

Brookfield

2022

**Q3 SUPPLEMENTAL
INFORMATION**

THREE MONTHS ENDED
SEPTEMBER 30, 2022

Brookfield Asset Management Inc.

2022 Third Quarter Highlights

\$762B

TOTAL ASSETS
UNDER MANAGEMENT

\$407B

FEE-BEARING CAPITAL

\$5B

LAST TWELVE MONTHS
DISTRIBUTABLE EARNINGS

PERFORMANCE UPDATE

We generated \$1.4 billion of Distributable Earnings (“DE”) during the quarter and \$5.0 billion in the last twelve months (“LTM”).

- Fee-related earnings were \$531 million in the quarter and \$2.1 billion for the LTM, representing increases of 18% and 21% excluding performance fees, respectively, compared to the prior periods.
- Distributions from principal investments were \$696 million in the quarter and \$2.6 billion over the LTM, representing increases of 23% and 20% compared to the prior periods respectively. These increases were supported by strong performance across our operating businesses and contributions from our insurance solutions business which included a full quarter contribution from American National.
- DE before realizations were \$1.2 billion for the quarter and \$4.2 billion for the LTM, representing increases of 39% and 29%, respectively, due to the aforementioned growth in fee-related earnings, higher distributions from principal investments and increased earnings from our insurance solutions business.

We had significant inflows of \$29 billion during the quarter, with an additional \$4 billion raised after quarter end. Fee-bearing capital stands at \$407 billion, representing a \$15 billion increase during the quarter and \$65 billion or 19% over the LTM.

- We held first closes for our fifth infrastructure flagship fund and our sixth private equity fund which now stand at approximately \$21 billion and \$8.4 billion, respectively, with additional capital expected to be raised in subsequent quarters. We have finished fundraising for our fourth flagship real estate fund and have raised approximately \$17 billion for this strategy. We continue to deploy capital within our \$15 billion transition fund, and we recently launched fundraising for the next vintage of our opportunistic credit fund.
- Perpetual fee-bearing capital now totals \$134 billion, a 19% increase from last year, due to contributions from our reinsurance business and inflows related to our perpetual private funds. 83% of fee-bearing capital is long-dated or perpetual.
- We currently have \$39 billion of additional committed capital that will earn annual fees of approximately \$390 million once invested.

We found a number of opportunities to deploy capital for value and advanced monetizations across the business.

- Our infrastructure business signed an agreement to partner with Intel for \$30 billion to build a semi-conductor facility in Arizona. In addition, we announced a partnership to buy a majority interest in Deutsche Telekom’s Tower business in Germany for €17.5 billion.
- Following the end of the quarter, we formed a strategic partnership with Cameco to own Westinghouse Electric for the long term through our renewable power & transition business. To date through our restructuring efforts, this investment has yielded a 6x return on capital and an IRR of approximately 60%, which will generate a significant amount of carried interest for the business. We continue to monetize mature assets, including closing the sale of our transmission lines in Brazil and an interest in an office building in Australia.

STRATEGIC INITIATIVES

We made significant progress across a number of our strategic initiatives.

- We continue to progress our plans to publicly distribute to our shareholders a 25% interest in our asset management business. Having recently received shareholder approval, we remain on track to complete the distribution this year.

2022 Third Quarter Highlights cont'd

OPERATING RESULTS

FFO¹ was \$1.5 billion in the quarter and \$6.2 billion over the LTM. Operating FFO was \$1.2 billion in the quarter and \$4.7 billion over the LTM, 30% and 32% higher than the comparative periods, respectively.

- Our operating FFO increased due to strong asset management earnings, growth in same-store operating earnings and contributions from recent large-scale acquisitions; further demonstrating the resilience of our underlying operations.

Net income in the quarter was \$716 million, or \$423 million attributable to shareholders. For the LTM, net income was \$8.6 billion, or \$3.5 billion attributable to shareholders.

- Our net income results underline the strong performance and resilience of our operations.

LIQUIDITY

Deployable capital at September 30, 2022 was approximately \$125 billion.

- At September 30, 2022, we had \$36 billion of core liquidity and \$88 billion of uncalled private fund commitments.

Our balance sheet continues to be extremely conservatively capitalized, with a corporate debt to market capitalization ratio of 13%.

- As of September 30, 2022, our long-term corporate debt totaled \$11 billion, with a weighted-average interest rate of 4.1% and a weighted-average remaining term of 13 years. There are no maturities for the next 18 months.
- Our corporate debt is supplemented with \$4 billion of perpetual preferred shares, which carry an average cost of 4.3%.

1. Refer to the Glossary of Terms starting on page 39.

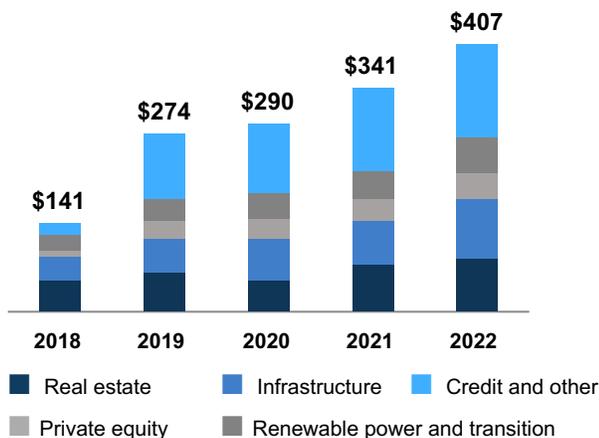
CONTENTS

Highlights and Overview	2	Reconciliation of IFRS to non-IFRS Measures	32
Detailed Analysis		Common Share Information	33
Asset Management Operating Results	13	Glossary of Terms	39
Invested Capital – Overview	25		

Performance Highlights

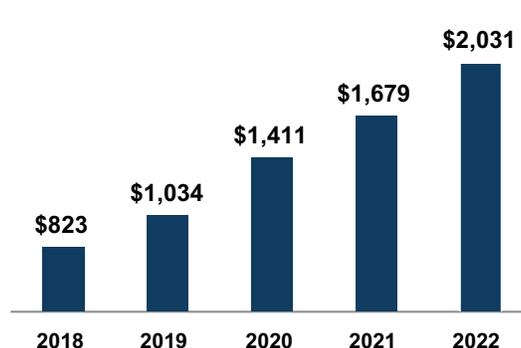
Fee-Bearing Capital

AS AT SEP. 30 (BILLIONS)



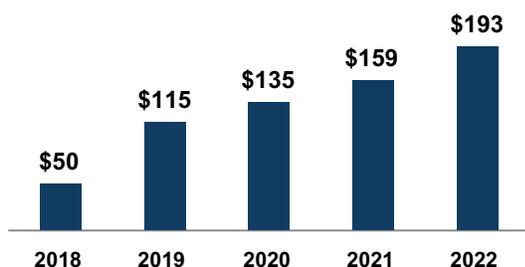
Fee-Related Earnings excluding performance fees

FOR THE LTM ENDED SEP. 30 (MILLIONS)



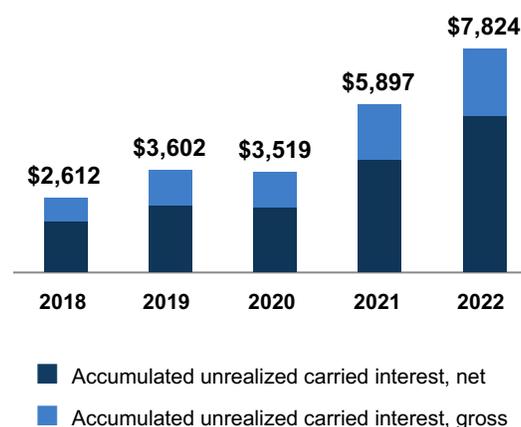
Carry Eligible Capital

AS AT SEP. 30 (BILLIONS)



Accumulated Unrealized Carried Interest

AS AT SEP. 30 (MILLIONS)



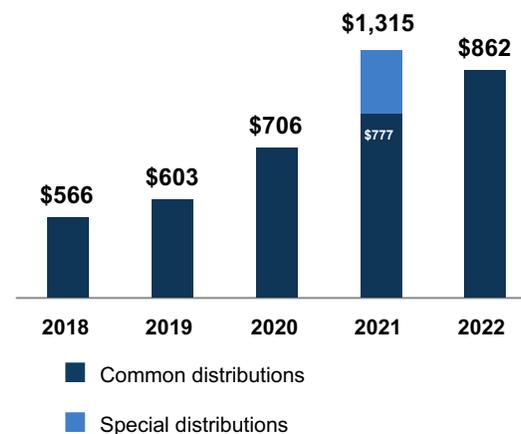
Distributable Earnings

FOR THE LTM ENDED SEP. 30 (MILLIONS)



Distributions to Common Shareholders

FOR THE LTM ENDED SEP. 30 (MILLIONS)



Distributable Earnings (“DE”)

DE before realizations was \$1.2 billion in the quarter, an increase of 39% over the prior period

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.

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months		LTM		Annualized ¹	Page Ref.
	2022	2021	2022	2021		
Fee revenues	\$ 1,021	\$ 857	\$ 3,954	\$ 3,319	\$ 4,183	pages 15-16
Direct costs	(454)	(365)	(1,693)	(1,413)	(2,011)	
	567	492	2,261	1,906	2,172	
Amounts not attributable to Brookfield shareholders	(36)	(41)	(152)	(148)	(124)	
Fee-related earnings	531	451	2,109	1,758	2,048	page 14
Perpetual affiliates	537	509	2,169	1,678	2,207	
Corporate cash and financial assets ²	89	(29)	61	227	245	
Other principal investments ³	70	87	326	220	326	
Distributions from investments	696	567	2,556	2,125	2,778	page 26
Insurance solutions operating earnings	159	5	239	11	550	
Corporate activities	(173)	(144)	(672)	(584)	(702)	
Preferred share dividends ⁴	(40)	(39)	(157)	(156)	(160)	
	(213)	(183)	(829)	(740)	(862)	
Add back: equity-based compensation costs	43	33	149	114	172	
Distributable earnings before realizations	1,216	873	4,224	3,268	\$ 4,686	
Realized carried interest, net	99	146	416	805		
Disposition gains from principal investments	48	223	392	2,540		page 29
Distributable earnings⁵	\$ 1,363	\$ 1,242	\$ 5,032	\$ 6,613		
Per share						
Distributable earnings before realizations ⁶	\$ 0.75	\$ 0.54	\$ 2.60	\$ 2.09		
Distributable earnings ⁶	\$ 0.85	\$ 0.77	\$ 3.10	\$ 4.23		

Our share of Oaktree’s distributable earnings is \$60 million for the quarter (2021 – \$136 million) and \$397 million for the LTM (2021 – \$607 million).

BBU pays a modest distribution as the majority of its FFO is reinvested within the business. For comparability to industry metrics, we have provided a proxy distribution for BBU below based on our ownership in BBU and an assumed payout ratio of 70%, aligned to the payout ratios of our other perpetual affiliates.

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months		LTM	
	2022	2021	2022	2021
Distributable earnings	\$ 1,363	\$ 1,242	\$ 5,032	\$ 6,613
Add: proxy for BBU distribution payout, at our share	150	124	582	388
Add: proxy for payout of disposition gains at BBU, at our share	—	—	—	231
Less: distributions from BBU currently within DE	(9)	(6)	(30)	(24)
Distributable earnings with proxy for BBU	\$ 1,504	\$ 1,360	\$ 5,584	\$ 7,208

See endnotes.

Asset Management

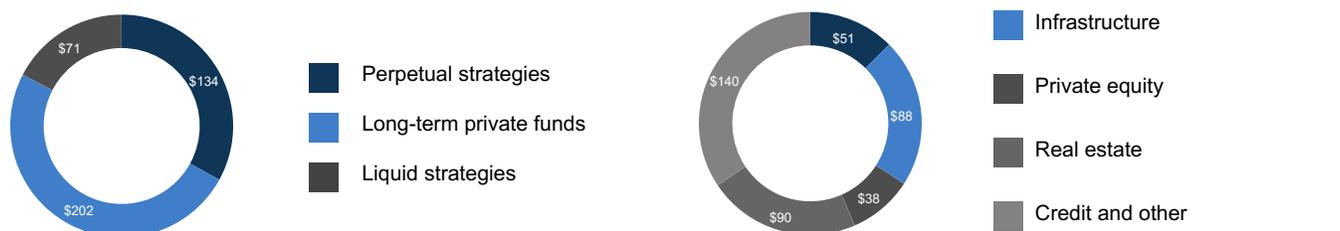
We create value for our shareholders through enhancing the value of our asset management franchise by: i) increasing fee-bearing capital, which increases our fee-related earnings; and ii) achieving attractive investment returns, which enables us to earn performance income (carried interest).

Our asset management activities generated annualized fee-related earnings of \$2.0 billion and target carried interest of \$2.7 billion, representing growth of 22% and 33%, over the LTM, respectively. These increases were primarily due to growth in fee-bearing capital and carry eligible capital of 19% and 21% over the LTM, respectively.

AS AT AND FOR THE LTM ENDED SEP. 30 (MILLIONS)	Fee-Bearing Capital ¹		Actual		Annualized	
	2022	2021	2022	2021	2022	2021
Fee Revenues²						
Renewable power and transition	\$ 50,959	\$ 40,321	\$ 563	\$ 504	\$ 580	\$ 480
Infrastructure	87,494	64,864	1,027	844	1,147	896
Private equity ³	38,109	32,927	505	445	547	484
Real estate ³	90,083	78,926	898	712	927	802
Credit and other ³	140,115	124,364	961	814	982	895
	\$ 406,760	\$ 341,402	3,954	3,319	4,183	3,557
Direct costs ⁴			(1,693)	(1,413)	(2,011)	(1,747)
			2,261	1,906	2,172	1,810
Earnings not attributable to BAM			(152)	(148)	(124)	(127)
Fee-Related Earnings			2,109	1,758	2,048	1,683
Carried interest						
Carried interest ^{5,6,7}			926	1,754	4,615	3,675
Direct costs ⁴			(417)	(747)	(1,673)	(1,376)
			509	1,007	2,942	2,299
Carried interest not attributable to BAM			(93)	(202)	(285)	(305)
			416	805	2,657	1,994
Total fee-related earnings and carried interest, net			\$ 2,525	\$ 2,563	\$ 4,705	\$ 3,677

Fee-Bearing Capital Diversification

AS AT SEP. 30, 2022 (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.

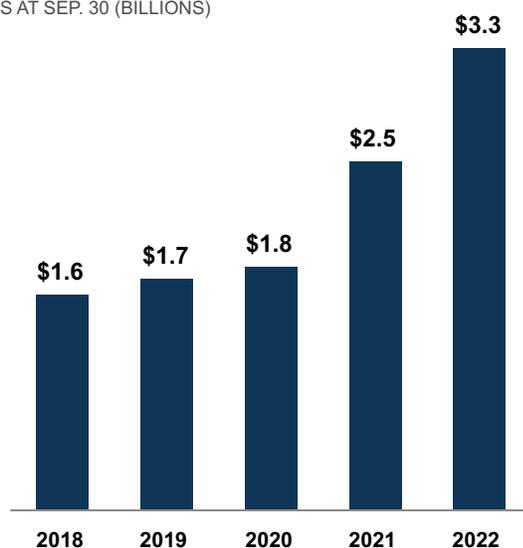
Our invested capital was \$68.8 billion on a blended basis as at September 30, 2022, on which we earn diversified, long-term, stable cash flows via dividends. Our invested capital generates \$3.3 billion of annualized distributions from our investments (September 30, 2021 – \$2.5 billion). The balance of the earnings is retained for reinvesting in our investments.

The following table provides a breakdown of our invested capital as at September 30, 2022 and December 31, 2021. 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, 2022 AND DEC. 31, 2021 (MILLIONS)	No. of Units	Quoted ¹		IFRS		Blended ²		Cash Flow
		2022	2021	2022	2021	2022	2021	Annualized ³
BEP	312.0	\$ 9,828	\$ 11,214	\$ 4,190	\$ 4,641	\$ 9,828	\$ 11,214	\$ 399
BIP	209.4	7,579	8,552	2,462	2,696	7,579	8,552	302
BBU	141.7	2,883	4,351	2,616	2,803	2,883	4,351	35
Corporate cash and financial assets ⁴	Various	3,065	3,522	3,065	3,522	3,065	3,522	245
		23,355	27,639	12,333	13,662	23,355	27,639	981
BPG	N/A	N/A	N/A	31,041	32,004	31,041	32,004	1,471
Insurance solutions ⁵	N/A	N/A	N/A	3,868	988	7,736	988	550
Other investments ^{6,7}	Various	N/A	N/A	3,660	5,202	6,125	6,697	326
Total investments				50,902	51,856	68,257	67,328	3,328
Working capital, net				496	699	496	699	N/A
Invested capital				51,398	52,555	68,753	68,027	\$ 3,328
Debt and preferred capital ⁸				(15,671)	(15,250)	(15,671)	(15,250)	
Invested capital, net				\$ 35,727	\$ 37,305	\$ 53,082	\$ 52,777	

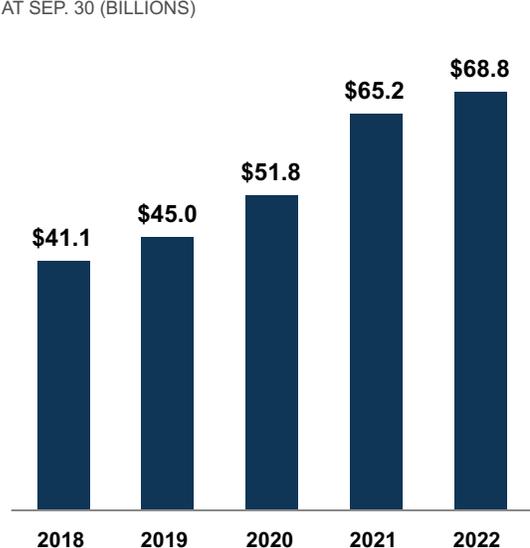
Annualized Cash Flow

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 Corporation¹;
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 (\$5.6 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 conservatively leveraged corporate balance sheet.

On a group basis, as at September 30, we had approximately \$124 billion of 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.

	Corporate Liquidity		Group Liquidity	
	2022	2021	2022	2021
Cash and financial assets, net	\$ 3,065	\$ 3,522	\$ 27,554	\$ 6,233
Undrawn committed credit facilities	2,538	1,618	8,284	8,778
Core liquidity	5,603	5,140	35,838	15,011
Third-party uncalled private fund commitments	—	—	88,031	77,079
Total liquidity	\$ 5,603	\$ 5,140	\$ 123,869	\$ 92,090

AS AT SEP. 30, 2022 AND DEC. 31, 2021
(MILLIONS)

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 \$62 billion as at September 30, 2022, 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 13%.

- Corporate borrowings excluding commercial paper totaled \$11 billion, with a weighted-average term of 13 years, and a weighted-average interest rate of 4.1%.
- Our corporate borrowings are supplemented by \$4 billion of perpetual preferred shares with a weighted-average cost of 4.3%.

	Average Term (Years)	Total ²	Maturity					
			2022	2023	2024	2025	2026	2027+
Term debt	13	\$ 10,613	\$ —	\$ —	\$ 1,112	\$ 500	\$ 1,115	\$ 7,886
Perpetual preferred shares ³	perp.	4,354	—	—	—	—	—	n/a
		\$ 14,967	\$ —	\$ —	\$ 1,112	\$ 500	\$ 1,115	\$ 7,886

AS AT SEP. 30, 2022
(MILLIONS)

1. See endnotes.

2. Draws on commercial paper issuances are excluded from the debt repayment schedule as they are not a permanent source of capital.

3. See endnotes.

Liquidity Profile

CORE AND TOTAL LIQUIDITY

AS AT SEP. 30, 2022 AND DEC. 31, 2021 (MILLIONS)	Corporate	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Credit and Other ¹	Total 2022	Dec. 2021
Cash and financial assets, net	\$ 3,065	\$ 665	\$ 497	\$ 538	\$ 63	\$ 22,726	\$ 27,554	\$ 6,233
Undrawn committed credit facilities	2,538	1,960	1,243	200	1,425	918	8,284	8,778
Core liquidity	5,603	2,625	1,740	738	1,488	23,644	35,838	15,011
Uncalled private fund commitments ²	—	16,215	19,224	11,852	23,317	17,423	88,031	77,079
Total liquidity	<u>\$ 5,603</u>	<u>\$ 18,840</u>	<u>\$ 20,964</u>	<u>\$ 12,590</u>	<u>\$ 24,805</u>	<u>\$ 41,067</u>	<u>\$ 123,869</u>	<u>\$ 92,090</u>

- We have total liquidity of \$124 billion at the end of the quarter, comprised of \$36 billion of core liquidity and \$88 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 \$5.6 billion of liquidity, consisting of approximately \$3.1 billion of cash and financial assets and \$2.5 billion of undrawn credit facilities.

UNCALLED FUND COMMITMENTS – EXPIRY PROFILE

AS AT SEP. 30, 2022 AND DEC. 31, 2021 (MILLIONS)	2022	2023	2024	2025	2026+	Total 2022 ³	Dec. 2021
Renewable power and transition	\$ 64	\$ —	\$ —	\$ 113	\$ 16,038	\$ 16,215	\$ 12,278
Infrastructure	49	—	—	257	18,918	19,224	11,643
Private equity	—	124	—	952	10,776	11,852	9,863
Real estate	—	394	745	235	21,943	23,317	25,831
Credit and other	—	11	1,139	424	15,849	17,423	17,464
	<u>\$ 113</u>	<u>\$ 529</u>	<u>\$ 1,884</u>	<u>\$ 1,981</u>	<u>\$ 83,524</u>	<u>\$ 88,031</u>	<u>\$ 77,079</u>

- Approximately \$46.1 billion of the uncalled fund commitments are currently earning fees. The remainder will become fee bearing once the capital is invested.
- We invested approximately \$9.5 billion of third-party fund capital (including private funds and co-investments) during the quarter.
- \$23.4 billion of third-party capital is committed to investments not yet funded as at September 30, 2022 (renewable power and transition – \$4.7 billion; infrastructure – \$6.8 billion; private equity – \$2.1 billion; real estate – \$8.6 billion; and credit and other – \$1.2 billion).

See endnotes.

Summary of Results – Funds from Operations

We generated \$6.2 billion in FFO over the last twelve months, including \$1.5 billion in the current quarter

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

	Three Months		LTM		Page Ref.
	2022	2021	2022	2021	
Operating FFO					
Fee-related earnings					
Base management fees	\$ 935	\$ 783	\$ 3,493	\$ 2,918	pages 14-16
Incentive distributions (“IDRs”)	84	72	327	317	
Transaction and advisory fees	2	2	56	5	
Total fee revenues	1,021	857	3,876	3,240	
Direct costs	(454)	(365)	(1,693)	(1,413)	
Fee-related earnings before performance fees	567	492	2,183	1,827	
Performance fees	—	—	78	79	
Fee-related earnings not attributable to BAM	(36)	(41)	(152)	(148)	
Fee-related earnings	531	451	2,109	1,758	page 14
Invested capital					
Perpetual affiliates	529	560	2,673	1,872	page 30
Corporate cash and financial assets	89	(29)	61	227	page 31
	618	531	2,734	2,099	
BBU performance fee, net to BAM	—	—	(50)	(51)	page 30
	618	531	2,684	2,048	
Insurance solutions	159	5	239	11	page 31
Other investments	81	91	360	346	page 31
Corporate activities					
Corporate interest expense	(128)	(111)	(482)	(431)	
Corporate costs and taxes	(45)	(33)	(190)	(153)	
	(173)	(144)	(672)	(584)	page 27
	685	483	2,611	1,821	
Total operating FFO	1,216	934	4,720	3,579	
Realized carried interest, net					
Realized carried interest	131	304	926	1,754	
Direct costs	(31)	(123)	(417)	(747)	
	100	181	509	1,007	page 17
Realized carried interest, net, not attributable to BAM	(1)	(35)	(93)	(202)	
	99	146	416	805	
Disposition gains	151	328	1,055	3,541	page 28
Total funds from operations^{1,2}	\$ 1,466	\$ 1,408	\$ 6,191	\$ 7,925	
Per share					
Total operating FFO ³	\$ 0.73	\$ 0.56	\$ 2.81	\$ 2.19	
Total FFO ³	0.89	0.85	3.72	4.97	

See endnotes.

Funds from Operations and Net Income

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM			
	FFO ¹		Net Income ¹		FFO ¹		Net Income ¹	
	2022	2021	2022	2021	2022	2021	2022	2021
Operating activities								
Fee-related earnings	\$ 531	\$ 451	\$ 531	\$ 451	\$ 2,109	\$ 1,758	\$ 2,109	\$ 1,758
Invested capital	685	483	685	483	2,611	1,821	2,611	1,821
	1,216	934	1,216	934	4,720	3,579	4,720	3,579
Realized carried interest, net	99	146	99	146	416	805	416	805
Realized disposition gains ^{2,3}	151	328	14	89	1,055	3,541	263	248
Fair value changes ³	—	—	(135)	255	—	—	753	999
Depreciation and amortization ³	—	—	(559)	(449)	—	—	(2,069)	(1,797)
Deferred income taxes ³	—	—	(212)	(178)	—	—	(593)	(343)
	\$ 1,466	\$ 1,408	\$ 423	\$ 797	\$ 6,191	\$ 7,925	\$ 3,490	\$ 3,491
Per share ⁴	\$ 0.89	\$ 0.85	\$ 0.24	\$ 0.47	\$ 3.72	\$ 4.97	\$ 2.06	\$ 2.13

See endnotes.

Detailed — Analysis

Asset Management Operating Results

FEE-BEARING CAPITAL

AS AT AND FOR THE PERIODS ENDED SEP. 30, 2022 (MILLIONS)	Three Months						LTM					
	Renewable Power & Transition	Infrastructure	Private Equity	Real Estate	Credit and Other	Total	Renewable Power & Transition	Infrastructure	Private Equity	Real Estate	Credit and Other	Total
Opening	\$ 50,038	\$ 74,164	\$38,954	\$ 89,346	\$139,254	\$391,756	\$ 40,321	\$ 64,864	\$32,927	\$ 78,926	\$124,364	\$341,402
Inflows	2,851	13,460	686	1,824	10,378	29,199	15,659	25,242	7,915	11,098	48,477	108,391
Outflows	—	—	—	(90)	(5,094)	(5,184)	—	—	—	(489)	(17,222)	(17,711)
Distributions	(235)	(664)	(90)	(864)	(307)	(2,160)	(1,393)	(4,455)	(841)	(4,397)	(1,692)	(12,778)
Market valuation	(1,804)	120	(442)	390	(2,882)	(4,618)	(3,224)	1,364	(1,567)	4,179	(10,993)	(10,241)
Other	109	414	(999)	(523)	(1,234)	(2,233)	(404)	479	(325)	766	(2,819)	(2,303)
Change	921	13,330	(845)	737	861	15,004	10,638	22,630	5,182	11,157	15,751	65,358
End of period	\$ 50,959	\$ 87,494	\$38,109	\$90,083	\$140,115	\$406,760	\$ 50,959	\$ 87,494	\$38,109	\$90,083	\$140,115	\$406,760

Fee-bearing capital increased by \$15 billion during the quarter and \$65 billion during the LTM

Inflows to fee-bearing capital represent additional capital which began earning fees in the period.

Renewable power and transition: The \$0.9 billion increase in the quarter is driven by additional capital raised for our flagship fund. This was partially offset by the lower market capitalization of our perpetual affiliate (BEP) and distributions to unitholders during the quarter.

Infrastructure: The \$13.3 billion increase in the quarter is primarily due to inflows of \$13.5 billion, of which \$10.5 billion relates to capital raised for our fifth flagship infrastructure fund, with the remainder associated with capital deployed within our debt and perpetual private funds. This was partially offset by distributions to unitholders during the quarter.

Private equity: Fee-bearing capital decreased by \$0.8 billion in the quarter due to capital returned to investors and a lower market capitalization for our perpetual affiliate (BBU). The decrease was partially offset by contributions from capital raised for our sixth flagship private equity fund and co-investment capital raised during the quarter.

Real estate: Fee-bearing capital increased by \$0.7 billion in the quarter as a result of capital raised within our real estate secondaries fund and our fourth flagship real estate fund, as well as incremental capital raised and higher valuations within our perpetual strategies. This was partially offset by distributions.

Credit and other: The \$0.9 billion increase was driven by inflows of \$10.4 billion resulting from capital raised and deployed across our closed-end strategies and capital inflows in our liquid strategies. This increase was partially offset by lower market valuations and redemptions within our liquid strategies.

Fee-bearing capital includes Brookfield capital of \$47.5 billion (Jun. 30, 2022 – \$48.7 billion) in perpetual strategies and \$4.8 billion (Jun. 30, 2022 – \$4.4 billion) in long-term private funds. Base management fee revenues include \$139 million (Sep. 30, 2021 – \$111 million) and \$575 million (Sep. 30, 2021 – \$410 million) earned on Brookfield capital for the three months and LTM, respectively.

Of our total fee-bearing capital of \$407 billion, \$336 billion or 83% is long-dated or perpetual in nature

AS AT SEP. 30, 2022 (MILLIONS)	Renewable Power & Transition	Infrastructure	Private Equity	Real Estate	Credit and Other	Total
Long-Term Private Funds ¹	\$ 25,981	\$ 41,746	\$ 30,665	\$ 56,155	\$ 46,912	\$ 201,459
Perpetual Strategies ¹	24,978	45,748	7,444	33,928	22,389	134,487
Liquid Strategies	—	—	—	—	70,814	70,814
Total	\$ 50,959	\$ 87,494	\$ 38,109	\$ 90,083	\$ 140,115	\$ 406,760

1. Long-term private funds and perpetual strategies include \$28.9 billion of co-investment capital (Jun. 30, 2022 – \$28.3 billion, Sep. 30, 2021 – \$22.4 billion), which can earn minimal or no base fees.

Asset Management Operating Results cont'd

FEE-RELATED EARNINGS

FOR THE PERIODS ENDED SEP. 30
(MILLIONS)

	Three Months			LTM		
	2022	2021	Variance	2022	2021	Variance
Base management fees						
Renewable power and transition	\$ 120	\$ 99	\$ 21	\$ 470	\$ 425	\$ 45
Infrastructure	210	166	44	757	646	111
Private equity	117	96	21	415	363	52
Real estate	235	201	34	898	670	228
Credit and other	253	221	32	953	814	139
Incentive distributions	84	72	12	327	317	10
Transaction and advisory fees	2	2	—	56	5	51
	1,021	857	164	3,876	3,240	636
Direct costs						
Compensation and benefits	(334)	(281)	(53)	(1,284)	(1,086)	(198)
Other expenses	(120)	(84)	(36)	(409)	(327)	(82)
	(454)	(365)	(89)	(1,693)	(1,413)	(280)
Fee-related earnings before performance fees¹	567	492	75	2,183	1,827	356
Performance fees	—	—	—	78	79	(1)
Total fee-related earnings	\$ 567	\$ 492	\$ 75	\$ 2,261	\$ 1,906	\$ 355
<i>Margin before performance fees</i>	56%	57%		56%	56%	
Fee-related earnings attributable to:						
Brookfield	\$ 531	\$ 451	\$ 80	\$ 2,109	\$ 1,758	\$ 351
Non-Brookfield shareholders ²	36	41	(5)	152	148	4
Total fee-related earnings	\$ 567	\$ 492	\$ 75	\$ 2,261	\$ 1,906	\$ 355
<i>Margin before performance fees – at our share³</i>	58%	60%		59%	59%	
<i>Margin including performance fees – at our share³</i>	58%	60%		60%	60%	

1. Oaktree contributed fee-related earnings of \$98 million (2021 – \$106 million) for the three months ended September 30, 2022, and \$408 million (2021 – \$387 million) over the LTM. Oaktree standalone margin was 33% for the quarter (2021 – 39%) and 36% for the LTM (2021 – 38%).

2. See endnotes.

3. Margin at our share is calculated using our 64% share of Oaktree's fee-related earnings for the three months ended September 30, 2022 and 63% for the LTM. Brookfield margin on a standalone basis was 65% for the three months ended September 30, 2022 (2021 – 66%) and 65% for the LTM ended September 30, 2022 (2021 – 65%).

Renewable power and transition: Fee revenues over the LTM were higher primarily due to the contribution from our transition fund. This increase was partially offset by lower fees from BEP as a result of a lower market capitalization.

Infrastructure: Fee revenues were higher as a result of capital raised within our fifth flagship infrastructure fund, deployment of capital in our supercore infrastructure fund, as well as the market appreciation of BIP over the LTM.

Private equity: Fee revenues increased over the LTM from capital raised for our sixth flagship private equity fund and a higher average market capitalization of BBU.

Real estate: Fee revenues increased due to contributions from capital raised for our fourth flagship fund, higher valuations within our perpetual private funds, and capital deployed across our private funds.

Credit and other: Fee revenues increased primarily due to capital deployed within our closed-end funds, particularly within our flagship opportunistic credit fund. These increases were partially offset by reduced valuations and outflows within our liquid strategies.

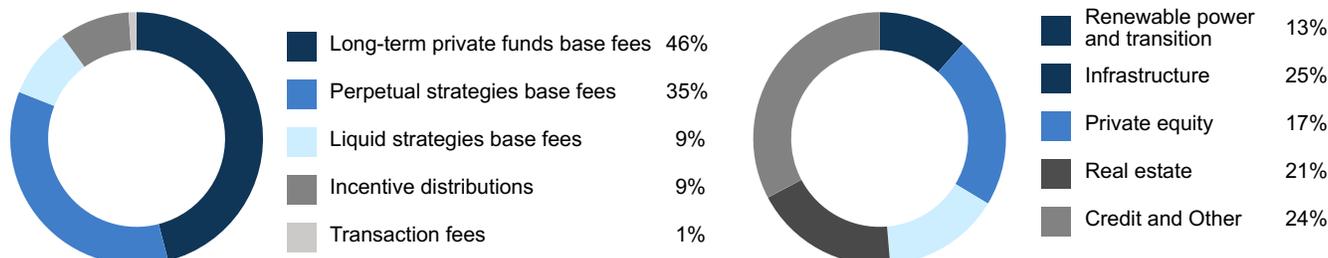
Incentive distributions: Reflects increased distribution levels at BIP and BEP.

Performance fees: Fees relate to BBU and BBUC, 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, new investment strategies and the broadening of our distribution capabilities.

Fee Revenue Diversification

FOR THE LTM SEP. 30, 2022



Fee Revenues

RENEWABLE POWER AND TRANSITION

	Three Months		LTM		Annualized ¹	
	2022	2021	2022	2021	2022	2021
AS AT AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)						
Base management fees						
Long-term private funds						
Flagship funds	\$ 56	\$ 24	\$ 176	\$ 94	\$ 232	\$ 98
Co-investment and other funds	4	4	18	17	19	16
	<u>60</u>	<u>28</u>	<u>194</u>	<u>111</u>	<u>251</u>	<u>114</u>
Perpetual strategies						
BEP ²	59	71	264	309	236	284
Co-investment and other funds	—	—	—	4	—	—
	<u>59</u>	<u>71</u>	<u>264</u>	<u>313</u>	<u>236</u>	<u>284</u>
Total base management fees	<u>119</u>	<u>99</u>	<u>458</u>	<u>424</u>	<u>487</u>	<u>398</u>
Catch-up fees	1	—	12	1	—	—
Incentive distributions	24	20	92	77	92	80
Transaction and advisory fees	—	1	1	2	1	2
	<u>\$ 144</u>	<u>\$ 120</u>	<u>\$ 563</u>	<u>\$ 504</u>	<u>\$ 580</u>	<u>\$ 480</u>

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.

2. BEP fee-bearing capital as at September 30, 2022 is \$25 billion.

INFRASTRUCTURE

	Three Months		LTM		Annualized ¹	
	2022	2021	2022	2021	2022	2021
AS AT AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)						
Base management fees						
Long-term private funds						
Flagship funds	\$ 79	\$ 53	\$ 241	\$ 215	\$ 349	\$ 221
Co-investment and other funds	9	8	36	35	44	49
	<u>88</u>	<u>61</u>	<u>277</u>	<u>250</u>	<u>393</u>	<u>270</u>
Perpetual strategies						
BIP ²	106	99	439	374	439	396
Co-investment and other funds	16	6	41	17	59	22
	<u>122</u>	<u>105</u>	<u>480</u>	<u>391</u>	<u>498</u>	<u>418</u>
Total base management fees	<u>210</u>	<u>166</u>	<u>757</u>	<u>641</u>	<u>891</u>	<u>688</u>
Catch-up fees	—	—	—	5	—	—
Incentive distributions	60	52	235	198	238	197
Transaction and advisory fees	—	—	35	—	18	11
	<u>\$ 270</u>	<u>\$ 218</u>	<u>\$ 1,027</u>	<u>\$ 844</u>	<u>\$ 1,147</u>	<u>\$ 896</u>

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.

2. BIP fee-bearing capital as at September 30, 2022 is \$34 billion.

PRIVATE EQUITY

	Three Months		LTM		Annualized ¹	
	2022	2021	2022	2021	2022	2021
AS AT AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)						
Base management fees						
Long-term private funds						
Flagship funds	\$ 40	\$ 26	\$ 121	\$ 105	\$ 160	\$ 106
Co-investment and other funds	54	44	195	175	175	174
	<u>94</u>	<u>70</u>	<u>316</u>	<u>280</u>	<u>335</u>	<u>280</u>
Perpetual strategies						
BBU ²	23	25	97	82	91	100
Co-investment and other funds	—	—	—	—	—	1
	<u>23</u>	<u>25</u>	<u>97</u>	<u>82</u>	<u>91</u>	<u>101</u>
Total base management fees	<u>117</u>	<u>95</u>	<u>413</u>	<u>362</u>	<u>426</u>	<u>381</u>
Catch-up fees	—	1	2	1	—	—
Performance fees	—	—	78	79	113	90
Transaction and advisory fees	2	1	12	3	8	13
	<u>\$ 119</u>	<u>\$ 97</u>	<u>\$ 505</u>	<u>\$ 445</u>	<u>\$ 547</u>	<u>\$ 484</u>

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

2. BBU fee-bearing capital as at September 30, 2022 is \$7 billion.

Fee Revenues cont'd

REAL ESTATE

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

	Three Months		LTM		Annualized ¹	
	2022	2021	2022	2021	2022	2021
Fee revenues						
Long-term private funds						
Flagship funds	\$ 89	\$ 76	\$ 345	\$ 234	\$ 373	\$ 323
Co-investment and other funds	54	47	208	168	216	186
	<u>143</u>	<u>123</u>	<u>553</u>	<u>402</u>	<u>589</u>	<u>509</u>
Perpetual strategies						
BPG ²	57	60	224	212	225	219
Co-investment and other funds	28	18	97	56	113	74
	<u>85</u>	<u>78</u>	<u>321</u>	<u>268</u>	<u>338</u>	<u>293</u>
Total base management fees	<u>228</u>	<u>201</u>	<u>874</u>	<u>670</u>	<u>927</u>	<u>802</u>
Catch-up fees	7	—	24	—	—	—
Incentive distributions	—	—	—	42	—	—
	<u>\$ 235</u>	<u>\$ 201</u>	<u>\$ 898</u>	<u>\$ 712</u>	<u>\$ 927</u>	<u>\$ 802</u>

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

2. BPG fee-bearing capital as at September 30, 2022 is \$21 billion.

CREDIT AND OTHER

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

	Three Months		LTM		Annualized ¹	
	2022	2021	2022	2021	2022	2021
Base management fees						
Long-term private funds	\$ 138	\$ 108	\$ 500	\$ 384	\$ 537	\$ 439
Perpetual strategies	49	36	171	134	208	148
Liquid strategies ²	66	77	282	296	234	308
Total base management fees	<u>253</u>	<u>221</u>	<u>953</u>	<u>814</u>	<u>979</u>	<u>895</u>
Transaction and advisory fees	—	—	8	—	3	—
Total fee revenues	<u>\$ 253</u>	<u>\$ 221</u>	<u>\$ 961</u>	<u>\$ 814</u>	<u>\$ 982</u>	<u>\$ 895</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 ¹		
Brookfield Infrastructure (BIP) ²	\$ 1.44	\$ 0.49 / \$ 0.53	15% / 25%	771.2	\$ 238
Brookfield Renewable (BEP) ³	1.28	0.80 / 0.90	15% / 25%	646.0	92
					<u>\$ 330</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 \$3.2 billion during the LTM, taking our total gross unrealized carried interest balance to \$8.8 billion

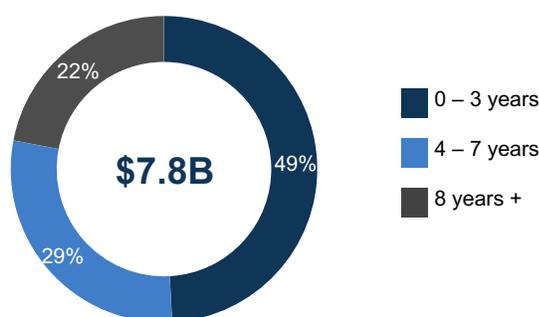
UNREALIZED CARRIED INTEREST CONTINUITY^{1,2}

AS AT AND FOR THE PERIODS ENDED SEP. 30, 2022 (MILLIONS)	Three Months			LTM		
	Unrealized Carried Interest	Direct Costs	Net	Unrealized Carried Interest	Direct Costs	Net
Accumulated unrealized, beginning of period	\$ 8,633	\$ (2,781)	\$ 5,852	\$ 6,850	\$ (2,429)	\$ 4,421
In period change						
Generated in period	379	(118)	261	3,166	(895)	2,271
Foreign currency revaluation	(78)	22	(56)	(287)	61	(226)
	301	(96)	205	2,879	(834)	2,045
Less: realized	(131)	31	(100)	(926)	417	(509)
	170	(65)	105	1,953	(417)	1,536
Accumulated unrealized, end of period	8,803	(2,846)	5,957	8,803	(2,846)	5,957
Carried interest not attributable to BAM shareholders	(979)	505	(474)	(979)	505	(474)
Accumulated unrealized, end of period, net	\$ 7,824	\$ (2,341)	\$ 5,483	\$ 7,824	\$ (2,341)	\$ 5,483

1. Amounts dependent on future investment performance. 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, 2022



- \$3.9 billion of carried interest is expected to be realized within the next three years

THREE MONTHS

- Accumulated unrealized carried interest before foreign exchange and associated costs increased \$379 million during the current quarter, primarily related to higher valuations in our flagship real estate and credit funds.
- We realized \$131 million of carried interest in the quarter, primarily from realizations in our credit and real estate funds.

LTM

- Unrealized carried interest before foreign exchange and associated costs increased by \$3.2 billion over the LTM period, driven by valuation increases across a number of our strategies.
- We realized \$0.9 billion of carried interest over the LTM as we returned capital to clients across a number of flagship and other funds.

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, 2022 (MILLIONS)	Carry Eligible Capital ¹	Gross Target Return ^{2,3}	Average Carried Interest	Annualized Target Carried Interest ⁴
Opportunistic	\$ 31,308	18% – 25%	~20%	\$ 1,093
Value add	2,013	10% – 15%	~20%	48
Credit, core plus and other	47,479	10% – 15%	~15%	877
Oaktree	44,145	10% – 20%	~20%	1,134
	<u>124,945</u>			<u>3,152</u>
Uncalled fund commitments ^{5,6}				
Brookfield	52,929			1,157
Oaktree	15,018			306
Total carry eligible capital/target carried interest	\$ 192,892			4,615
Target carried interest not attributable to BAM shareholders ⁷				(561)
				<u>\$ 4,054</u>

- As at September 30, 2022, \$124.9 billion of carry eligible capital has been invested and an additional \$67.9 billion of committed capital will become carry eligible once invested.
- 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.
- Gross target return is before annual fund management fees ranging from 90 bps for core plus funds to 200 bps for certain opportunistic funds.
- Based on carry eligible capital.
- Uncalled fund commitments from carry eligible funds.
- 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.
- Includes Oaktree target carried interest attributable to the 36% of Oaktree not held by Brookfield.

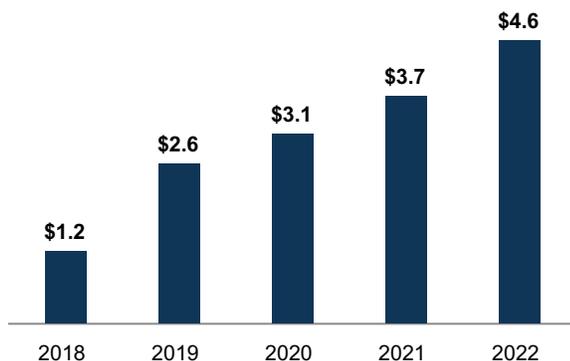
ANNUALIZED TARGET CARRIED INTEREST

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 \$3.2 billion per annum, and \$1.4 billion on capital not yet invested. Total target carried interest is \$4.1 billion at our share, or \$2.7 billion net of costs.

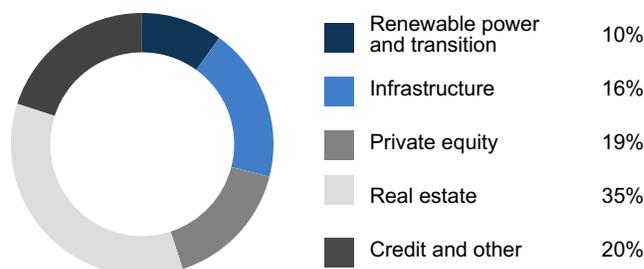
Target Carried Interest

AS AT SEP. 30 (BILLIONS)



Target Carry Diversification

AS AT SEP. 30, 2022



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, 2022 (MILLIONS)	Strategy	Vintage ¹	Target Gross IRR ^{2,3}	Gross Actual IRR ⁴	Uncalled Fund Commitments ⁵	Invested < 3 years	Invested > 3 years	Total	Accumulated Unrealized Carried Interest ⁶
Real estate	Opportunistic – BSREP	2013 – 2019	20%	19%	\$ 9,157	\$ 7,498	\$ 11,248	\$ 27,903	\$ 1,996
	Credit – BREF	2005 – 2021	12% – 15%	10%	2,807	1,319	842	4,968	96
	Other ⁷	2008 – 2018			3,932	9,246	8,709	21,887	460
Infrastructure	Core Plus – BIF ⁸	2010 – 2020	13% – 15%	15%	18,170	17,030	5,873	41,073	2,511
	Other ^{7,8}	2008 – 2022			1,039	2,099	1,371	4,509	127
Renewable power and transition	Core Plus – BGTF ⁹	2022	13% – 15%	n/m	8,905	1,472	—	10,377	—
Private equity	Opportunistic – BCP	2007 – 2019	20%	26%	4,272	5,608	2,347	12,227	731
	Other ⁷	2015 – 2022			4,647	4,314	1,824	10,785	163
Credit and other					15,018	29,004	15,141	59,163	1,740
Total private fund carry eligible capital					67,947	\$ 77,590	\$ 47,355	192,892	\$ 7,824
Non-carry eligible capital¹⁰					20,084			109,886	
					\$ 88,031			\$ 302,778	

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 \$20.1 billion of uncalled fund commitments relate to funds not eligible to earn carry.

6. Total accumulated unrealized carried interest includes Oaktree at our 64% share.

7. Other represents funds and co-investments across the asset classes.

8. Out of \$19.2 billion of total uncalled fund commitments in infrastructure, \$2.0 billion are related to renewable power and transition's investments.

9. BGTF held its final close this year. Typically the performance measurement date is within 12 months of acquisition. Accordingly, such performance measures are not meaningful (n/m).

10. 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

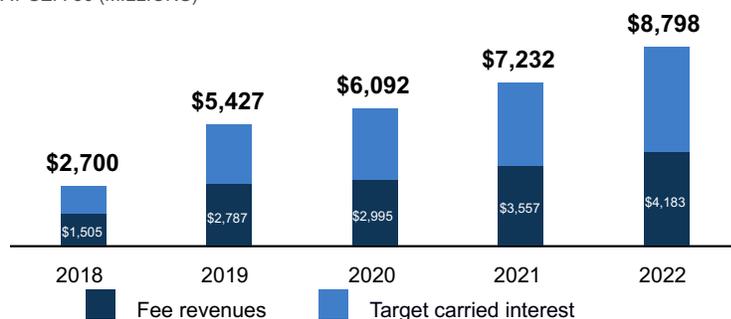
ANNUALIZED FEES AND TARGET CARRY

AS AT (MILLIONS)	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2021
Base management fees			
Renewable power and transition	\$ 487	\$ 446	\$ 398
Infrastructure	891	713	688
Private equity	426	392	381
Real estate	927	836	802
Credit and other	979	929	895
Incentive distributions ¹	330	330	277
	4,040	3,646	3,441
Performance fee ²	113	113	90
Transaction and advisory ³	30	18	26
Fee revenues	4,183	3,777	3,557
Target carried interest⁴			
Brookfield funds	3,175	2,618	2,310
Oaktree funds	1,440	1,435	1,365
	4,615	4,053	3,675
	8,798	7,830	7,232
Revenues not attributable to BAM shareholders			
Management fees	(412)	(434)	(423)
Target carried interest	(565)	(610)	(584)
	\$ 7,821	\$ 6,786	\$ 6,225

- We have approximately \$39 billion of additional capital not in fee-bearing capital today that will earn approximately \$390 million of fees and \$290 million of target carried interest once invested.
- BBU and BBUC'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 144.3 million BBU units outstanding and 73.0 million BBUC shares outstanding and the current threshold is \$31.53.
- 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.

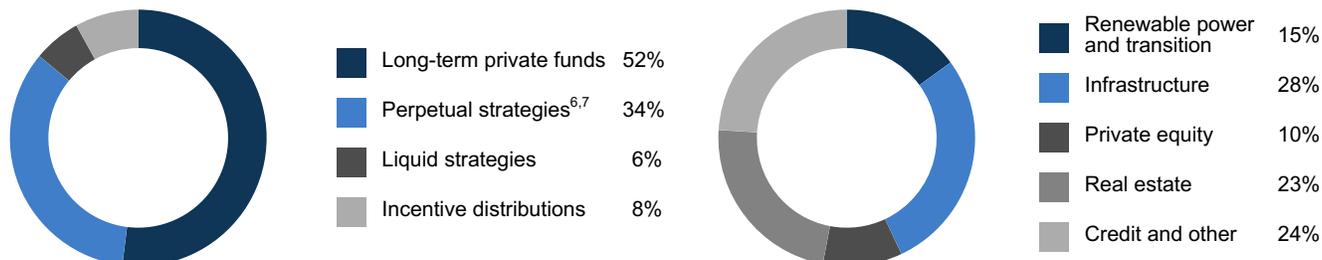
Annualized Fees and Target Carry

AS AT SEP. 30 (MILLIONS)



Fee Revenue Diversification⁵

AS AT SEP. 30, 2022



1,2,3,4,5,6,7. See endnotes

Private Fund Listing¹

AS AT SEP. 30, 2022

(MILLIONS, USD UNLESS OTHERWISE NOTED)

		Committed Capital ²	Brookfield Participation ²	Year ³
BROOKFIELD REAL ESTATE FUNDS				
Opportunistic				
Real Estate Turnaround	\$	5,570	18%	2010
Strategic Real Estate Partners I ⁴		4,350	31%	2013
Strategic Real Estate Partners II ⁴		9,000	26%	2016
Strategic Real Estate Partners III ⁴		15,000	25%	2019
Thayer VI		306	48%	2014
Opportunity Zone		1,011	—%	2019
Value Add				
U.S. Multifamily Value Add II	\$	805	37%	2014
U.S. Multifamily Value Add III		1,005	30%	2018
Core Plus				
U.S. Office	\$	2,200	83%	2006
DTLA		1,100	45%	2013
Premier Real Estate Partners ⁵		4,310	9%	2016
Premier Real Estate Partners Australia ⁵	A \$	1,019	19%	2018
European Real Estate Partnership ⁵	€	794	13%	2020
Single Family Rental		300	26%	2020
BROOKFIELD INFRASTRUCTURE FUNDS				
Core Plus				
Global Infrastructure I ⁴	\$	2,660	25%	2010
Global Infrastructure II ⁴		7,000	40%	2013
Global Infrastructure III ⁴		14,000	29%	2016
Global Infrastructure IV ⁴		20,000	25%	2020
Global Infrastructure IV Renewable ⁴		748	25%	2020
Core				
Super-Core Infrastructure Partners ⁵	\$	8,055	1%	2018
BROOKFIELD RENEWABLE POWER & TRANSITION FUNDS				
Transition				
Global Transition ⁴		14,714	18%	2022
BROOKFIELD PRIVATE EQUITY FUNDS				
Opportunistic				
Capital Partners II ⁴	C \$	1,000	40%	2007
Capital Partners III ⁴		1,000	25%	2012
Capital Partners IV ⁴		4,000	26%	2016
Capital Partners V ⁴		9,000	33%	2019
Growth II		516	19%	2021
Brookfield Special Investments		2,244	27%	2022
BROOKFIELD CREDIT FUNDS				
Credit Funds				
Real Estate Finance I	\$	600	33%	2005
Real Estate Finance IV		1,375	18%	2014
Real Estate Finance V		2,949	14%	2017
Real Estate Finance VI		4,017	10%	2021
Senior Mezzanine Real Estate Finance ⁵		1,273	1%	2017
Infrastructure Debt I		884	17%	2017
Infrastructure Debt – Euro	€	202	30%	2018
Infrastructure Debt – Euro II	€	132	23%	2022
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

We invested or committed \$98 billion of capital during the LTM

CAPITAL INVESTED OR COMMITTED (FUNDING SOURCE)

FOR THE LTM ENDED SEP. 30 (MILLIONS)	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Credit and Other	Total
Capital Invested						
Perpetual strategies ¹	\$ 750	\$ 2,199	\$ 5,074	\$ 4,103	\$ 4,025	\$ 16,151
Long-term private funds ²	2,126	9,381	5,778	8,665	12,890	38,840
Co-investments ²	4	5,337	2,312	78	866	8,597
Direct ³	—	400	—	683	5,955	7,038
Total invested	2,880	17,317	13,164	13,529	23,736	70,626
Capital Committed						
New commitments entered ⁴	7,326	10,897	5,386	10,593	2,750	36,952
Commitments that were invested in the current period ⁴	(281)	(2,069)	(3,092)	(3,241)	(812)	(9,495)
Total committed	7,045	8,828	2,294	7,352	1,938	27,457
Total invested or committed⁴	\$ 9,925	\$ 26,145	\$ 15,458	\$ 20,881	\$ 25,674	\$ 98,083

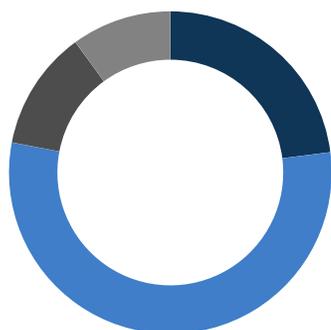
1. Includes investments made by perpetual affiliates (BEP, BIP, BBU and BPG) and Oaktree on their balance sheets, or investments in perpetual private funds.
2. Reflects third-party investments in long-term private funds managed by Brookfield and Oaktree.
3. Investments made by Brookfield in financial 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)	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Credit and Other	Total
North America	\$ 1,644	\$ 5,714	\$ 8,889	\$ 8,141	\$ 18,348	\$ 42,736
South America	510	325	106	320	437	1,698
Europe	333	3,919	2,702	4,403	2,461	13,818
Asia and other	393	7,359	1,467	665	2,490	12,374
Total invested	\$ 2,880	\$ 17,317	\$ 13,164	\$ 13,529	\$ 23,736	\$ 70,626

Capital Invested (by capital type)

FOR THE LTM ENDED SEP. 30, 2022



Perpetual Strategies	23%	Long-term private funds	55%
Co-investments	12%	Direct	10%

SIGNIFICANT INVESTMENTS

- Opportunistic credit investments (\$7.1 billion)
- AusNet Services (\$5.8 billion)
- American National (\$3.6 billion)
- CDK Global (\$3.5 billion)
- Scientific Games (\$2.4 billion)
- FirstEnergy Transmission (\$2.0 billion)
- SGN Ltd. (\$1.9 billion)
- alstria (\$1.7 billion)
- Modulaire (\$1.6 billion)
- Inter Pipeline (\$1.3 billion)
- DexKo (\$1.1 billion)

SIGNIFICANT COMMITMENTS

- Homeserve PLC (\$5.0 billion)
- Deutsche Telecom (\$2.5 billion)
- Nielsen Holdings (\$2.5 billion)
- Westinghouse (\$2.2 billion)
- Intel (\$2.0 billion)
- Scout Clean Energy (\$1.4 billion)

Capitalization

Our corporate debt has a weighted-average term to maturity of 13 years, while our recourse debt to corporate capitalization is conservative at 17%.

AS AT SEP. 30, 2022 AND DEC. 31, 2021 (MILLIONS)	Average Rate	Average Term (Years)	Leverage	
			2022	2021
Corporate borrowings				
Term debt ¹	4.1%	13	\$ 10,613	\$ 9,963
Revolving facilities	n/a	4	—	450
Commercial paper	3.7%	<1	683	462
Total corporate borrowings			11,296	10,875
Perpetual preferred shares ²	4.3%	perp.	4,354	4,375
Debt and preferred capital			\$ 15,650	\$ 15,250

1. Net of deferred financing costs

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

AS AT SEP. 30, 2022 AND DEC. 31, 2021 (MILLIONS)	Corporate		Consolidated	
	2022	2021	2022	2021
Corporate borrowings	\$ 11,296	\$ 10,875	\$ 11,296	\$ 10,875
Non-recourse borrowings				
Subsidiary borrowings	—	—	15,251	13,049
Property specific borrowings	—	—	177,929	152,008
	11,296	10,875	204,476	175,932
Accounts payable and other	5,959	5,104	52,859	52,546
Deferred income tax liabilities	451	299	21,487	20,328
Subsidiary equity obligations	—	—	4,324	4,308
Liabilities associated with assets held for sale	—	—	2,028	3,148
Equity				
Non-controlling interests	230	230	89,430	88,386
Preferred equity	4,145	4,145	4,145	4,145
Common equity	40,401	42,210	40,401	42,210
	44,776	46,585	133,976	134,741
Total capitalization	\$ 62,482	\$ 62,863	\$ 419,150	\$ 391,003
Debt to capitalization ¹	17%	16%	49%	45%

1. Determined as the aggregate of corporate borrowings and non-recourse borrowings divided by total capitalization. Draws on revolving facilities and commercial paper issuances are excluded from the debt to capitalization ratios as they are not permanent sources of capital.

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)	Three Months		LTM	
	2022	2021	2022	2021
Corporate cash and financial assets, beginning of period	\$ 2,680	\$ 6,199	\$ 3,042	\$ 3,675
Sources				
Distributable earnings, before realizations ^{1, 2}	1,216	873	4,224	3,268
Proceeds from realized carry ²	55	144	298	474
Dispositions of principal investments ²	168	370	404	3,064
	1,439	1,387	4,926	6,806
Uses				
Share repurchases ³	(48)	—	(539)	(355)
Dividends paid to common shareholders	(219)	(204)	(862)	(777)
Capitalization of reinsurance agreements	—	(113)	(368)	(113)
Capital calls for LP investments and other ⁴	(486)	(570)	(1,382)	(2,409)
American National acquisition	—	—	(2,609)	—
BPY privatization	—	(3,426)	—	(3,426)
Debt/preferred share repayment ⁵	—	(2,000)	(600)	(2,000)
Perpetual affiliate unit/share purchases	—	—	(400)	(230)
	(753)	(6,313)	(6,760)	(9,310)
Net financing activities	(632)	1,208	1,055	1,803
Other sources⁶	331	561	802	68
In-period change	385	(3,157)	23	(633)
Corporate cash and financial assets, end of period	\$ 3,065	\$ 3,042	\$ 3,065	\$ 3,042

1. Refer to page 32 for reconciliation 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 capital calls, seed investments and various risk management trades.

5. Relates to cash utilized to opportunistically repay high coupon debt and preferred shares of our perpetual affiliates.

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 65% of **Brookfield Business Partners (BBU)**, our flagship private equity perpetual strategy that invests primarily in 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

- **Insurance solutions:** our share of investments in our insurance business, including its stake in American National.
- **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 have an approximate 4% interest in Vistra. In addition, we have direct investments in various operating companies within the Private Equity segment and our share of Oaktree's balance sheet investments. We owned investments in sustainable resources, mainly timber, and sold our remaining stake in the business in the second quarter of 2022.

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 – Distributions

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months		LTM		Annualized
	2022	2021	2022	2021	
Perpetual affiliates					
BEP	\$ 100	\$ 95	\$ 395	\$ 384	\$ 399
BIP	75	68	296	268	302
BBU	9	6	30	24	35
BPG	353	340	1,448	1,002	1,471
	<u>537</u>	<u>509</u>	<u>2,169</u>	<u>1,678</u>	<u>2,207</u>
Corporate cash and financial assets	89	(29)	61	227	245
Other principal investments					
Residential	66	76	355	190	355
Energy contracts ¹	(5)	(21)	(83)	(103)	(83)
Norbord / West Fraser ²	—	1	—	19	—
Other	9	31	54	114	54
	<u>70</u>	<u>87</u>	<u>326</u>	<u>220</u>	<u>326</u>
Distributions from investments	696	567	2,556	2,125	2,778
Insurance solutions operating earnings	159	5	239	11	550
Total distributions from investments	<u>\$ 855</u>	<u>\$ 572</u>	<u>\$ 2,795</u>	<u>\$ 2,136</u>	<u>\$ 3,328</u>

1. Represents losses on fixed price energy contracts provided to BEP by BAM as the average price of energy purchased exceeded the average selling price in the periods presented.

2. 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 December 31, 2021, we had fully disposed of our stake in the business.

Invested Capital – Operating Results

AS AT SEP. 30, 2022 AND DEC. 31, 2021
AND FOR THE PERIODS ENDED SEP. 30
(MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Invested Capital		Funds from Operations ¹			
			Three Months		LTM	
	2022	2021	2022	2021	2022	2021
Perpetual investments						
Perpetual affiliates						
BEP	\$ 4,190	\$ 4,641	\$ 103	\$ 81	\$ 429	\$ 340
BIP	2,462	2,696	126	101	480	392
BBU ²	2,616	2,803	214	177	830	554
BPG	31,041	32,004	86	201	884	535
Corporate cash and financial assets³	3,065	3,522	89	(29)	61	227
	43,374	45,666	618	531	2,684	2,048
Other investments						
Insurance solutions	3,868	988	159	5	239	11
Residential	2,049	2,392	66	76	355	190
Energy contracts ⁴	568	623	(5)	(21)	(83)	(103)
Norbord / West Fraser ⁵	—	—	—	1	—	126
Other	1,043	2,187	20	35	88	133
	7,528	6,190	240	96	599	357
Corporate activities						
Corporate borrowings / Interest expense	(11,296)	(10,875)	(128)	(111)	(482)	(431)
Working capital / Corporate costs and taxes ⁶	496	699	(45)	(33)	(190)	(153)
Perpetual preferred shares ⁷	(4,375)	(4,375)	—	—	—	—
	(15,175)	(14,551)	(173)	(144)	(672)	(584)
Invested capital, net / FFO	\$ 35,727	\$ 37,305	\$ 685	\$ 483	\$ 2,611	\$ 1,821
Per share⁸	\$ 21.85	\$ 22.59	\$ 0.40	\$ 0.28	\$ 1.51	\$ 1.06

1. Excludes realized disposition gains.

2. FFO includes the net impact of performance fees paid to BAM of \$nil (2021 – \$nil) for the three months ended September 30, 2022 and \$78 million (2021 – \$79 million) for the LTM.

3. Corporate cash and financial assets is inclusive of \$1.5 billion of cash and cash equivalents (December 31, 2021 – \$1.9 billion).

4. Represents losses on fixed price energy contracts provided to BEP by BAM as the average price of energy purchased exceeded the average selling price in the periods presented.

5. 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 December 31, 2021, we had fully disposed of our stake in the business.

6. Invested capital includes a net deferred income tax asset of \$1.6 billion (December 31, 2021 – \$1.8 billion); FFO includes current tax expense of \$15 million (2021 – \$6 million) for the three months ended September 30, 2022 and \$71 million (2021 – \$40 million) for the LTM.

7. 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 \$40 million (2021 – \$39 million) for the three months ended September 30, 2022 and \$157 million (2021 – \$156 million) for the LTM.

8. Average number of shares outstanding on a fully diluted, time-weighted average basis for the three months and twelve months ended September 30, 2022 were 1,611.4 million and 1,622.7 million, respectively (September 30, 2021 – 1,612.4 million and 1,564.9 million, respectively).

Disposition Gains

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months				LTM			
	FFO ^{1,2}		Net Income ²		FFO ^{1,2}		Net Income ²	
	2022	2021	2022	2021	2022	2021	2022	2021
Renewable power and transition								
BEP secondary offerings	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,021	\$ —	\$ —
Other renewable power	3	(2)	3	(2)	22	59	2	64
	<u>3</u>	<u>(2)</u>	<u>3</u>	<u>(2)</u>	<u>22</u>	<u>1,080</u>	<u>2</u>	<u>64</u>
Infrastructure								
Enwave	—	145	—	120	—	249	—	203
Other infrastructure	—	—	—	—	102	142	(7)	48
	<u>—</u>	<u>145</u>	<u>—</u>	<u>120</u>	<u>102</u>	<u>391</u>	<u>(7)</u>	<u>251</u>
Private equity								
Norbord / West Fraser ³	—	239	—	—	47	1,025	—	(44)
Other private equity	7	—	7	—	38	392	7	120
	<u>7</u>	<u>239</u>	<u>7</u>	<u>—</u>	<u>85</u>	<u>1,417</u>	<u>7</u>	<u>76</u>
Real estate								
Core	—	—	—	—	182	23	182	(6)
Transition and development	62	(43)	(27)	(7)	(99)	293	(242)	(138)
LP investments	44	(11)	31	(22)	645	213	321	13
	<u>106</u>	<u>(54)</u>	<u>4</u>	<u>(29)</u>	<u>728</u>	<u>529</u>	<u>261</u>	<u>(131)</u>
Corporate								
Other corporate	35	—	—	—	118	124	—	(12)
	<u>35</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>118</u>	<u>124</u>	<u>—</u>	<u>(12)</u>
	<u>\$ 151</u>	<u>\$ 328</u>	<u>\$ 14</u>	<u>\$ 89</u>	<u>\$ 1,055</u>	<u>\$ 3,541</u>	<u>\$ 263</u>	<u>\$ 248</u>

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 December 31, 2021, we had fully disposed of our stake in the business.

Disposition Gains – Principal Investments

FOR THE PERIODS ENDED SEP. 30
(MILLIONS)

	Three Months		LTM	
	2022	2021	2022	2021
Renewable power and transition				
BEP secondary offering	\$ —	\$ —	\$ —	\$ 1,021
	—	—	—	1,021
Infrastructure				
Other infrastructure	—	—	29	25
	—	—	29	25
Private equity				
Norbord / West Fraser	—	239	47	1,025
Other	—	—	19	—
	—	239	66	1,025
Real estate				
Core	—	—	51	—
Transitional and development	2	(16)	14	345
LP investments	11	—	114	—
	13	(16)	179	345
Corporate				
Other corporate	35	—	118	124
	35	—	118	124
Disposition gains from principal investments¹	\$ 48	\$ 223	\$ 392	\$ 2,540

1. Disposition gains from principal investments are included in DE.

Perpetual Affiliates Results

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

AS AT SEP. 30, 2022 AND DEC. 31, 2021 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2022	2021	2022	2021	2022	2021
Attributable to unitholders	\$ 8,679	\$ 9,607	\$ 243	\$ 210	\$ 994	\$ 921
Incentive distributions	—	—	(24)	(20)	(92)	(77)
Non-controlling interests	(4,489)	(4,966)	(113)	(100)	(465)	(434)
Segment reallocation and other ¹	—	—	(3)	(9)	(8)	(70)
Brookfield's interest	\$ 4,190	\$ 4,641	\$ 103	\$ 81	\$ 429	\$ 340

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

AS AT SEP. 30, 2022 AND DEC. 31, 2021 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2022	2021	2022	2021	2022	2021
Attributable to unitholders	\$ 8,735	\$ 9,595	\$ 525	\$ 422	\$ 2,017	\$ 1,645
Incentive distributions	—	—	(60)	(52)	(235)	(197)
Non-controlling interests	(6,273)	(6,899)	(335)	(265)	(1,286)	(1,035)
Segment reallocation and other ¹	—	—	(4)	(4)	(16)	(21)
Brookfield's interest	\$ 2,462	\$ 2,696	\$ 126	\$ 101	\$ 480	\$ 392

BBU (NYSE: BBU, TSX: BBU.UN) – 65% ownership interest

AS AT SEP. 30, 2022 AND DEC. 31, 2021 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2022	2021	2022	2021	2022	2021
Attributable to unitholders	\$ 3,903	\$ 4,278	\$ 339	\$ 276	\$ 1,387	\$ 1,472
Performance fees	—	—	—	—	(78)	(79)
Non-controlling interests	(1,287)	(1,475)	(118)	(99)	(460)	(509)
Segment reallocation and other ¹	—	—	(7)	—	(19)	(330)
Brookfield's interest	\$ 2,616	\$ 2,803	\$ 214	\$ 177	\$ 830	\$ 554

BPG – 100% ownership interest

AS AT SEP. 30, 2022 AND DEC. 31, 2021 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2022	2021	2022	2021	2022	2021
Core	\$ 14,704	\$ 15,589	\$ 78	\$ 143	\$ 494	\$ 548
Transitional and Development	12,253	10,409	98	145	597	527
LP Investments	8,151	8,223	32	78	305	150
Corporate	(4,083)	(2,233)	(111)	(118)	(455)	(417)
Attributable to unitholders	31,025	31,988	97	248	941	808
Non-controlling interests	—	—	—	(23)	—	(202)
Segment reallocation and other ²	—	—	(11)	(24)	(57)	(71)
Brookfield's interest	31,025	31,988	86	201	884	535
Preferred shares	16	16	—	—	—	—
	\$ 31,041	\$ 32,004	\$ 86	\$ 201	\$ 884	\$ 535

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

2. Reflects fee-related earnings and net carried interest reclassified to the asset management segment and asset management expenses not 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, 2022 AND DEC. 31, 2021 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)		Segment	Invested Capital		Funds from Operations			
					Three Months		LTM	
			2022	2021	2022	2021	2022	2021
Corporate cash and financial assets	Corporate	\$ 3,065	\$ 3,522	\$ 89	\$ (29)	\$ 61	\$ 227	

OTHER INVESTMENTS

AS AT SEP. 30, 2022 AND DEC. 31, 2021 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)		Segment	Invested Capital		Funds from Operations			
					Three Months		LTM	
			2022	2021	2022	2021	2022	2021
Insurance solutions	Corporate	\$ 3,868	\$ 988	\$ 159	\$ 5	\$ 239	\$ 11	
Residential development								
North America	Residential	1,440	1,892	48	85	310	192	
Brazil and other	Residential	609	500	18	(9)	45	(2)	
		2,049	2,392	66	76	355	190	
Energy contracts	Renewable Power and Transition	568	623	(5)	(21)	(83)	(103)	
Sustainable resources and other	Infrastructure	88	326	—	2	6	16	
Norbord / West Fraser ¹	Private Equity	—	—	—	1	—	126	
Other corporate	Corporate	424	1,099	12	17	17	68	
Other	Various	531	762	8	16	65	49	
		\$ 7,528	\$ 6,190	\$ 240	\$ 96	\$ 599	\$ 357	

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 December 31, 2021, we had fully disposed of our stake in the business.

Insurance solutions

- To date, we have invested approximately \$4 billion across our Insurance Solutions business, including the acquisition of American National at the end of May 2022.
- FFO of \$159 million in the quarter reflects the full quarter of contribution from American National, as well as earnings from our other reinsurance businesses for the period.
- We expect to generate annualized FFO of approximately \$550 million over the coming quarters, as we redeploy the high levels of cash and liquid financial assets held in our investment portfolios into higher yielding strategies.

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)

	<u>2022</u>	<u>2021</u>
Net income	\$ 716	\$ 2,722
Financial statement components not included in FFO		
Equity accounted fair value changes and other non-FFO items ¹	141	307
Fair value changes	549	(700)
Depreciation and amortization	1,997	1,617
Deferred income taxes	240	428
Realized disposition gains in fair value changes or prior periods	170	255
Non-controlling interests in FFO ²	<u>(2,347)</u>	<u>(3,221)</u>
Funds from operations	1,466	1,408
Less: total disposition gains	(151)	(328)
Less: net invested capital FFO	(685)	(483)
Less: realized carried interest, net	(99)	(146)
Corporate activities	(173)	(144)
Insurance solutions' operating earnings	159	5
Distributions from investments	696	567
Equity-based compensation	43	33
Preferred share dividends	<u>(40)</u>	<u>(39)</u>
Distributable earnings before realizations	1,216	873
Realized carried interest, net ³	99	146
Disposition gains from principal investments	48	223
Distributable earnings⁴	<u>\$ 1,363</u>	<u>\$ 1,242</u>

1. Other non-FFO items correspond to amounts that are not directly related to revenue earning activities and are not normal or recurring items necessary for business operations.

2. Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting FFO attributable to non-controlling interests, we are able to remove the portion of FFO earned at non-wholly owned subsidiaries that is not attributable to Brookfield.

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

4. Comparative period numbers have been revised to reflect new definitions. Refer to Glossary of Terms starting on page 39.

Common Share Information

COMMON SHARE CONTINUITY

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months		LTM	
	2022	2021	2022	2021
Outstanding at beginning of period	1,561.9	1,506.7	1,568.0	1,512.3
Issued (repurchased)				
Issuances	—	61.3	0.1	61.3
Repurchases	(2.9)	(2.1)	(12.8)	(11.5)
Long-term share ownership plans	16.4	2.1	20.0	5.8
Dividend reinvestment plan	0.1	—	0.2	0.1
Outstanding at end of period	1,575.5	1,568.0	1,575.5	1,568.0
Unexercised options, other share-based plans and exchangeable shares of affiliate	59.8	82.3	59.8	82.3
Total diluted shares at end of period	1,635.3	1,650.3	1,635.3	1,650.3

- The company holds 57.6 million common shares for escrowed stock plans, which have been deducted from the total number of shares outstanding.
 - 0.7 million shares would be issued in respect of these plans if exercised based on current market prices and the balance would be canceled.
- Cash value of unexercised options as at September 30, 2022 was \$1.4 billion (September 30, 2021 – \$1.3 billion).

FFO AND EARNINGS PER SHARE INFORMATION

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Funds from Operations		Net Income	
	2022	2021	2022	2021
FFO / Net income	\$ 1,466	\$ 1,408	\$ 423	\$ 797
Preferred share dividends	(37)	(36)	(37)	(36)
Subordinated preferred note dividends	(3)	(3)	—	—
Dilutive effect of conversion of subsidiary preferred shares	—	—	—	(1)
FFO / Net income available to shareholders	1,426	1,369	386	760
Dilutive impact of exchangeable shares of affiliate	1	1	1	1
FFO / Net income available to shareholders including dilutive impact of exchangeable shares	\$ 1,427	\$ 1,370	\$ 387	\$ 761
Weighted average shares	1,562.5	1,552.8	1,562.5	1,552.8
Dilutive effect of conversion of options and other share-based plans using treasury stock method and exchangeable shares of affiliate	48.9	59.6	48.9	59.6
Shares and share equivalents	1,611.4	1,612.4	1,611.4	1,612.4
Per share	\$ 0.89	\$ 0.85	\$ 0.24	\$ 0.47

Entity Basis – Reconciliation to Reportable Segments – Invested Capital

AS AT SEP. 30, 2022
(MILLIONS)

Asset management

Invested capital

Perpetual investments

	Reportable Segments							
	Asset Management	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Residential	Corporate	Total
Asset management	\$ 4,674	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,674
Invested capital								
Perpetual investments								
Brookfield Renewable Partners	—	4,190	—	—	—	—	—	4,190
Brookfield Infrastructure Partners	—	—	2,462	—	—	—	—	2,462
Brookfield Business Partners	—	—	—	2,616	—	—	—	2,616
Brookfield Property Group ¹	—	—	—	—	31,041	—	—	31,041
	—	4,190	2,462	2,616	31,041	—	—	40,309
Corporate cash and financial assets	—	—	—	—	—	—	3,065	3,065
	—	4,190	2,462	2,616	31,041	—	3,065	43,374
Other investments								
Insurance solutions	—	—	—	—	—	—	3,868	3,868
Residential development	—	—	—	—	—	2,049	—	2,049
Energy contracts	—	568	—	—	—	—	—	568
Other	—	—	88	531	—	—	424	1,043
	—	568	88	531	—	2,049	4,292	7,528
Net working capital	—	—	—	—	—	—	496	496
Debt and preferred capital								
Corporate borrowings	—	—	—	—	—	—	(11,296)	(11,296)
Perpetual preferred shares	—	—	—	—	—	—	(4,375)	(4,375)
	—	—	—	—	—	—	(15,671)	(15,671)
	\$ 4,674	\$ 4,758	\$ 2,550	\$ 3,147	\$ 31,041	\$ 2,049	\$ (7,818)	\$ 40,401

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

Entity Basis – Reconciliation to Reportable Segments – Three Months FFO

FOR THE THREE MONTHS ENDED SEP. 30, 2022
(MILLIONS)

Asset management

	Reportable Segments							
	Asset Management	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Residential	Corporate	Total
Fee-related earnings	\$ 531	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 531
Carried interest, net	99	—	—	—	—	—	—	99
	<u>630</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>630</u>
Invested capital								
Perpetual investments								
Brookfield Renewable Partners	—	103	—	—	—	—	—	103
Brookfield Infrastructure Partners	—	—	126	—	—	—	—	126
Brookfield Business Partners	—	—	—	214	—	—	—	214
Brookfield Property Group ¹	—	—	—	—	86	—	—	86
	<u>—</u>	<u>103</u>	<u>126</u>	<u>214</u>	<u>86</u>	<u>—</u>	<u>—</u>	<u>529</u>
Corporate cash and financial assets	—	—	—	—	—	—	89	89
	<u>—</u>	<u>103</u>	<u>126</u>	<u>214</u>	<u>86</u>	<u>—</u>	<u>89</u>	<u>618</u>
Other investments								
Insurance solutions	—	—	—	—	—	—	159	159
Residential development	—	—	—	—	—	66	—	66
Energy contracts	—	(5)	—	—	—	—	—	(5)
Other	—	—	—	8	—	—	12	20
	<u>—</u>	<u>(5)</u>	<u>—</u>	<u>8</u>	<u>—</u>	<u>66</u>	<u>171</u>	<u>240</u>
Disposition gains	<u>—</u>	<u>3</u>	<u>—</u>	<u>7</u>	<u>106</u>	<u>—</u>	<u>35</u>	<u>151</u>
Corporate activities²								
Interest expense	—	—	—	—	—	—	(128)	(128)
Corporate costs and taxes	—	—	—	—	—	—	(45)	(45)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(173)</u>	<u>(173)</u>
	<u>\$ 630</u>	<u>\$ 101</u>	<u>\$ 126</u>	<u>\$ 229</u>	<u>\$ 192</u>	<u>\$ 66</u>	<u>\$ 122</u>	<u>\$ 1,466</u>

1. Includes nominal amounts of BPG preferred share distributions.

2. Excludes \$40 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, 2022
(MILLIONS)

	Reportable Segments							
Asset Management	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Residential	Corporate	Total	
Asset management								
Fee-related earnings	\$ 2,109	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,109	
Carried interest, net	416	—	—	—	—	—	416	
	<u>2,525</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,525</u>	
Invested capital								
Perpetual investments								
Brookfield Renewable Partners	—	429	—	—	—	—	429	
Brookfield Infrastructure Partners	—	—	480	—	—	—	480	
Brookfield Business Partners	—	—	—	830	—	—	830	
Brookfield Property Group ¹	—	—	—	—	884	—	884	
	<u>—</u>	<u>429</u>	<u>480</u>	<u>830</u>	<u>884</u>	<u>—</u>	<u>2,623</u>	
Corporate cash and financial assets	—	—	—	—	—	61	61	
	<u>—</u>	<u>429</u>	<u>480</u>	<u>830</u>	<u>884</u>	<u>61</u>	<u>2,684</u>	
Other investments								
Insurance solutions	—	—	—	—	—	239	239	
Residential development	—	—	—	—	—	355	355	
Energy contracts	—	(83)	—	—	—	—	(83)	
Other	—	—	6	65	—	—	17	
	<u>—</u>	<u>(83)</u>	<u>6</u>	<u>65</u>	<u>—</u>	<u>355</u>	<u>256</u>	
Disposition gains	—	22	102	85	728	—	1,055	
Corporate activities²								
Interest expense	—	—	—	—	—	(482)	(482)	
Corporate costs and taxes	—	—	—	—	—	(190)	(190)	
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(672)</u>	<u>(672)</u>	
	<u>\$ 2,525</u>	<u>\$ 368</u>	<u>\$ 588</u>	<u>\$ 980</u>	<u>\$ 1,612</u>	<u>\$ 355</u>	<u>\$ 6,191</u>	

1. Includes nominal amounts of BPG preferred share distributions.

2. Excludes \$157 million of preferred share distributions for the LTM, which are included in determining per share results.

Endnotes

Distributable Earnings – Page 5

1. Annualized distributions are calculated by multiplying units held as at September 30, 2022 by the current distribution rates per unit.
2. Annualized distributions for corporate cash and financial assets are 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 December 31, 2021, we had fully disposed of our stake in the business. See definitions of our other 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 (2021 – \$3 million) and \$9 million (2021 – \$9 million) of dividends paid on perpetual subordinated notes for the three and twelve months ended September 30, 2022, respectively.
5. Refer to page 32 for reconciliation of IFRS to non-IFRS measures.
6. Average number of shares outstanding on a fully diluted, time-weighted average basis for the three months and twelve months ended September 30, 2022 were 1,611.4 million and 1,622.7 million, respectively (September 30, 2021 – 1,612.4 million and 1,564.9 million, respectively).

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 fees, 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 \$789 million and \$721 million related to Oaktree (2021 – \$755 million and \$683 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 (2021 – \$1.4 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, 2022 and December 31, 2021 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, 2022 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. Corporate cash and financial assets is inclusive of \$1.5 billion of cash and cash equivalents (December 31, 2021 – \$1.9 billion).
5. Blended value represents management's view of the fair value of our insurance solutions business.
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 \$1.1 billion of investments related to our share of Oaktree (December 31, 2021 – \$869 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.

Endnotes cont'd

Liquidity and Capital Structure – Page 8

1. Refer to Glossary of Terms starting on page 39.
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. Includes \$22 billion of liquidity held through our insurance portfolio
2. Third-party private fund uncalled commitments.
3. 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, 2022, \$10.3 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 \$40 million (2021 – \$39 million) for the three months ended September 30 and \$157 million (2021 – \$156 million) for the LTM, which are included in determining per share results.
2. Refer to page 32 for reconciliations of IFRS to non-IFRS measures.
3. Average number of shares outstanding on a fully diluted, time-weighted average basis for the three months and twelve months ended September 30, 2022 were 1,611.4 million and 1,622.7 million, respectively (September 30, 2021 – 1,612.4 million and 1,564.9 million, respectively).

Funds from Operations and Net Income – Page 11

1. Net of non-controlling interests. Refer to page 32 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.
4. Average number of shares outstanding on a fully diluted, time-weighted average basis for the three months and twelve months ended September 30, 2022 were 1,611.4 million and 1,622.7 million, respectively (September 30, 2021 – 1,612.4 million and 1,564.9 million, respectively).

Asset Management Operating Results cont'd – Page 14

2. Represents Oaktree fee-related earnings attributable to the 36% and 37% of Oaktree not held by Brookfield for the three months and twelve months ended September 30, 2022.

Annualized Fees and Target Carried Interest – Page 20

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.
5. Fee revenues based on annualized fees as at September 30, 2022, excluding transaction fees, performance fees and target carried interest.
6. Perpetual strategies base management fees include \$516 million of annualized base fees on Brookfield capital from perpetual affiliates.
7. For details on perpetual strategies base fee calculations, refer to the Glossary of Terms on page 41.

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 136 through 142 of our 2021 annual report.

- **Asset under management** refers to the total fair value of assets that we manage, on a gross asset value basis, including assets for which we earn management fees and those for which we do not. AUM is calculated as follows: (i) for investments that Brookfield consolidates for accounting purposes or actively manages, including investments in which Brookfield or a controlled investment vehicle is the largest shareholder or the primary operator or manager, at 100% of the investment’s total assets on a fair value basis; and (ii) for all other investments, at Brookfield’s or its controlled investment vehicle’s, as applicable, proportionate share of the investment’s total assets on a fair value basis. Brookfield’s methodology for determining AUM may differ from the methodology employed by other alternative asset managers and Brookfield’s AUM presented herein may differ from our AUM reflected in other public filings and/or our Form ADV and Form PF.
- **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.
- **Carry eligible capital** represents the capital committed, pledged or invested in the private funds that we manage and which entitle us to earn carried interest. Carry eligible capital includes both invested and uninvested (i.e. uncalled) private fund amounts as well as those amounts invested directly by investors (co-investments) if those entitle us to earn carried interest. We believe this measure is useful to investors as it provides additional insight into the capital base upon which we have potential to earn carried interest once minimum investment returns are sufficiently assured.
- **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 insurance solutions business, 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.
- **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.

Glossary of Terms cont'd

- **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.
 - **Unrealized carried interest** is the change in accumulated unrealized carried interest from prior period and represents the amount of carried interest generated during the period. We use this measure to provide insight into the value our investments have created in the period.
 - **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.
 - **Accumulated unrealized carried interest, net** is after direct costs, which include employee expenses and taxes.
 - **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.
- **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 32.

- 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, using the combined units and shares of BBU and BBUC. 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.

Glossary of Terms cont'd

- **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 BPY privatization. Perpetual affiliate capitalization as at September 30, 2022, was as follows: BEP/BEPC – \$25.0 billion; BIP/BIPC – \$33.7 billion; BBU/BBUC – \$7.4 billion; and BPG – \$21.4 billion.
- **Internal rate of return (“IRR”)** is the annualized compounded rate of return of the fund, calculated since initial investment date.
- **Corporate capitalization** represents the amount of debt issued by the Corporation, accounts payable and deferred tax liability in our Corporate segment as well as our issued and outstanding common and preferred shares.

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. In addition, forward-looking statements contained in this Supplemental Information include statements regarding the listing and distribution of an interest in our asset management business, including the anticipated timing of such transaction and the impact that such transaction may have on Brookfield and its shareholders. The transaction will be subject to the satisfaction of a number of conditions, including shareholder approval, and, as such, there can be no certainty that the transaction will proceed or proceed in the manner described.

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 and EDGAR at 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 Funds from Operations ("FFO") and Distributable Earnings ("DE"). 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.