 2,119	\$ 85	\$ 36	\$ 192	\$ 109
Brazil and other	Residential	561	611	(9)	1	(2)	(5)
		<u>2,557</u>	<u>2,730</u>	<u>76</u>	<u>37</u>	<u>190</u>	<u>104</u>
Energy contracts	Renewable Power	641	581	(21)	(11)	(103)	(158)
Sustainable resources and other	Infrastructure	378	632	2	2	16	11
Norbord / West Fraser <sup>1</sup>	Private Equity	94	1,327	1	105	126	166
Other corporate	Corporate	2,154	1,268	22	(3)	79	(11)
Other	Various	702	463	16	12	49	4
		<u>\$ 6,526</u>	<u>\$ 7,001</u>	<u>\$ 96</u>	<u>\$ 142</u>	<u>\$ 357</u>	<u>\$ 116</u>

1. Norbord was acquired by West Fraser on February 1, 2021. As part of the transaction, the company's investment in Norbord was converted into a 19% interest in West Fraser's outstanding common shares. As at September 30, 2021, we held approximately 1% of West Fraser and subsequent to quarter end, we disposed of our remaining stake in the business.

# Reconciliation of IFRS to Non-IFRS Measures

## 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 below. 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.

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)

	2021	2020
<b>Net income</b>	<b>\$ 2,722</b>	<b>\$ 542</b>
Financial statement components not included in FFO		
Equity accounted fair value changes and other non-FFO items	307	602
Fair value changes	(700)	31
Depreciation and amortization	1,617	1,470
Deferred income taxes	428	21
Realized disposition gains in fair value changes or prior periods	255	161
Non-controlling interests	(3,221)	(1,788)
<b>Funds from operations</b>	<b>1,408</b>	<b>1,039</b>
Less: total disposition gains	(328)	(162)
Less: net invested capital FFO	(483)	(478)
Less: realized carried interest, net	(146)	(27)
Corporate activities	(144)	(135)
Distributions from investments	572	479
Equity-based compensation	33	23
Preferred share dividends	(39)	(34)
<b>Distributable earnings before realizations</b>	<b>873</b>	<b>705</b>
Realized carried interest, net <sup>1</sup>	146	27
Disposition gains from principal investments	223	158
<b>Distributable earnings<sup>2</sup></b>	<b>\$ 1,242</b>	<b>\$ 890</b>

1. Includes our share of Oaktree's distributable earnings attributable to realized carried interest.

2. Comparative period numbers have been revised to reflect new definitions. Refer to Glossary of Terms starting on page 37.

# Common Share Information

## COMMON SHARE CONTINUITY

FOR THE PERIODS ENDED SEP. 30  
(MILLIONS)

	Three Months		LTM	
	2021	2020	2021	2020
Outstanding at beginning of period	1,506.7	1,511.5	1,512.3	1,510.8
Issued (repurchased)				
Issuances	61.3	—	61.3	—
Repurchases	(2.1)	(0.7)	(11.5)	(9.8)
Long-term share ownership plans	2.1	1.4	5.8	11.1
Dividend reinvestment plan	—	0.1	0.1	0.2
Outstanding at end of period	1,568.0	1,512.3	1,568.0	1,512.3
Unexercised options, other share-based plans and exchangeable shares of affiliate	82.3	58.6	82.3	58.6
Total diluted shares at end of period	1,650.3	1,570.9	1,650.3	1,570.9

- The company holds 69.9 million common shares for management share ownership plans, which have been deducted from the total number of shares outstanding.
  - 22.3 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 as at September 30, 2021 was \$1.3 billion (September 30, 2020 – \$1.2 billion).
- The company completed the previously announced 3-for-2 stock split on April 1, 2020. All share amounts are presented on a post-split basis.

## FFO AND EARNINGS PER SHARE INFORMATION

FOR THE THREE MONTHS ENDED SEP. 30  
(MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Funds from Operations		Net Income	
	2021	2020	2021	2020
FFO / Net income	\$ 1,408	\$ 1,039	\$ 797	\$ 172
Preferred share dividends	(36)	(34)	(36)	(34)
Subordinated preferred note dividends	(3)	—	—	—
Dilutive effect of conversion of subsidiary preferred shares	—	—	(1)	9
FFO / Net income available to shareholders	1,369	1,005	760	147
Dilutive impact of exchangeable shares of affiliate	1	—	1	—
FFO / Net income available to shareholders including dilutive impact of exchangeable shares	\$ 1,370	\$ 1,005	\$ 761	\$ 147
Weighted average shares	1,552.8	1,511.7	1,552.8	1,511.7
Dilutive effect of conversion of options and other share-based plans using treasury stock method and exchangeable shares of affiliate	59.6	24.7	59.6	24.7
Shares and share equivalents	1,612.4	1,536.4	1,612.4	1,536.4
Per share	\$ 0.85	\$ 0.65	\$ 0.47	\$ 0.10

# Entity Basis – Reconciliation to Reportable Segments – Invested Capital

AS AT SEP. 30, 2021  
(MILLIONS)

## Asset management

### Invested capital

#### Perpetual investments

	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	Total
	\$ 4,887	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,887
Brookfield Renewable Partners	—	—	3,619	—	—	—	—	3,619
Brookfield Infrastructure Partners	—	—	—	1,915	—	—	—	1,915
Brookfield Business Partners	—	—	—	—	2,706	—	—	2,706
Brookfield Property Group <sup>1</sup>	—	30,010	—	—	—	—	—	30,010
	—	30,010	3,619	1,915	2,706	—	—	38,250
Corporate cash and financial assets	—	—	—	—	—	—	3,042	3,042
	—	30,010	3,619	1,915	2,706	—	3,042	41,292

#### Other investments

Residential development	—	—	—	—	—	2,557	—	2,557
Energy contracts	—	—	641	—	—	—	—	641
Norbord / West Fraser <sup>2</sup>	—	—	—	—	94	—	—	94
Other	—	—	—	378	702	—	2,154	3,234
	—	—	641	378	796	2,557	2,154	6,526

### Net working capital

	—	—	—	—	—	—	787	787
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### Debt and preferred capital

Corporate borrowings	—	—	—	—	—	—	(10,309)	(10,309)
Perpetual preferred shares	—	—	—	—	—	—	(4,375)	(4,375)
	—	—	—	—	—	—	(14,684)	(14,684)
	\$ 4,887	\$ 30,010	\$ 4,260	\$ 2,293	\$ 3,502	\$ 2,557	\$ (8,701)	\$ 38,808

1. Includes \$16 million of BPG preferred shares.

2. Norbord was acquired by West Fraser on February 1, 2021.



# Entity Basis – Reconciliation to Reportable Segments – Three Months FFO

FOR THE THREE MONTHS ENDED SEP. 30, 2021  
(MILLIONS)

## Asset management

Fee-related earnings  
Carried interest, net

## Invested capital

Perpetual investments

Brookfield Renewable Partners  
Brookfield Infrastructure Partners  
Brookfield Business Partners  
Brookfield Property Group<sup>1</sup>

Corporate cash and financial assets

Other investments

Residential development  
Energy contracts  
Norbord / West Fraser<sup>2</sup>  
Other

## Disposition gains

## Corporate activities<sup>3</sup>

Interest expense  
Corporate costs and taxes

	Reportable Segments							
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	Total
\$ 451	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 451
146	—	—	—	—	—	—	—	146
597	—	—	—	—	—	—	—	597
—	—	—	81	—	—	—	—	81
—	—	—	—	101	—	—	—	101
—	—	—	—	—	177	—	—	177
—	201	—	—	—	—	—	—	201
—	201	81	101	177	—	—	—	560
—	—	—	—	—	—	—	(29)	(29)
—	201	81	101	177	—	—	(29)	531
—	—	—	—	—	—	76	—	76
—	—	—	(21)	—	—	—	—	(21)
—	—	—	—	—	1	—	—	1
—	—	—	—	2	16	—	22	40
—	—	(21)	2	17	76	22	22	96
—	(54)	(2)	145	239	—	—	—	328
—	—	—	—	—	—	—	(111)	(111)
—	—	—	—	—	—	—	(33)	(33)
—	—	—	—	—	—	—	(144)	(144)
\$ 597	\$ 147	\$ 58	\$ 248	\$ 433	\$ 76	\$ (151)	\$	\$ 1,408

1. Includes nominal amounts of BPG preferred share distributions.

2. Norbord was acquired by West Fraser on February 1, 2021.

3. Excludes \$39 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 SEP. 30, 2021  
(MILLIONS)

## Asset management

Fee-related earnings  
Carried interest, net

	Reportable Segments							Total
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	
	\$ 1,758	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,758
	805	—	—	—	—	—	—	805
	2,563	—	—	—	—	—	—	2,563
<b>Invested capital</b>								
Perpetual investments								
Brookfield Renewable Partners	—	—	340	—	—	—	—	340
Brookfield Infrastructure Partners	—	—	—	392	—	—	—	392
Brookfield Business Partners	—	—	—	—	554	—	—	554
Brookfield Property Group <sup>1</sup>	—	535	—	—	—	—	—	535
	—	535	340	392	554	—	—	1,821
Corporate cash and financial assets	—	—	—	—	—	—	227	227
	—	535	340	392	554	—	227	2,048
Other investments								
Residential development	—	—	—	—	—	190	—	190
Energy contracts	—	—	(103)	—	—	—	—	(103)
Norbord / West Fraser <sup>2</sup>	—	—	—	—	126	—	—	126
Other	—	—	—	16	49	—	79	144
	—	—	(103)	16	175	190	79	357
<b>Disposition gains</b>	—	529	1,080	391	1,417	—	124	3,541
<b>Corporate activities<sup>3</sup></b>								
Interest expense	—	—	—	—	—	—	(431)	(431)
Corporate costs and taxes	—	—	—	—	—	—	(153)	(153)
	—	—	—	—	—	—	(584)	(584)
	\$ 2,563	\$ 1,064	\$ 1,317	\$ 799	\$ 2,146	\$ 190	\$ (154)	\$ 7,925

1. Includes nominal amounts of BPG preferred share distributions.

2. Norbord was acquired by West Fraser on February 1, 2021.

3. Excludes \$156 million of preferred share distributions for the LTM, which are included in determining per share results.

# Endnotes

## Performance Highlights – Page 4

1. Excludes performance fees.
2. Excludes special dividends.

## Distributable Earnings – Page 5

1. Annualized distributions are calculated by multiplying units held as at September 30, 2021 by the current distribution rates per unit.
2. Annualized distributions for corporate cash and financial assets is calculated as an estimated 8% total return on the current quarter's ending balance.
3. Includes earnings from wholly owned investments and distributions from our other listed investments. On February 1, 2021, Norbord Inc. ("Norbord") was acquired by West Fraser Timber Co. Ltd. ("West Fraser"). As part of the transaction, the company's investment in Norbord was converted into a 19% interest in West Fraser's outstanding common shares. As at September 30, 2021, we held approximately 1% of West Fraser. See definitions of our publicly listed investments in the Invested Capital – Overview section on page 25. Oaktree's policy is to distribute 85% of realized investment income each period. Oaktree annualized realized investment income is based on 85% of the last twelve months realized investment income, at our share.
4. Includes \$3 million (2020 – \$nil) and \$9 million (2020 – \$nil) of dividends paid on perpetual subordinated notes for the three and twelve months ended September 30, 2021, respectively.
5. Refer to page 30 for reconciliations of IFRS to non-IFRS measures.

## Asset Management – Page 6

1. Fee-bearing capital from Oaktree is shown on a 100% basis.
2. We use a 55% – 65% range for margin on Brookfield fee revenue and a range of 25% – 35% on Oaktree fee revenue for planning purposes. For annualized fee, we have assumed a mid-point fee-related earnings margin of 60% and 30% for Brookfield and Oaktree, respectively. Refer to pages 15 and 16 for details on the determination of annualized fees.
3. Includes fee revenues from Oaktree shown on a 100% basis.
4. Direct costs related to annualized fee revenues and annualized carried interest include \$755 million and \$683 million related to Oaktree (2020 – \$638 million and \$617 million), respectively.
5. Actual carried interest is carried interest realized in the period (refer to page 17). Annualized carried interest is target carried interest.
6. Annualized carried interest includes \$1.4 billion of target carried interest related to Oaktree (2020 – \$1.2 billion), shown on a 100% basis.
7. We use a margin range of 65% – 75% on Brookfield carried interest and a range of 45% – 55% on Oaktree carried interest for planning purposes. For annualized carried interest, we have assumed a mid-point target carried interest margin of 70% and 50% for Brookfield and Oaktree funds, respectively. Refer to page 18.

## Invested Capital – Page 7

1. Quoted based on September 30, 2021 and December 31, 2020 public pricing, respectively.
2. For performance measurement purposes, we consider the value of invested capital to be the quoted value of listed investments, public pricing using industry comparables for Brookfield Residential values and IFRS values for unlisted investments.
3. Distributed cash flow (current) from our listed investments is calculated by multiplying units held as at September 30, 2021 by the current distribution rates per unit. Corporate cash and financial asset distribution is calculated by applying an 8% total return on the current quarter's ending balance. Distributions on our unlisted investments is equal to the total distributions received over the last twelve month period.
4. On February 16, 2021, we completed the sale of 15 million class A shares of BEPC. Total net proceeds were approximately \$750 million. As at September 30, 2021, we held approximately 44.8 million of BEPC class A shares (December 31, 2020 – 59.8 million) and 267.2 million of BEP units (December 31, 2020 – 267.2 million).
5. Corporate cash and financial assets is inclusive of \$1.7 billion of cash and cash equivalents (December 31, 2020 – \$3.2 billion).
6. Blended value includes the fair value of comparable assets in our Residential segment.
7. Other investments include energy contracts, timber and agricultural assets, other corporate investments, other listed investments and \$851 million of investments related to our share of Oaktree (December 31, 2020 – \$747 million).
8. Includes \$230 million of perpetual subordinated notes issued in November 2020 by a wholly owned subsidiary of Brookfield, included within non-controlling interest.

## Liquidity and Capital Structure – Page 8

1. Refer to Glossary of Terms starting on page 37.
2. Reflects \$350 million of commercial paper outstanding as at September 30, 2021.
3. Includes \$230 million of perpetual subordinated notes issued in November 2020 by a wholly owned subsidiary of Brookfield, included within non-controlling interest.

## Liquidity Profile – Page 9

1. Third-party private fund uncalled commitments.
2. Total uncalled fund commitments includes capital callable from fund investors, including funds outside of their investment period, for which capital is callable for follow-on investments. As at September 30, 2021, \$10.9 billion of uncalled fund commitments related to funds outside of their investment period.

## Summary of Results – Funds from Operations – Page 10

1. FFO excludes preferred share distributions of \$39 million (2020 – \$34 million) for the three months ended September 30 and \$156 million (2020 – \$144 million) for the LTM, which are included in determining per share results.
2. Refer to page 30 for reconciliations of IFRS to non-IFRS measures.

## Funds from Operations and Net Income – Page 11

1. Net of non-controlling interests. Refer to page 30 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.

# Glossary of Terms

The “Corporation,” “Brookfield” or “BAM” refers to our asset management business which is comprised of our asset management and corporate business segments.

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 115 through 120 of our 2020 annual report.

- **Fee-bearing capital** represents the capital committed, pledged or invested in the perpetual affiliates, private funds and liquid strategies 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 liquid strategies funds and equity issuances in our perpetual affiliates.
  - Outflows represent distributions and redemptions of capital from within the liquid strategies capital.
  - Distributions represent quarterly distributions from perpetual affiliates 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, perpetual affiliates and liquid strategies based on market prices.
  - Other include changes in net non-recourse debt included in the determination of perpetual affiliate capitalization and the impact of foreign exchange fluctuations on non-U.S. dollar commitments.
- **Distributable earnings (“DE”)** 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 perpetual affiliates, other investments that pay regular cash distributions and FFO from our corporate cash and financial assets; other invested capital earnings, which include FFO from our residential operations, energy contracts, sustainable resources and other real estate, private equity, corporate investments that do not pay regular cash distributions, corporate costs and corporate interest expense; excluding equity-based compensation costs and net of preferred share dividend payments. As of January 1, 2021, we now include realizations from our principal investments as these are earnings that are directly received by the Corporation and are available for distribution to common shareholders or to be reinvested into the business. Comparative figures have been revised accordingly.
- **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 perpetual affiliates’ current annual distribution policies, annualized transaction and liquid strategies 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, 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 30.

- 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, 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.
- **Performance fees** are paid to us when we exceed predetermined investment returns within BBU. BBU performance fees are accrued quarterly based on the volume-weighted average increase in BBU unit price. Performance fees are not subject to clawback.
- **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.
- **Incentive distributions** are determined by contractual arrangements and are paid to us by BEP and BIP and represent a portion of distributions paid by perpetual affiliates 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.
  - **Perpetual affiliate base fees** are earned on the total capitalization or net asset value of our perpetual affiliates, which includes our investment. Base fees for BEP include a quarterly fixed fee amount of \$5 million, with additional fees of 1.25% on the increase in capitalization above their initial capitalization of \$8 billion. Base fees for BIP and BBU are 1.25% of total capitalization. Base fees for BPG are 1.05% of net asset value, excluding its interests in private funds and investments which were held directly by BAM prior to the recent BPY privatization. Perpetual affiliate capitalization as at September 30, 2021, was as follows: BEP/BEPC – \$29.0 billion; BIP/BIPC – \$31.4 billion; BBU – \$7.2 billion; and BPG – \$20.4 billion.
- **Internal rate of return (“IRR”)** is the annualized compounded rate of return of the fund, calculated since initial investment date.

# Notice to Readers

Brookfield is not making any offer or invitation of any kind by communication of this Supplemental Information and under no circumstance is it to be construed as a prospectus or an advertisement.

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 which reflect management’s expectations 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.” In particular, the forward-looking statements contained within this Supplemental Information include statements referring to the future state of the economy or the securities market and expected future deployment of capital, dispositions and associated realized carried interest, as well as statements regarding the results of future fundraising efforts.

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.

Some of the factors, many of which are beyond Brookfield’s control and the effects of which can be difficult to predict, but may cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: (i) investment returns that are lower than target; (ii) the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business, including as a result of COVID-19; (iii) the behavior of financial markets, including fluctuations in interest and foreign exchange rates; (iv) global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; (v) strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; (vi) changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); (vii) the ability to appropriately manage human capital; (viii) the effect of applying future accounting changes; (ix) business competition; (x) operational and reputational risks; (xi) technological change; (xii) changes in government regulation and legislation within the countries in which we operate; (xiii) governmental investigations; (xiv) litigation; (xv) changes in tax laws; (xvi) ability to collect amounts owed; (xvii) catastrophic events, such as earthquakes, hurricanes and epidemics/pandemics; (xviii) the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; (xix) the introduction, withdrawal, success and timing of business initiatives and strategies; (xx) the failure of effective disclosure controls and procedures and internal controls over financial reporting and other risks; (xxi) health, safety and environmental risks; (xxii) the maintenance of adequate insurance coverage; (xxiii) the existence of information barriers between certain businesses within our asset management operations; (xxiv) risks specific to our business segments including our real estate, renewable power, infrastructure, private equity, and other alternatives, including credit; and (xxv) factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States, including in “Part 6 – Business Environment and Risks” of our Annual Report available on SEDAR at [www.sedar.com](http://www.sedar.com) and EDGAR at [www.sec.gov](http://www.sec.gov).

We caution that the foregoing list of important factors that may affect future results is not exhaustive and other factors could also adversely affect its results. Readers are urged to consider the foregoing risks, as well as other uncertainties, factors and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information. Except as required by law, 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.



# Notice to Readers cont'd



## STATEMENT REGARDING PAST AND FUTURE PERFORMANCE AND TARGET RETURNS

Past performance is not indicative nor a guarantee of future results. There can be no assurance that comparable results will be achieved in the future, or that future investments or fundraising efforts will be similar to the historic results presented herein (because of economic conditions, the availability of investment opportunities or otherwise).

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, among other things, 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"), which include but are not limited to: (i) funds from operations ("FFO"); (ii) unrealized carried interest; (iii) realized disposition gains; and (iv) carry eligible capital. 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 non-IFRS measures have limitations as analytical tools and 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.