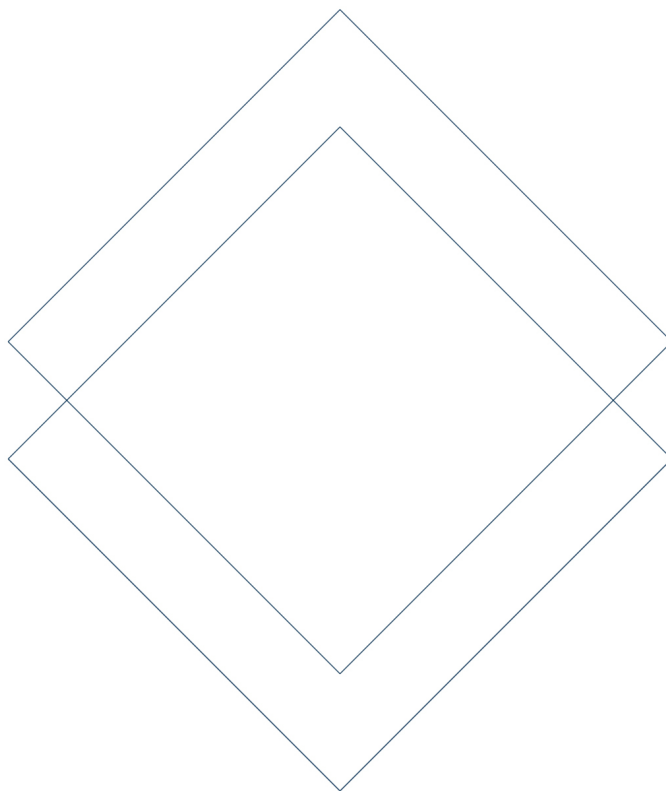


**Brookfield**



2023

Q2 SUPPLEMENTAL  
INFORMATION

**Brookfield Corporation**

# 2023 Second Quarter Highlights

**\$5B**

LAST TWELVE MONTHS  
DISTRIBUTABLE EARNINGS

**21%**

GROWTH IN LTM  
DISTRIBUTABLE EARNINGS  
BEFORE REALIZATIONS<sup>1</sup>

**\$14B**

CAPITAL RETURNED TO  
SHAREHOLDERS OVER THE  
LAST TWELVE MONTHS

## PERFORMANCE UPDATE

**We generated \$1.2 billion of Distributable Earnings (“DE”) during the quarter and \$5.2 billion over the last twelve months (“LTM”).**

DE before realizations were \$1.0 billion during the quarter and \$4.3 billion over the LTM, representing growth of 21% over the LTM, adjusting for the special distribution of 25% of our asset management business in December 2022.

### *Asset Management:*

- Distributable earnings were \$604 million in the quarter and \$2.7 billion for the LTM.
- Fee-related earnings increased by 16%, when excluding performance fees, compared to the prior year quarter.
- Fundraising momentum remains strong with inflows of \$37 billion year to date and \$74 billion for the LTM.
- Fee-bearing capital increased to \$440 billion at the end of the quarter, representing 12% growth over the LTM.
- Distributions from direct investments were \$209 million in the quarter and \$846 million for the LTM.
- We expect fundraising to accelerate in the second half of this year which, when combined with insurance inflows, puts us on track to raise a record of close to \$150 billion of capital in 2023. This should drive meaningful earnings growth in 2024 and beyond.

### *Insurance Solutions:*

- Distributable operating earnings were \$160 million in the quarter and \$634 million for the LTM.
- Significant growth in earnings came from redeploying our short-term investment portfolio into higher yielding assets, originating over \$3 billion of annuities in the quarter, and the acquisition of American National in May 2022.
- During the quarter, spread earnings expanded by 20 bps with our average investment portfolio yield now 5.4% on approximately \$45 billion of assets, about 220 bps higher than the average cost of capital.
- We remain on track to achieve annualized earnings from this business of \$800 million by the end of 2023, with a further step change in earnings expected in 2024 as we complete our recently announced acquisitions.

### *Operating Businesses:*

- Cash distributions were \$397 million in the quarter and \$1.5 billion for the LTM.
- Operating Funds from Operations within our renewable power & transition and infrastructure businesses increased by 23% over the LTM, supporting stable and growing cash distributions. Our private equity business continues to deliver resilient and high-quality cash flows.
- Continued leasing momentum within our real estate business drove same-store net operating income (“NOI”) growth of 8% in our core portfolio compared to the prior year.

### *Monetization Activity:*

- We generated \$134 million of disposition gains from principal investments and \$755 million of realized carried interest, net, over the LTM.
- \$15 billion of monetizations that were signed and/or completed in the first half of 2023, bringing total monetizations over the LTM to around \$30 billion.
- Recent monetizations include the sale of a high-quality portfolio of office campuses in India for \$1.4 billion and our 50% ownership in our mobile network operator in New Zealand at an implied enterprise value of NZ\$5.9 billion.
- As at June 30, 2023, our accrued unrealized carry balance was \$9.5 billion with generated unrealized carried interest of \$1.9 billion over the LTM. We remain on track to realize over \$500 million of carried interest this year as we continue to monetize investments.

1. Adjusted for special distribution.

# 2023 Second Quarter Highlights cont'd

## CAPITAL ALLOCATION

- During the LTM, we returned \$14 billion of capital to our shareholders via \$660 million of regular dividends, \$536 million of Class A share repurchases in the open market and our special distribution of BAM shares last year.
- The balance of our distributable earnings were invested back into the business, predominantly into strategies managed by BAM and into our insurance solutions business.

## LIQUIDITY

**As at June 30, 2023, we had \$5.0 billion of corporate liquidity, including \$2.5 billion of cash and financial assets and \$2.5 billion of undrawn credit lines.**

- During the quarter, we issued \$550 million of 10-year bonds to partially refinance an upcoming bond maturity in 2024.
- Our balance sheet continues to be conservatively capitalized, with a corporate debt to market capitalization ratio of 17%, a weighted-average interest rate of 4.3%, a remaining term of 13 years and modest maturities through to the end of 2024.

## STRATEGIC INITIATIVES

**We made significant progress across our strategic initiatives.**

- We continue to build Brookfield Reinsurance into our next global champion, with the recently announced agreement to acquire American Equity Life ("AEL"). This transaction will grow our insurance solutions business to nearly \$100 billion of assets and expand our policy origination capabilities, all on an accretive basis to BN/Brookfield Reinsurance and BAM shareholders.

---

## CONTENTS

Highlights and Overview	2	Common Share Information	26
Detailed Analysis		Reconciliation of IFRS to non-IFRS Measures	27
Asset Management	12	Endnotes	33
Insurance Solutions	16	Glossary of Terms	37
Operating Businesses	17		

# Brookfield Corporation

Our goal is to compound capital over the long term so as to earn an annualized return of 15%+ for our shareholders.

To do this, we employ a disciplined investment approach, leveraging our 100+ year history as an owner and operator of real assets, to create value and deliver strong risk-adjusted returns across market cycles. Today, our capital is invested across three businesses – Asset Management, Insurance Solutions and our Operating Businesses, which generate approximately \$5 billion of free cash flow annually, all of which is underpinned by a conservatively capitalized balance sheet.

DE represents the deconsolidated earnings of the Corporation that are available for distribution to shareholders and it is our primary performance metric. DE is comprised of distributions we receive from our Asset Management, Insurance Solutions and our Operating Businesses. It also includes disposition gains on our principal investments and our share of realized carried interest that is earned by our Asset Management business. We target growing our DE by 15% or more each year.

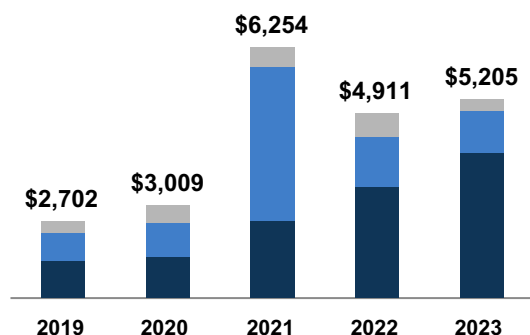
We create value for our shareholders in two ways. First, we participate in increases in the earnings and capital appreciation of our Asset Management, Insurance Solutions and Operating Businesses, which enables us to increase our cash dividends. Second, we are able to deploy the substantial free cash flows we receive towards supporting the growth of our three businesses, new strategic investments and share buy backs.

	How value is created	Key Performance Metrics	How value is measured
<b>Asset Management</b> Brookfield Asset Management ("BAM") is a leading global alternative asset manager with approximately \$850 billion of assets under management	<ul style="list-style-type: none"> <li>• Increase fee-bearing capital</li> <li>• Maintain cost discipline as we scale</li> </ul>	<ul style="list-style-type: none"> <li>• Distributable earnings</li> <li>• Fee-bearing capital</li> <li>• Fee-related earnings</li> </ul>	<ul style="list-style-type: none"> <li>• Market price of BAM and multiple of annualized fee related earnings</li> </ul>
	<ul style="list-style-type: none"> <li>• Achieve strong investment returns and, in turn, earn performance income (carried interest)</li> </ul>	<ul style="list-style-type: none"> <li>• Generated unrealized carried interest</li> <li>• Realized carried interest, net</li> </ul>	<ul style="list-style-type: none"> <li>• Multiple of generated carried interest, net and target carried interest, net</li> </ul>
In addition, we invest discretionary capital into and alongside private funds managed by BAM and other investments	<ul style="list-style-type: none"> <li>• Increase cash income through organic levers</li> <li>• Recycle underlying assets</li> </ul>	<ul style="list-style-type: none"> <li>• Distributions from direct investments</li> <li>• Disposition gains on direct investments</li> </ul>	<ul style="list-style-type: none"> <li>• Applicable valuation methods based on how capital is deployed</li> </ul>
<b>Insurance Solutions</b> Brookfield Reinsurance ("BNRE") is a leading capital solutions business providing insurance and reinsurance services to individuals and institutions	<ul style="list-style-type: none"> <li>• Acquire long duration and predictable insurance liabilities</li> <li>• Proactively manage risk of underwritten liabilities</li> <li>• Earn attractive risk-adjusted returns on our investment portfolio in excess of the cost of the insurance liabilities we manage</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of insurance liabilities</li> <li>• Earnings on investment portfolio</li> <li>• Distributable operating earnings</li> </ul>	<ul style="list-style-type: none"> <li>• Intrinsic value of our capital ("IVC")</li> </ul>
<b>Operating Businesses</b> We are invested in four global operating businesses in Renewable Power and Transition ("BEP"), Infrastructure ("BIP"), Private Equity ("BBU") and Real Estate ("BPG")	<ul style="list-style-type: none"> <li>• Increase cash income through organic levers</li> <li>• Recycle underlying assets</li> </ul>	<ul style="list-style-type: none"> <li>• Operating FFO / Net operating income</li> <li>• Distributions from Operating Businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Market price of public affiliates (BIP, BEP, BBU)</li> <li>• Fair value under IFRS (BPG)</li> </ul>
<b>Capital Allocation</b> We allocate the free cash flows we receive to enhance value for our shareholders	<ul style="list-style-type: none"> <li>• Increase in cash dividends</li> <li>• Share buybacks</li> <li>• Support the growth of our three businesses</li> <li>• New strategic investments</li> <li>• Special dividends</li> </ul>	<ul style="list-style-type: none"> <li>• Disposition gains on principal investments</li> <li>• Contribution to growth in DE &amp; DE per share</li> </ul>	<ul style="list-style-type: none"> <li>• Applicable valuation methods based on how capital is deployed</li> </ul>

# Performance Highlights

## Distributable Earnings

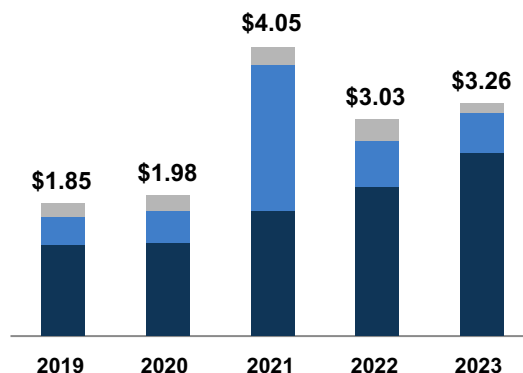
FOR THE LTM ENDED JUN. 30 (MILLIONS)



- Distributable earnings before realizations, adjusted for special distribution
- Realized carried interest and disposition gains from principal investments
- Adjustment for special distribution<sup>1</sup>

## Distributable Earnings per share<sup>2</sup>

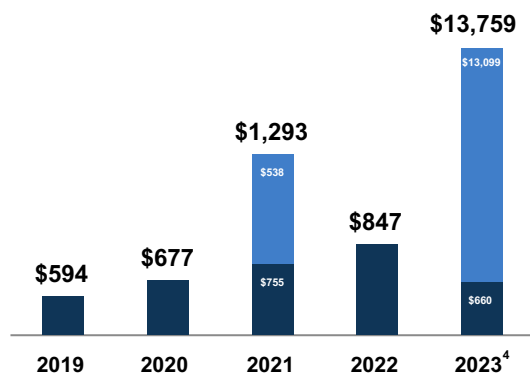
FOR THE LTM ENDED JUN. 30



- Distributable earnings before realizations, adjusted for special distribution
- Realized carried interest and disposition gains from principal investments
- Adjustment for special distribution<sup>1</sup>

## Distributions to Common Shareholders<sup>3</sup>

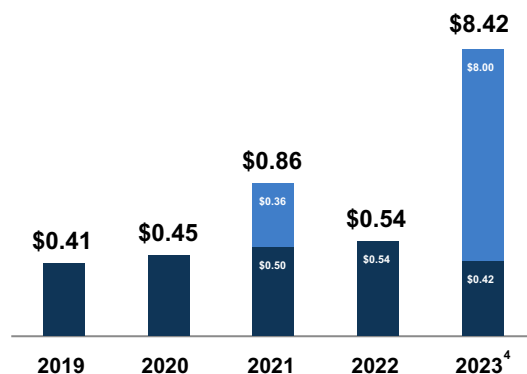
FOR THE LTM ENDED JUN. 30 (MILLIONS)



- Common distributions
- Special distributions

## Distributions per share<sup>2</sup>

FOR THE LTM ENDED JUN. 30



- Common distributions
- Special distributions

See endnotes.

# Distributable Earnings (“DE”)

**DE before realizations was \$4.3 billion for the LTM, an increase of 21% over the last twelve months<sup>1</sup>**

The summary below presents DE on a historical basis which includes results for periods prior to the special distribution of a 25% interest in our asset management business. For comparability, we present DE on an adjusted basis at the bottom of this page, adjusting historical results for a 25% decrease in the DE from BAM in line with the impact of the special distribution.

FOR THE PERIODS ENDED JUN. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months		LTM		Annualized <sup>2</sup>	Page Ref.
	2023	2022	2023	2022		
BAM <sup>3</sup>	\$ 395	\$ 511	\$ 1,875	\$ 1,996	\$ 1,588	page 12
Direct investments	209	257	846	923	817	page 15
<b>Asset Management</b>	<b>604</b>	<b>768</b>	<b>2,721</b>	<b>2,919</b>	<b>2,405</b>	
<b>Insurance Solutions</b>	<b>160</b>	<b>46</b>	<b>634</b>	<b>85</b>	<b>725</b>	page 16
BEP	105	100	410	390	421	page 17
BIP	80	75	310	289	320	page 18
BBU	9	9	36	27	36	page 19
BPG	196	218	778	921	642	page 20
Other	7	(23)	(22)	(99)	(22)	page 17
<b>Operating Businesses</b>	<b>397</b>	<b>379</b>	<b>1,512</b>	<b>1,528</b>	<b>1,397</b>	
<b>Corporate costs and other<sup>4,5,6</sup></b>	<b>(148)</b>	<b>(184)</b>	<b>(551)</b>	<b>(651)</b>	<b>(740)</b>	page 23
<b>Distributable earnings before realizations<sup>7</sup></b>	<b>1,013</b>	<b>1,009</b>	<b>4,316</b>	<b>3,881</b>	<b>\$ 3,787</b>	
Realized carried interest, net	170	48	755	463		page 13
Disposition gains from principal investments	4	129	134	567		page 24
<b>Distributable earnings<sup>7</sup></b>	<b>\$ 1,187</b>	<b>\$ 1,186</b>	<b>\$ 5,205</b>	<b>\$ 4,911</b>		
<b>Per share</b>						
Distributable earnings before realizations <sup>8</sup>	\$ 0.64	\$ 0.62	\$ 2.71	\$ 2.39		
Distributable earnings <sup>8</sup>	<u>0.75</u>	<u>0.73</u>	<u>3.26</u>	<u>3.03</u>		

## Asset Management

- Generated DE of \$604 million in the quarter and \$2.7 billion for the LTM, driven by a 16% increase in fee-related earnings (“FRE”) excluding performance fees compared to the prior period. Distributions from direct investments were \$209 million in the quarter and \$846 million for the LTM.

## Insurance Solutions

- DE of \$160 million in the quarter and \$634 million for the LTM with growth in earnings due to the acquisition of American National in May 2022 and strong performance of our investment portfolio over the LTM.

## Operating Businesses

- Generated DE of \$397 million for the quarter and \$1.5 billion for the LTM, broadly consistent with the prior year as strong distribution growth from our Operating Businesses were offset by lower distributions from our North American residential business as the prior year included higher one-time lot sales.

We realized \$755 million of carried interest and generated \$134 million of disposition gains from principal investments over the LTM due to asset monetizations across our direct investments into and alongside private funds managed by BAM.

FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Three Months		LTM	
	2023	2022	2023	2022
BAM distributable earnings before realizations	\$ 395	\$ 511	\$ 1,875	\$ 1,996
Less: adjustment for the special distribution	—	(128)	(238)	(500)
Adjusted BAM distributable earnings before realizations	395	383	1,637	1,496
<b>Adjusted distributable earnings before realizations</b>	<b>\$ 1,013</b>	<b>\$ 881</b>	<b>\$ 4,078</b>	<b>\$ 3,381</b>
<b>Per share</b>				
Adjusted distributable earnings before realizations	\$ 0.64	\$ 0.54	\$ 2.56	\$ 2.09

See endnotes.

# Capital

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

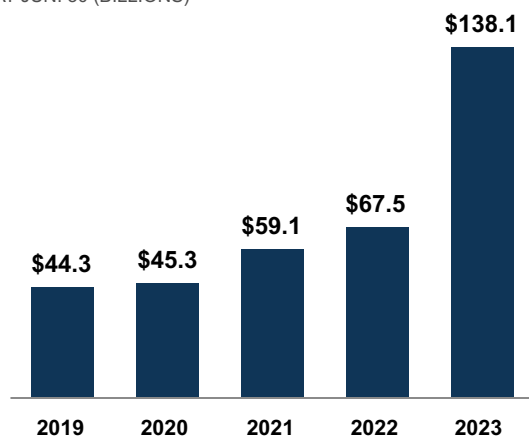
Our capital was \$138.1 billion on a blended basis as at June 30, 2023, on which we earn diversified, long-term, stable cash flows via dividends. Our capital generates \$4.5 billion of annualized distributions, with most of our earnings retained for reinvestment. Over the LTM, we generated unrealized carried interest of \$1.3 billion, which is not included in the DE presented in the below table and instead is presented on page 13.

The following table provides a breakdown of our capital as at June 30, 2023 and December 31, 2022. We provide three methods for you to review: quoted prices, our IFRS values, and blended values. We recommend you focus on the blended values as these include quoted market values and since we have control over these assets we believe we could liquidate for at least these values. Nonetheless, we provide this information so you can choose how to assess the numbers.

AS AT JUN. 30, 2023 AND DEC. 31, 2022 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	No. of Units	Quoted <sup>1</sup>		IFRS		Blended <sup>2</sup>		Annualized Cash Flow <sup>3</sup>
		2023	2022	2023	2022	2023	2022	
BAM	1,226	\$40,004	\$35,164	\$ 7,136	\$ 6,884	\$ 40,004	\$ 35,164	\$ 1,588
Target carried interest, net	N/A	N/A	N/A	N/A	N/A	25,630	25,860	—
Accumulated unrealized carried interest, net	N/A	N/A	N/A	N/A	N/A	5,854	5,609	—
Direct investments	N/A	N/A	N/A	13,665	12,761	13,665	12,761	817
<b>Asset Management</b>				<b>20,801</b>	<b>19,645</b>	<b>85,153</b>	<b>79,394</b>	<b>2,405</b>
<b>Insurance Solutions<sup>4</sup></b>				<b>4,006</b>	<b>3,996</b>	<b>8,012</b>	<b>7,992</b>	<b>725</b>
BEP	312	9,292	8,005	4,775	4,635	9,292	8,005	421
BIP	209	7,760	6,591	2,513	2,524	7,760	6,591	320
BBU	142	2,540	2,491	2,515	2,439	2,540	2,491	36
BPG								
Core	N/A	N/A	N/A	14,252	14,548	14,252	14,548	460
Transitional and Development <sup>5</sup>	N/A	N/A	N/A	8,541	8,277	10,088	9,835	182
Other	N/A	N/A	N/A	651	639	651	639	(22)
<b>Operating Businesses</b>				<b>33,247</b>	<b>33,062</b>	<b>44,583</b>	<b>42,109</b>	<b>1,397</b>
Total investments				58,054	56,703	137,748	129,495	4,527
Corporate and other				395	(1,330)	395	(1,330)	N/A
<b>Capital</b>				<b>58,449</b>	<b>55,373</b>	<b>138,143</b>	<b>128,165</b>	<b>\$ 4,527</b>
Debt and preferred capital <sup>6</sup>				(17,951)	(15,765)	(17,951)	(15,765)	
<b>Capital, net</b>				<b>\$40,498</b>	<b>\$39,608</b>	<b>\$120,192</b>	<b>\$112,400</b>	
<b>Per Share</b>				<b>\$ 24.99</b>	<b>\$ 24.32</b>	<b>\$ 74.18</b>	<b>\$ 69.00</b>	

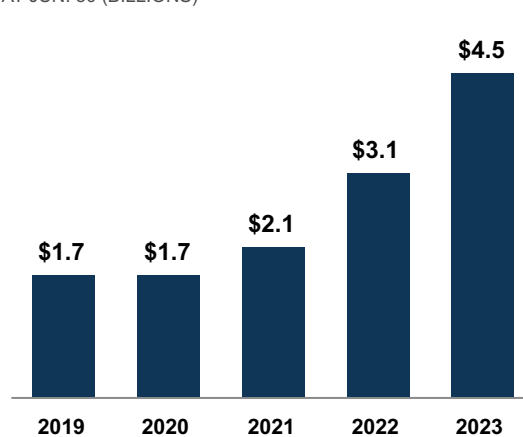
## Capital

AS AT JUN. 30 (BILLIONS)



## Annualized Cash Flow

AS AT JUN. 30 (BILLIONS)



See endnotes.

# Capital Allocation

**We allocate the free cash flows we receive to enhance value for our shareholders**

FOR THE PERIODS ENDED JUN. 30  
(MILLIONS)

## Sources

Distributable earnings, before realizations<sup>1, 2</sup>  
Realized carried interest, net<sup>2</sup>  
Disposition gains from principal investments<sup>2</sup>

## Return of capital

Dividends paid to common shareholders  
Share repurchases<sup>3</sup>

## Reinvestment in businesses

Capital allocated to Asset Management business<sup>4</sup>  
Capital allocated to Insurance Solutions business  
Perpetual affiliate unit/share purchases  
BPY privatization  
Debt/preferred share repayment<sup>5</sup>

## Net financing activities

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

## In-period change

Three Months		LTM	
2023	2022	2023	2022
\$ 1,013	\$ 1,009	\$ 4,316	\$ 3,881
170	48	755	463
4	129	134	567
<b>1,187</b>	<b>1,186</b>	<b>5,205</b>	<b>4,911</b>
(110)	(219)	(660)	(847)
(36)	(237)	(567)	(491)
(1,577)	(369)	(4,825)	(1,580)
(160)	(2,655)	(582)	(2,546)
—	—	(7)	(400)
—	—	—	(3,426)
—	—	—	(2,000)
<b>(1,883)</b>	<b>(3,480)</b>	<b>(6,641)</b>	<b>(11,290)</b>
<b>1,212</b>	<b>959</b>	<b>1,607</b>	<b>2,295</b>
<b>(786)</b>	<b>(92)</b>	<b>(338)</b>	<b>565</b>
<b>\$ (270)</b>	<b>\$ (1,427)</b>	<b>\$ (167)</b>	<b>\$ (3,519)</b>

We target paying a modest distribution so that we are able to deploy the majority of the substantial free cash flow we receive towards supporting the growth of our businesses, new strategic investments and share repurchases.

## Over the LTM we allocated \$6.6 billion of capital, as follows:

- \$660 million of dividends paid to common shareholders;
- \$567 million to repurchase shares well below our view of intrinsic value, purchasing 16.7 million BN common shares and ~2.0 million preferred shares;
- \$4.8 billion to invest into various strategies managed by BAM; and
- \$582 million investment in our Insurance Solutions business to support the continued growth of the business.

1. Refer to page 27 for reconciliation of IFRS to non-IFRS measures.

See endnotes.



# Liquidity Profile and Capital Structure

We manage our liquidity and capital resources on a group-wide basis and organize it into three principal tiers:

1. The Corporation<sup>1</sup>, inclusive of our proportionate share of the liquidity of our asset management business;
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 (\$5.0 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 June 30, 2023, we had approximately \$117 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.

AS AT JUN. 30, 2023 AND DEC. 31, 2022  
(MILLIONS)

	Corporate Liquidity		Group Liquidity	
	2023	2022	2023	2022
Cash and financial assets, net <sup>2</sup>	\$ 2,516	\$ 2,893	\$ 24,312	\$ 27,440
Undrawn committed credit facilities	2,533	2,540	9,575	9,284
<b>Core liquidity</b>	<b>5,049</b>	<b>5,433</b>	<b>33,887</b>	<b>36,724</b>
Third-party uncalled private fund commitments	—	—	83,075	87,364
<b>Total liquidity</b>	<b>\$ 5,049</b>	<b>\$ 5,433</b>	<b>\$ 116,962</b>	<b>\$ 124,088</b>

## CAPITAL STRUCTURE

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

Our corporate capitalization was \$64 billion as at June 30, 2023, with a debt to capitalization level of approximately 19% at the corporate level based on book values, which excludes virtually all of the value of our asset management business (see page 25 for details). Based on our market capitalization the corporate debt to capitalization level was 17%.

- Corporate borrowings excluding commercial paper and the \$550 million repayment of our April 2024 notes in July 2023, totaled \$11 billion, with a weighted-average term of 13 years, and a weighted-average interest rate of 4.3%.
- Our corporate borrowings are supplemented by \$4 billion of perpetual preferred shares with a weighted-average cost of 4.6%.

AS AT JUN. 30, 2023  
(MILLIONS)

	Average		Total <sup>3</sup>	Maturity					
	Term	Rate		2023	2024	2025	2026	2027	2028+
Corporate borrowing									
Term debt <sup>4</sup>	13	4.3 %	\$ 11,435	\$ —	\$ 578	\$ 500	\$ 1,142	\$ 378	\$ 8,837
Perpetual preferred shares <sup>5</sup>	perp.	4.6 %	4,333	—	—	—	—	—	n/a
			<b>\$ 15,768</b>	<b>\$ —</b>	<b>\$ 578</b>	<b>\$ 500</b>	<b>\$ 1,142</b>	<b>\$ 378</b>	<b>\$ 8,837</b>

2. Corporate cash and financial assets includes our proportionate share of the asset management business' cash and financial assets (\$2.2 billion).

See endnotes.

# Distributable Earnings and Net Income

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

## Operating activities

	Three Months		LTM	
	2023	2022	2023	2022
Asset Management	\$ 604	\$ 768	\$ 2,721	\$ 2,919
Insurance Solutions	160	46	634	85
Operating Businesses	397	379	1,512	1,528
Corporate activities and other	(148)	(184)	(551)	(651)
<b>Distributable earnings before realizations</b>	<b>1,013</b>	<b>1,009</b>	<b>4,316</b>	<b>3,881</b>
Realized carried interest, net	170	48	755	463
Realized disposition gains <sup>1,2</sup>	4	129	134	567
<b>Distributable earnings</b>	<b>1,187</b>	<b>1,186</b>	<b>5,205</b>	<b>4,911</b>
Less: realized disposition gains	(4)	(129)	(134)	(567)
Add: disposition gains in net income	187	27	377	338
Fair value changes <sup>2</sup>	(471)	(65)	(2,730)	1,143
Depreciation and amortization <sup>2</sup>	(551)	(516)	(2,238)	(1,959)
Deferred income taxes <sup>2</sup>	(40)	(58)	245	(559)
Cash (retained in) returned from businesses	(227)	145	(417)	557
<b>Net income attributable to shareholders<sup>3</sup></b>	<b>\$ 81</b>	<b>\$ 590</b>	<b>\$ 308</b>	<b>\$ 3,864</b>

## Per share<sup>4,5</sup>

Distributable earnings before realizations	\$ 0.64	\$ 0.62	\$ 2.71	\$ 2.39
Distributable earnings	0.75	0.73	3.26	3.03
Net income	0.03	0.34	0.09	2.30

See endnotes.

# Detailed — Analysis

# Asset Management

Our Asset Management business is one of the leading global alternative investment businesses, with approximately \$850 billion of assets under management across renewable power and transition, infrastructure, private equity, real estate and credit

Our Asset Management business creates value by:

- Increasing fee-bearing capital, which increases our fee revenues and fee-related earnings
- Achieving attractive investment returns, which enables us to earn performance income (carried interest)
- Maintaining cost discipline as we scale our operations

Our Asset Management business targets growing its fee-related earnings and distributable earnings by 15%+ per year.

We value our Asset Management business as the sum of: i) the market value of BAM and applying a multiple to annualized fee-related earnings; ii) applying a multiple to generated carried interest, net and target carried interest, net; and iii) our accumulated unrealized carried interest, net.

## FEE-BEARING CAPITAL AND DISTRIBUTABLE EARNINGS

Fee-bearing capital increased by \$48 billion or 12% over the LTM to \$440 billion, resulting in growth in fee-related earnings of 16%, when excluding performance fees, to \$2.2 billion for the LTM.

	Fee-Bearing Capital <sup>1</sup>		Three Months		LTM		Annualized
	2023	2022	2023	2022	2023	2022	
AS AT AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)							
Fee revenues <sup>2</sup>	<u>\$439,748</u>	<u>\$391,756</u>	<u>\$1,086</u>	<u>\$ 993</u>	<u>\$4,256</u>	<u>\$3,790</u>	<u>\$ 4,519</u>
Direct costs <sup>3</sup>			(507)	(442)	(1,927)	(1,658)	(2,169)
			579	551	2,329	2,132	2,350
Amounts attributable to other shareholders			(31)	(35)	(135)	(157)	(121)
<b>Fee-related earnings</b>			<b>548</b>	<b>516</b>	<b>2,194</b>	<b>1,975</b>	<b>2,229</b>
Cash taxes			(68)	(21)	(161)	(75)	(280)
Other income (expense)			39	(9)	73	2	136
Add back: equity-based compensation costs			8	25	77	94	32
<b>Distributable earnings</b>			<b>527</b>	<b>511</b>	<b>2,183</b>	<b>1,996</b>	<b>2,117</b>
Amounts not attributable to the Corporation			(132)	—	(308)	—	(529)
<b>Distributable earnings at our share</b>			<b>395</b>	<b>511</b>	<b>1,875</b>	<b>1,996</b>	<b>\$ 1,588</b>
Less: adjustment for the special distribution			—	(128)	(238)	(500)	
<b>Distributable earnings before realizations, adjusted for special distribution</b>			<b>\$ 395</b>	<b>\$ 383</b>	<b>\$1,637</b>	<b>\$1,496</b>	

- Our Asset Management business generated fee-related earnings of \$2.2 billion for the LTM, representing an increase of 16%, when excluding performance fees, compared to the prior period.
- Fee-bearing capital ("FBC") was \$440 billion as at June 30, 2023, an increase of approximately \$48 billion or 12% over the prior period.
- We had inflows of \$74 billion over the LTM, raising \$31 billion for our flagship funds, including final closes for our inaugural transition and fourth real estate flagship funds, as well as closes for our fifth infrastructure, sixth private equity and twelfth opportunistic credit flagship funds.
- We continue to make progress across our other complementary strategies, raising a further \$43 billion of capital during the LTM, with notable successes including capital raised for our third infrastructure debt fund and our infrastructure income fund.
- As at June 30, 2023, the market value of BAM was \$32.63 per share, equating to \$40.0 billion of value for the 1,226 million shares of BAM we own today.

See endnotes.

# Asset Management cont'd

## CARRIED INTEREST

We generated unrealized carried interest, net of costs, for the LTM of \$1.3 billion, with substantially all our funds tracking to meet or exceed their target returns

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

	Three Months			LTM		
	Unrealized Carried Interest	Direct Costs	Net	Unrealized Carried Interest	Direct Costs	Net
AS AT AND FOR THE PERIODS ENDED JUN. 30, 2023 (MILLIONS)						
Accumulated unrealized, beginning of period	\$ 9,360	\$ (3,078)	\$ 6,282	\$ 8,633	\$ (2,781)	\$ 5,852
In period change						
Generated in period	266	(23)	243	1,946	(641)	1,305
Foreign currency revaluation	83	(28)	55	86	(24)	62
	349	(51)	298	2,032	(665)	1,367
Less: realized	(245)	73	(172)	(1,201)	390	(811)
	104	22	126	831	(275)	556
<b>Accumulated unrealized, end of period</b>	<b>9,464</b>	<b>(3,056)</b>	<b>6,408</b>	<b>9,464</b>	<b>(3,056)</b>	<b>6,408</b>
Carried interest not attributable to Corporation	(1,082)	528	(554)	(1,082)	528	(554)
<b>Accumulated unrealized, end of period, net</b>	<b>\$ 8,382</b>	<b>\$ (2,528)</b>	<b>\$ 5,854</b>	<b>\$ 8,382</b>	<b>\$ (2,528)</b>	<b>\$ 5,854</b>

## THREE MONTHS

- Accumulated unrealized carried interest before foreign exchange and associated costs increased \$266 million during the quarter, primarily related to higher valuations in our infrastructure, real estate and private equity flagship funds.
- We realized \$245 million of carried interest in the quarter, primarily due to realizations from flagship funds within our infrastructure, private equity and real estate businesses.

## LTM

- Accumulated unrealized carried interest before foreign exchange and associated costs increased by \$1.9 billion over the LTM, caused by valuation increases across a number of our strategies.
- We realized \$1.2 billion of carried interest over the LTM due to asset monetizations as we returned capital to clients across various flagship and other funds.
- \$4.5 billion of the accumulated unrealized carried interest, net, is expected to be realized within the next three years.
- Refer to pages 31 to 32 of Brookfield Asset Management Ltd.'s Q2 2023 Supplemental Information which outlines actual returns and illustrates how our private funds are tracking towards their respective target returns.

See endnotes.

# Asset Management cont'd

## TARGET CARRIED INTEREST

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

AS AT JUN. 30, 2023 (MILLIONS)	Carry Eligible Capital <sup>1</sup>	Gross Target Return <sup>2,3</sup>	Average Carried Interest	Annualized Target Carried Interest <sup>4</sup>
Opportunistic	\$ 45,702	18% – 25%	~20%	\$ 1,601
Value add	1,745	10% – 15%	~20%	42
Credit, core plus and other	55,958	10% – 15%	~15%	1,080
Oaktree	48,623	10% – 20%	~20%	1,242
	152,028			3,965
Uncalled fund commitments <sup>5,6</sup>				
Brookfield Corporation	51,276			1,095
Oaktree	16,350			326
<b>Total carry eligible capital/target carried interest</b>	<b>\$ 219,654</b>			<b>5,386</b>
Target carried interest not attributable to the Corporation <sup>7</sup>				(1,535)
				<b>\$ 3,851</b>

Target carried interest on capital currently invested is \$4.0 billion per annum, and \$1.4 billion on capital not yet invested. Total target carried interest is \$3.9 billion at our share, or \$2.6 billion net of costs (December 31, 2022 – \$2.6 billion). We determine the value of our target carried interest using an industry multiple (currently 10x). As at June 30, 2023, the value of our target carried interest was \$25.6 billion.

1. As at June 30, 2023, \$152.0 billion of carry eligible capital has been invested and an additional \$67.6 billion of committed capital will become carry eligible once invested.

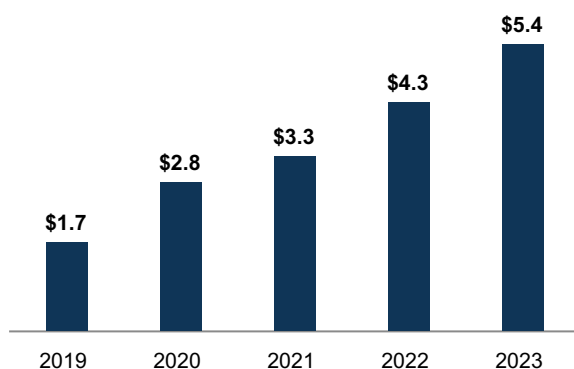
7. Includes Oaktree target carried interest attributable to the 32% of Oaktree not held by the Corporation. The Corporation retains 100% of the carried interest earned on mature funds and is entitled to receive 33.3% of the carried interest on new funds of our asset management business.

## 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.”

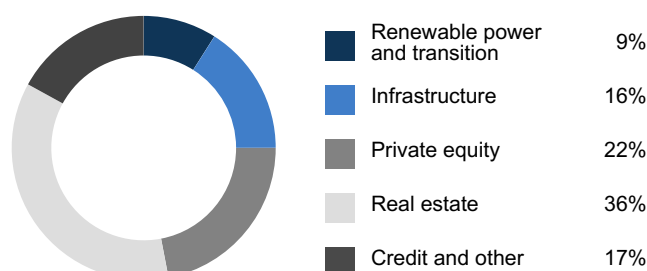
### Target Carried Interest

AS AT JUN. 30 (BILLIONS)



### Target Carry Diversification

AS AT JUN. 30, 2023



See endnotes.

# Asset Management cont'd

## DIRECT INVESTMENTS

We include the discretionary capital that we invest directly into and alongside private funds managed by BAM and other investments within the results of our asset management business

We have \$13.7 billion of capital in direct investments, which includes \$8.4 billion in flagship real estate private funds that are managed by BAM and Oaktree with long-term track records of earning strong returns. Also included in direct investments is \$5.3 billion of capital invested in other private funds managed by BAM and other investments. We look to deliver blended total annualized returns of 15% or more for our direct investments and we determine their value using fair value under IFRS.

Over the LTM, FFO from our direct investments was \$642 million as growth in NOI and acquisitions completed in our flagship real estate funds were more than offset by the impact of asset sales and higher interest rates.

AS AT JUN. 30, 2023 AND DEC. 31, 2022 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	FFO <sup>1</sup>						Annualized Cash Flow
	IFRS/Blended		Three Months		LTM		
	2023	2022	2023	2022	2023	2022	
Direct investments	\$ 13,665	\$ 12,761	\$ (25)	\$ 143	\$ 77	\$ 492	
Disposition gains			—	148	565	923	
<b>Total FFO</b>			<b>\$ (25)</b>	<b>\$ 291</b>	<b>\$ 642</b>	<b>\$ 1,415</b>	
<b>Cash distributions received</b>			<b>\$ 209</b>	<b>\$ 257</b>	<b>\$ 846</b>	<b>\$ 923</b>	<b>\$ 817</b>

Refer to page 20 for a summary of the combined results and total distributions of our real estate business, including the investments we have made in our real estate private funds presented below.

### Direct Investments

AS AT JUN. 30, 2023



The **flagship real estate private funds** we invest in own high-quality assets and portfolios with operational upside across logistics, multifamily, hospitality, office, retail, triple net lease, self-storage, student housing and the manufactured housing sectors. As the funds approach their end of fund life, typically five to ten years with two one-year extensions, fund assets are monetized with our capital recycled into newer vintages, net of gains.

Refer to the below table for the vintage and percentage of realization of flagship real estate private funds. With the exception of the IFRS value of remaining equity figures, amounts presented below are in accordance with Investment Company Accounting under US GAAP, which aligns with the reporting of each private fund.

AS AT JUN. 30, 2023 (MILLIONS)	Vintage Year	IFRS value of remaining equity	Amount invested	Amount realized <sup>2</sup>	Gross IRR <sup>3</sup> / Gross TWR <sup>4</sup>	Net IRR / Net TWR
BSREP I	2012	\$ 335	\$ 1,572	\$ 2,820	21.7 %	18.1 %
BSREP II	2015	2,179	2,663	2,701	15.8 %	12.7 %
BSREP III	2018	4,194	3,638	872	17.5 %	12.7 %
BSREP IV <sup>5</sup>	2021	1,695	1,800	85	N/A <sup>6</sup>	N/A <sup>6</sup>
<b>Flagship real estate funds</b>		<b>\$ 8,403</b>	<b>\$ 9,673</b>	<b>\$ 6,478</b>		

Our other direct investments include the following investments in funds managed by BAM: \$2.1 billion in opportunistic and other credit funds, \$1.1 billion in other real estate funds, \$1.1 billion in private equity funds, and \$1.0 billion in other investments. For the three months and LTM ended June 30, 2023, these investments contributed \$9 million (2022 – \$54 million) and \$113 million (2022 – \$122 million) of FFO, respectively.

See endnotes.

# Insurance Solutions

**Our Insurance Solutions business, via our investment in BNRE, is a leading financial services business providing capital-based solutions to the insurance industry, offering a broad range of insurance products and services to individuals and institutions**

Our Insurance Solutions business creates value by:

- Acquiring long duration and predictable insurance liabilities on a value basis
- Applying a proactive risk management approach to minimize the risk of underwritten liabilities through robust underwriting processes, reinsurance, duration matching and liquidity management
- Leveraging Brookfield's broader investment capabilities to earn attractive risk-adjusted returns on our insurance assets in excess of the cost of the insurance liabilities we manage

Our Insurance Solutions business targets a 15%+ annual return on equity and we value this business based on the Intrinsic value of our capital ("IVC"), which represents our view of the fair value of the business. We determine the IVC using a discounted cash flow analysis of the in-place earnings of the Insurance Solutions business and an unlevered discount rate (currently 8%).

As at June 30, 2023, our capital in the Insurance Solutions business is \$4.0 billion (December 31, 2022 – \$4.0 billion) on an IFRS basis and \$8.0 billion (December 31, 2022 – \$8.0 billion) on an IVC basis.

**During the quarter, total insurance assets increased to approximately \$45 billion and spread earnings on the investment portfolio increased by 20 bps to 220 bps. We generated DE of \$634 million over the LTM with annualized earnings of \$725 million today.**

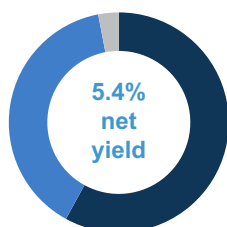
FOR THE PERIODS ENDED JUN. 30  
(MILLIONS)

Net investment income  
Cost of insurance  
Interest expense  
Operating expenses and other  
**Distributable earnings**

Distributable Earnings				Annualized Cash Flow
Three Months		LTM		
2023	2022	2023	2022	
\$ 581	\$ 317	\$ 1,960	\$ 457	
(356)	(245)	(1,078)	(341)	
(58)	(22)	(204)	(27)	
(7)	(4)	(44)	(4)	
\$ 160	\$ 46	\$ 634	\$ 85	\$ 725

## Investment Portfolio

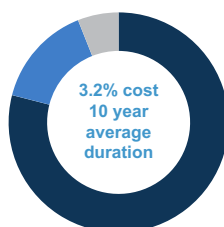
AS AT JUN. 30, 2023



Liquid fixed income	58%
Private credit / Asset based lending	39%
Real Estate	3%

## Insurance Liabilities

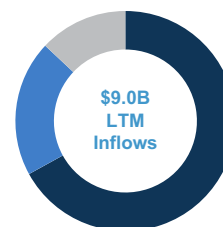
AS AT JUN. 30, 2023



Annuities	79%
Life	15%
Property and casualty	6%

## Inflows

FOR THE LTM ENDED JUN. 30, 2023  
(BILLIONS)



Direct insurance	67%
Reinsurance	20%
Pension risk transfer	13%



# Operating Businesses

**We have approximately \$35 billion of capital invested in our four global operating businesses: renewable power and transition, infrastructure, private equity and real estate**

Each of these businesses share key characteristics of being highly diversified by sector and geography, generating stable and often inflation linked revenue streams, high cash margins, market leading positions, high barriers to entry and opportunities to invest additional capital to enhance returns, all of which enable us to generate very attractive risk adjusted returns on our capital.

The capital we have invested in our renewable power and transition, infrastructure and private equity operating businesses is predominantly held via our 47% interest in BEP, our 27% interest in BIP and our 65% interest in BBU. Each of these are publicly listed perpetual capital vehicles that also act as our primary vehicles for making commitments to our flagship private funds, providing them each with a very strong pipeline for growth.

Our remaining capital is invested in our wholly owned private real estate business. The portfolio is comprised of 35 of the world's highest quality office and retail assets and a portfolio of 180 office and retail assets that we plan to sell over time, with the proceeds to be recycled into new investment opportunities.

## RENEWABLE POWER AND TRANSITION

**Our renewable power and transition business owns a diverse portfolio of high-quality assets across multiple continents and technologies including hydroelectric, wind, utility-scale solar, and distributed energy and sustainable solutions investments**

Our capital in this business is via:

- Our 47% ownership interest in BEP, one of the world's largest publicly traded pure-play renewable power platforms
- Energy contracts, which are 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

Our renewable power and transition business seeks to deliver 12 to 15% total returns and 5 to 9% distribution growth annually, and creates value by:

- Acquiring operating assets and businesses on a value basis
- Increasing the cash income generated by its assets through operational improvements
- Disciplined recycling of assets and businesses into higher growth opportunities

We value our renewable power and transition business using the trading price of BEP, and the IFRS value of the energy contracts, which we revalue on an annual basis.

**Operating FFO from our renewable power and transition business increased by 35% to \$416 million for the LTM, supporting a 33% increase in cash distributions received of approximately \$388 million over the same period.**

AS AT JUN. 30, 2023 AND DEC. 31, 2022  
AND FOR THE PERIODS ENDED JUN. 30  
(MILLIONS)

	2023	2022	2023	2022	2023	2022	2023	2022	Cash Flow
BEP <sup>2</sup>	\$ 9,955	\$ 9,608	\$ 20,034	\$ 16,750	\$ 312	\$ 294	\$ 1,055	\$ 961	
Incentive distributions	—	—	—	—	(30)	(24)	(105)	(88)	
Non-controlling interests	(5,180)	(4,973)	(10,742)	(8,745)	(146)	(139)	(493)	(452)	
Segment reallocation and other	—	—	—	—	(17)	—	(19)	(14)	
Brookfield's interest	4,775	4,635	9,292	8,005	119	131	438	407	
Energy contracts	651	639	651	639	7	(23)	(22)	(99)	
Capital / Operating FFO	\$ 5,426	\$ 5,274	\$ 9,943	\$ 8,644	\$ 126	\$ 108	\$ 416	\$ 308	
Cash distributions received					\$ 112	\$ 77	\$ 388	\$ 291	\$ 399

- Cash distributions received and operating FFO increased by 33% and 35%, respectively, over the LTM primarily due to favourable pricing in South America and inflation indexation on our contracted generation, as well as growth from development projects and acquisitions.

See endnotes.

# Operating Businesses cont'd

## INFRASTRUCTURE

**Our infrastructure business is one of the world's largest infrastructure investors, which owns and operates assets across the transport, data, utilities, and midstream sectors**

Our capital in this business is held via our 27% ownership interest in BIP, one of the largest owners and operators of critical global infrastructure networks.

Our infrastructure business seeks to deliver 12 to 15% total returns and 5 to 9% distribution growth annually, and creates value by:

- Increasing inflation-protected and contracted cash flow through de-risking businesses and operational improvements
- Expanding our capacity with our record capital backlog
- Disciplined recycling of assets and businesses into higher growth opportunities

We value our infrastructure business using the trading price of BIP.

**Operating FFO from our infrastructure business increased by 15% to \$525 million over the LTM, supporting a 7% increase in cash distributions received of \$310 million over the same period.**

AS AT JUN. 30, 2023 AND DEC. 31, 2022 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Operating FFO <sup>1</sup>								Annualized Cash Flow
	IFRS		Blended		Three Months		LTM		
	2023	2022	2023	2022	2023	2022	2023	2022	
BIP <sup>2</sup>	\$ 8,772	\$ 9,023	\$29,171	\$24,780	\$ 552	\$ 513	\$2,187	\$1,914	
Incentive distributions	—	—	—	—	(66)	(60)	(252)	(227)	
Non-controlling interests	(6,259)	(6,499)	(21,411)	(18,189)	(350)	(326)	(1,394)	(1,216)	
Segment reallocation and other	—	—	—	—	(4)	(4)	(16)	(16)	
Capital / Operating FFO	\$ 2,513	\$ 2,524	\$ 7,760	\$ 6,591	\$ 132	\$ 123	\$ 525	\$ 455	
Cash distributions received					\$ 80	\$ 75	\$ 310	\$ 289	\$ 320

- Cash distributions received and operating FFO increased by 7% and 15%, respectively, over the LTM primarily due to contributions from acquisitions, organic growth at our utilities and transport operations as a result of inflation indexation and increases to rate base.

# Operating Businesses cont'd

## PRIVATE EQUITY

**Our private equity business is a leading global investor with a focus on owning and operating businesses that provide essential products and services in the business services and industrial operations sectors**

Our capital in this business is held via our 65% ownership interest in BBU, a global investor in business services and industrial operations companies.

BBU seeks to deliver 15% or more total annualized returns, and creates value by:

- Acquiring high-quality businesses which provide essential products and services on a value basis
- Enhancing and improving cash flows through operational improvement
- Disciplined recycling of assets and businesses into higher growth opportunities

We value our private equity business using the trading price of BBU.

**Over the LTM, we generated \$680 million of operating FFO and \$36 million of DE. The cash distributions reflect BBU's policy of paying a modest distribution and reinvesting the majority of its FFO back into its businesses to further enhance value.**

AS AT JUN. 30, 2023 AND DEC. 31, 2022  
AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)

BBU<sup>2</sup>

Non-controlling interests

**Capital**

IFRS		Blended	
2023	2022	2023	2022
\$ 4,240	\$ 4,120	\$ 3,884	\$ 3,818
(1,725)	(1,681)	(1,344)	(1,327)
<b>\$ 2,515</b>	<b>\$ 2,439</b>	<b>\$ 2,540</b>	<b>\$ 2,491</b>

AS AT JUN. 30, 2023 AND DEC. 31, 2022  
AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)

BBU

Performance fees

Non-controlling interests

Segment reallocation and other

**Adjusted EBITDA / Operating FFO**

**Cash distributions received**

Adjusted EBITDA				Operating FFO <sup>1</sup>				Annualized Cash Flow
Three Months		LTM		Three Months		LTM		
2023	2022	2023	2022	2023	2022	2023	2022	
\$ 606	\$ 543	\$2,466	\$2,009	\$ 185	\$ 342	\$1,230	\$1,324	
—	—	—	—	—	—	—	(78)	
(212)	(190)	(1,603)	(1,304)	(64)	(119)	(442)	(441)	
—	—	—	—	(5)	(12)	(108)	(12)	
<u>\$ 394</u>	<u>\$ 353</u>	<u>\$ 863</u>	<u>\$ 705</u>	<u>\$ 116</u>	<u>\$ 211</u>	<u>\$ 680</u>	<u>\$ 793</u>	
				\$ 9	\$ 9	\$ 36	\$ 27	\$ 36

- Adjusted EBITDA increased by \$158 million over the LTM as a result of contributions from acquisition activity in our business services operations, as well as value creation and cost savings initiatives across our business.
- While underlying performance was strong, operating FFO decreased by \$113 million over the LTM as growth in Adjusted EBITDA was more than offset by the impacts of increased interest expense incurred from additional borrowings and increased rates on floating rate debt.

See endnotes.

# Operating Businesses cont'd

## REAL ESTATE

**Our real estate business owns and operates one of the largest diversified global portfolios of office, retail and multifamily residential properties**

Our capital in this business is held via our 100% ownership stake in BPG, which today consists of \$14 billion of capital invested in an irreplaceable portfolio of trophy mixed-use precincts in global gateway cities ("Core") and \$9 billion invested in a portfolio designed to maximize returns through a development or buy-fix-sell strategy ("Transitional and Development"), of which \$3 billion includes our capital invested in our North American residential business.

	IFRS		Blended	
	2023	2022	2023	2022
AS AT JUN. 30, 2023 AND DEC. 31, 2022 (MILLIONS)				
Core <sup>1</sup>	\$ 14,252	\$ 14,548	\$ 14,252	\$ 14,548
Transitional and development <sup>2</sup>	8,541	8,277	10,088	9,835
<b>Brookfield's interest</b>	<b>\$ 22,793</b>	<b>\$ 22,825</b>	<b>\$ 24,340</b>	<b>\$ 24,383</b>

Our real estate business seeks to deliver blended total annualized returns of 10% or more, and creates value by:

- Acquiring high-quality, best-located assets for value and leveraging our core capabilities including leasing, financing, development, design and construction, and property and facilities management to enhance cash flows
- Maintaining our irreplaceable Core assets while actively recycling our mature Transitional & Development assets to further enhance returns for shareholders

We primarily value our real estate business by using fair value under IFRS, which we revalue on a quarterly basis, and comparable market data for our North American residential business. Net Operating Income ("NOI") is the key performance metric for our real estate segment.

**Over the LTM our core and transitional and development real estate generated NOI of \$3.5 billion.**

	NOI <sup>3</sup>				Operating FFO <sup>4</sup>				
	Three Months		LTM		Three Months		LTM		
FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	2023	2022	2023	2022	2023	2022	2023	2022	Annualized Cash Flow
Core <sup>1</sup>	\$ 375	\$ 348	\$ 1,466	\$ 1,391	\$ 75	\$ 129	\$ 345	\$ 559	
Transitional and development <sup>2</sup>	450	464	2,025	2,015	(43)	78	(67)	478	
	825	812	3,491	3,406	32	207	278	1,037	
Segment reallocation and other	—	—	—	—	(11)	(11)	(44)	(93)	
<b>Capital / Operating FFO</b>	<b>\$ 825</b>	<b>\$ 812</b>	<b>\$ 3,491</b>	<b>\$ 3,406</b>	<b>\$ 21</b>	<b>\$ 196</b>	<b>\$ 234</b>	<b>\$ 944</b>	
<b>Cash distributions received</b>					<b>\$ 196</b>	<b>\$ 218</b>	<b>\$ 778</b>	<b>\$ 921</b>	<b>\$ 642</b>

The summary below shows the combined FFO and cash distributions received from our Real Estate business, which includes the investments we have made in our real estate private funds that we now present in our asset management results.

	Three Months		LTM		Annualized Cash Flow
	2023	2022	2023	2022	
FOR THE PERIODS ENDED JUN. 30 (MILLIONS)					
Core and Transitional and Development Operating FFO per above	\$ 21	\$ 196	\$ 234	\$ 944	
Real Estate LP Investments	(34)	158	500	959	
<b>FFO – Real Estate</b>	<b>\$ (13)</b>	<b>\$ 354</b>	<b>\$ 734</b>	<b>\$ 1,903</b>	
Core and Transitional and Development per above	\$ 196	\$ 218	\$ 778	\$ 921	\$ 642
Real Estate LP Investments	200	211	751	829	800
<b>Cash distributions received – Real Estate</b>	<b>\$ 396</b>	<b>\$ 429</b>	<b>\$ 1,529</b>	<b>\$ 1,750</b>	<b>\$ 1,442</b>

See endnotes.

# Operating Businesses cont'd

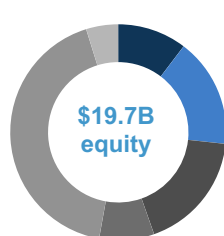
## REAL ESTATE (cont'd)

### Core

Our **core** real estate consists of irreplaceable premier mixed-use precincts in key global markets, which include our top 35 trophy office complexes and retail properties. They generate stable and inflation-protected cash flows that are long-dated in nature. We create value by holding these investments long term and continue to develop them as needed.

### Core Portfolio

AS AT JUN. 30, 2023



Downtown New York	10 %
Midtown New York	16 %
London	18 %
Other office	8 %
Market dominant retail	42 %
Urban retail	6 %

- We own 16 office complexes that are located primarily in the world's leading commercial markets such as New York City, London, Toronto, Berlin, and Dubai, covering 33 million square feet.
- We also own 19 irreplaceable malls totaling 24 million square feet of retail space.
- We develop properties on a selective basis; active development and redevelopment projects consist of two office sites, several multifamily sites and one hotel site, totaling approximately four million square feet.

### We maintain a strong occupancy rate and long average lease life across our core real estate portfolio:

AS AT JUN. 30, 2023	Number of complexes/ malls	Equity Value	Property Level Loan-to-Value	Occupancy	Lease Life	Discount rate
Downtown New York	1	\$ 2,041	58.9 %	93.7 %	8	6.6 %
Midtown New York	4	3,219	53.3 %	99.2 %	11	6.2 %
London	2	3,526	56.7 %	93.6 %	12	6.4 %
Other office	9	1,621	47.0 %	95.3 %	7	6.1 %
<b>Core office</b>	<b>16</b>	<b>10,407</b>	<b>54.8 %</b>	<b>95.0 %</b>	<b>9</b>	<b>6.4 %</b>
Market dominant retail	16	8,337	39.6 %	97.0 %	5	6.2 %
Urban retail	3	946	51.9 %	95.0 %	6	5.8 %
<b>Core retail</b>	<b>19</b>	<b>9,283</b>	<b>41.1 %</b>	<b>97.0 %</b>	<b>5</b>	<b>6.2 %</b>
<b>Total core</b>	<b>35</b>	<b>\$ 19,690</b>	<b>49.3 %</b>	<b>95.7 %</b>	<b>8</b>	<b>6.3 %</b>

In addition to property level debt, we have capitalized this business with \$3.4 billion of perpetual preferred shares and \$2.0 billion of bonds with an average maturity of three years.

Our 16 trophy office complexes include:

- **Downtown New York** properties such as Brookfield Place and **Midtown New York** properties including our Manhattan West mixed-use development which includes 1/2/5 Manhattan West and The Eugene and Pendry, Grace building, 333 W 34<sup>th</sup> Street, and 300 Madison Avenue
- **London** properties such as 100 Bishopsgate and Canary Wharf estate which includes our One Canada Square, 10 Cabot Square, 1/20/40 Bank Street, One Churchill Place, Cabot Place, Canada Place, and Jubilee Place properties
- **Other office** such as Brookfield Place and Bay Adelaide Center North, East and West towers in Toronto, Potsdamer Platz in Berlin, and ICD Brookfield Place in Dubai

Our 19 irreplaceable malls include:

- **Market Dominant Retail** such as Ala Moana Center in Hawaii, Fashion Show and Grand Canal Shoppes in Las Vegas, Park Meadows in Colorado, Oakbrook Center in Illinois, Glendale Galleria in California, and North Star Mall, The Shops at La Cantera, Stonebriar Centre, and The Woodlands Mall in Texas
- **Urban Retail centers** such as 730 Fifth Ave and 685 Fifth Avenue in New York and the Miami Design District

# Operating Businesses cont'd

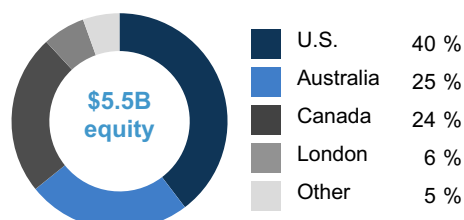
## REAL ESTATE (cont'd)

### Transitional and Development

The **transitional and development** portfolio invests in assets with significant value-add through development and leasing activities that are generally held for shorter time frames before being monetized for attractive returns.

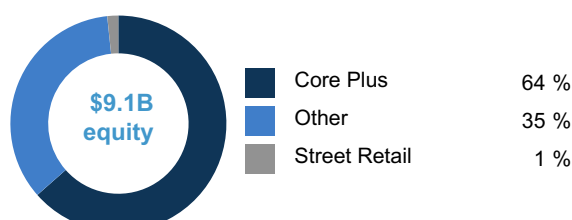
#### Office by Geography

AS AT JUN. 30, 2023



#### Retail by Type

AS AT JUN. 30, 2023



- We own interests in and operate office assets in more than 10 major metropolitan cities, mainly in North America and Australia, consisting of 90 properties totaling 55 million square feet of space.
- We also own 90 retail properties covering 86 million square feet of space.

AS AT JUN. 30, 2023	Number of properties	Equity Value	Property-Level Loan-to-Value <sup>1</sup>	Occupancy	Lease Life	Discount rate <sup>2</sup>
U.S.	48	\$ 2,170	66.9 %	79.3 %	6	8.0 %
Australia	23	1,343	47.4 %	97.8 %	8	6.2 %
Canada	11	1,311	44.4 %	86.8 %	9	6.6 %
London	5	348	56.4 %	99.3 %	7	10.6 %
Brazil	3	300	34.5 %	100.0 %	3	8.7 %
<b>Office</b>	<b>90</b>	<b>5,472</b>	<b>57.0 %</b>	<b>86.7 %</b>	<b>7</b>	<b>7.5 %</b>
Core Plus	26	5,785	35.3 %	97.1 %	4	6.8 %
Street Retail	6	150	55.9 %	92.7 %	3	7.1 %
Other	58	3,173	58.8 %	91.0 %	3	8.5 %
<b>Retail</b>	<b>90</b>	<b>9,108</b>	<b>46.4 %</b>	<b>93.0 %</b>	<b>4</b>	<b>7.6 %</b>
<b>Transitional &amp; Development<sup>3</sup></b>	<b>180</b>	<b>\$ 14,580</b>	<b>50.9 %</b>	<b>90.9 %</b>	<b>5</b>	<b>7.6 %</b>

- Excludes \$7.7 billion of medium term duration corporate debt at the BPG corporate level that we allocate to our transitional and development portfolio as we do not expect to hold this portion of our real estate portfolio over the long term.
- Discount rates for each category of assets have remained relatively consistent with the prior quarter.

### North American Residential

Included in our transitional and development business is our North American residential business which is a leading land developer and homebuilder, with operations in 20 principal markets in Canada and the U.S. and approximately 83,000 lots. As at June 30, 2023, we had 78 active housing communities (December 31, 2022 – 71) and 34 active land communities (December 31, 2022 – 16). Of the \$1.6 billion capital invested in this business, \$1.2 billion relates to land held for development with the remainder associated with developed or in progress residential developments.

We create value in this business by monetizing consumer and commercial deliverables through home building, lot sales and development of commercial zones.

We measure value for this business based on a combination of IFRS values for developed properties and comparable market data for our land bank.

During the LTM, the North American residential business generated FFO of \$285 million.

AS AT JUN. 30, 2023 AND DEC. 31, 2022  
AND FOR THE PERIODS ENDED JUN. 30  
(MILLIONS)

AS AT JUN. 30, 2023 AND DEC. 31, 2022 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Operating FFO <sup>4</sup>								
	IFRS		Blended		Three Months		LTM		Annualized
	2023	2022	2023	2022	2023	2022	2023	2022	
North American Residential	\$ 1,598	\$ 1,587	\$ 3,145	\$ 3,145	\$ 76	\$ 89	\$ 285	\$ 416	\$ 162

See endnotes.

# Corporate Activities

Corporate activities include the investment of cash and financial assets, as well as the management of our corporate leverage, including corporate borrowings and preferred equity, which fund a portion of the capital invested in our other businesses

	Operating FFO <sup>1</sup>					
	Capital		Three Months		LTM	
	2023	2022	2023	2022	2023	2022
Working capital, net of corporate cash and other <sup>2</sup>	\$ 395	\$ (1,330)	\$ 21	\$ (35)	\$ 79	\$ (76)
Corporate borrowings / Interest expense	(13,618)	(11,390)	(154)	(124)	(553)	(465)
Perpetual preferred shares <sup>3</sup>	(4,333)	(4,375)	—	—	—	—
<b>Capital, net / Operating FFO</b>	<b>\$ (17,556)</b>	<b>\$ (17,095)</b>	<b>\$ (133)</b>	<b>\$ (159)</b>	<b>\$ (474)</b>	<b>\$ (541)</b>

AS AT JUN. 30, 2023 AND DEC. 31, 2022  
AND FOR THE PERIODS ENDED JUN. 30  
(MILLIONS)

- **Working capital, net corporate cash and other**, includes accounts receivable, accounts payable, other assets and other liabilities, inclusive of deferred tax assets and liabilities; FFO also includes **corporate costs and cash taxes**.
- Our **corporate borrowings** reflect the amount of recourse debt held in the corporation.
- **Perpetual preferred equity** represents permanent, non-participating equity that provides leverage to our common equity.
- Corporate operating FFO deficit decreased by \$67 million to \$474 million over the LTM as a result of investment income on corporate cash and financial assets. The increase was partially offset by higher interest expense due to the \$550 million 10-year bond issued in June 2023, the C\$1 billion medium term note issued in December 2022 and commercial paper issuances over the last twelve months.

See endnotes.

# Disposition Gains on Principal Investments

FOR THE PERIODS ENDED JUN. 30  
(MILLIONS)

## Asset Management

Real estate direct investments  
Private equity direct investments  
Infrastructure direct investments

## Real Estate

Core  
Transitional and development

## Corporate

Other corporate

## Disposition gains from principal investments<sup>1</sup>

Three Months		LTM	
2023	2022	2023	2022
\$ 3	\$ 22	\$ 24	\$ 103
—	19	25	305
—	60	4	29
—	—	—	51
1	(1)	44	(4)
—	29	37	83
<u>\$ 4</u>	<u>\$ 129</u>	<u>\$ 134</u>	<u>\$ 567</u>

See endnotes.



# Capitalization

Our underlying investments are typically financed at investment-grade levels on a non-recourse basis, with only 6% of the total leverage recourse to the Corporation

AS AT JUN. 30, 2023 AND DEC. 31, 2022  
(MILLIONS)

	Corporate		Consolidated	
	2023	2022	2023	2022
Corporate borrowings <sup>1</sup>	\$13,068	\$11,390	\$13,068	\$11,390
Non-recourse borrowings				
Subsidiary borrowings	—	—	16,287	15,140
Property specific borrowings	—	—	189,798	187,544
	13,068	11,390	219,153	214,074
Accounts payable and other <sup>1</sup>	5,778	5,985	58,527	57,065
Deferred income tax liabilities	122	112	24,333	23,190
Subsidiary equity obligations	—	—	4,049	4,188
Liabilities associated with assets held for sale	—	—	1,489	876
Equity				
Non-controlling interests	230	230	110,982	98,138
Preferred equity	4,103	4,145	4,103	4,145
Common equity	40,498	39,608	40,498	39,608
	44,831	43,983	155,583	141,891
Total capitalization	\$63,799	\$61,470	\$463,134	\$441,284
Debt to capitalization <sup>2</sup>	19%	19%	47%	49%

See endnotes.

# Common Share Information

## COMMON SHARE CONTINUITY

FOR THE PERIODS ENDED JUN. 30  
(MILLIONS)

	Three Months		LTM	
	2023	2022	2023	2022
Outstanding at beginning of period	1,564.4	1,566.3	1,561.9	1,506.7
Issued (repurchased)				
Issuances	—	0.1	1.6	61.4
Repurchases	(1.2)	(5.1)	(19.9)	(12.0)
Long-term share ownership plans	0.6	0.6	19.0	5.7
Dividend reinvestment plan	0.1	—	1.3	0.1
Outstanding at end of period	1,563.9	1,561.9	1,563.9	1,561.9
Unexercised options, other share-based plans and exchangeable shares of affiliate	56.4	76.2	56.4	76.2
Total diluted shares at end of period	1,620.3	1,638.1	1,620.3	1,638.1

- The company holds 71.9 million common shares for escrowed stock plans, which have been deducted from the total number of shares outstanding.
- Cash value of unexercised options as at June 30, 2023 was \$1.1 billion (June 30, 2022 – \$1.4 billion).

## DE AND EARNINGS PER SHARE INFORMATION

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

	Distributable Earnings		Net Income	
	2023	2022	2023	2022
DE / Net income	\$ 1,187	\$ 1,186	\$ 81	\$ 590
Preferred share dividends	—	—	(41)	(37)
DE / Net income available to shareholders	1,187	1,186	40	553
Dilutive impact of exchangeable shares of affiliate	—	—	—	1
DE / Net income available to shareholders including dilutive impact of exchangeable shares	\$ 1,187	\$ 1,186	\$ 40	\$ 554
Weighted average shares	1,564.0	1,564.4	1,564.0	1,564.4
Dilutive effect of conversion of options and other share-based plans using treasury stock method and exchangeable shares of affiliate	24.4	52.7	14.4	52.7
Shares and share equivalents	1,588.4	1,617.1	1,578.4	1,617.1
Per share	\$ 0.75	\$ 0.73	\$ 0.03	\$ 0.34

# 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 JUN. 30  
(MILLIONS)

	2023	2022
<b>Net income</b>	<b>\$ 1,512</b>	<b>\$ 1,475</b>
Financial statement components not included in FFO		
Equity accounted fair value changes and other non-FFO items <sup>1</sup>	703	535
Fair value changes	(62)	397
Depreciation and amortization	2,214	1,886
Deferred income taxes	(151)	(189)
Realized disposition gains in fair value changes or prior periods	283	152
Non-controlling interests in FFO <sup>2</sup>	(3,127)	(2,857)
<b>Funds from operations</b>	<b>1,372</b>	<b>1,399</b>
Less: disposition gains in FFO	(416)	(197)
Less: realized carried interest, net	(170)	(48)
<b>Operating funds from operations</b>	<b>786</b>	<b>1,154</b>
Less: Operating FFO from asset management business	(364)	(629)
Less: Operating FFO from operating businesses	(395)	(638)
Distributions from asset management	604	768
Distributions from operating businesses	397	379
Add back: equity-based compensation costs	29	14
Preferred share dividends	(44)	(39)
<b>Distributable earnings before realizations</b>	<b>1,013</b>	<b>1,009</b>
Realized carried interest, net <sup>3</sup>	170	48
Disposition gains from principal investments	4	129
<b>Distributable earnings<sup>4</sup></b>	<b>\$ 1,187</b>	<b>\$ 1,186</b>

See endnotes.

# Entity Basis – Reconciliation to Reportable Segments – Capital

AS AT JUN. 30, 2023  
(MILLIONS)

## Asset Management

	Asset Management	Insurance Solutions	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Corporate	Total
Brookfield Asset Management	\$ 7,136	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,136
Direct investments	13,665	—	—	—	—	—	—	13,665
	20,801	—	—	—	—	—	—	20,801

## Insurance Solutions

—	4,006	—	—	—	—	—	—	4,006
---	-------	---	---	---	---	---	---	-------

## Operating Businesses

Brookfield Renewable Partners	—	—	4,775	—	—	—	—	4,775
Brookfield Infrastructure Partners	—	—	—	2,513	—	—	—	2,513
Brookfield Business Partners	—	—	—	—	2,515	—	—	2,515
Brookfield Property Group <sup>1</sup>	—	—	—	—	—	22,793	—	22,793
Other operating businesses	—	—	651	—	—	—	—	651
	—	—	5,426	2,513	2,515	22,793	—	33,247

## Corporate and other

Corporate cash and financial assets	—	—	—	—	—	—	328	328
Net working capital and other	—	—	—	—	—	—	67	67
	—	—	—	—	—	—	395	395

## Debt and preferred capital

Corporate borrowings	—	—	—	—	—	—	(13,618)	(13,618)
Perpetual preferred shares	—	—	—	—	—	—	(4,333)	(4,333)
	—	—	—	—	—	—	(17,951)	(17,951)
	\$ 20,801	\$ 4,006	\$ 5,426	\$ 2,513	\$ 2,515	\$ 22,793	\$ (17,556)	\$ 40,498

See endnotes.

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

FOR THE THREE MONTHS ENDED JUN. 30, 2023  
(MILLIONS)

## Asset Management

	Asset Management	Insurance Solutions	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Corporate	Total
Brookfield Asset Management	\$ 395	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 395
Realized carried interest, net	170	—	—	—	—	—	—	170
Direct investments	209	—	—	—	—	—	—	209
	<u>774</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>774</u>

## Insurance Solutions

	—	160	—	—	—	—	—	160
--	---	-----	---	---	---	---	---	-----

## Operating Businesses

Brookfield Renewable Partners	—	—	105	—	—	—	—	105
Brookfield Infrastructure Partners	—	—	—	80	—	—	—	80
Brookfield Business Partners	—	—	—	—	9	—	—	9
Brookfield Property Group <sup>1</sup>	—	—	—	—	—	196	—	196
Other operating businesses	—	—	7	—	—	—	—	7
	<u>—</u>	<u>—</u>	<u>112</u>	<u>80</u>	<u>9</u>	<u>196</u>	<u>—</u>	<u>397</u>

## Corporate and other

Corporate cash and financial assets	—	—	—	—	—	—	43	43
Net working capital and other	—	—	—	—	—	—	(22)	(22)
Add back: equity-based compensation costs	—	—	—	—	—	—	29	29
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>50</u>	<u>50</u>

## Debt and preferred capital

Corporate borrowings	—	—	—	—	—	—	(154)	(154)
Perpetual preferred shares <sup>2</sup>	—	—	—	—	—	—	(44)	(44)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(198)</u>	<u>(198)</u>

## Disposition gains

	3	—	—	—	—	1	—	4
	<u>\$ 777</u>	<u>\$ 160</u>	<u>\$ 112</u>	<u>\$ 80</u>	<u>\$ 9</u>	<u>\$ 197</u>	<u>\$ (148)</u>	<u>\$ 1,187</u>

See endnotes.

# Entity Basis – Reconciliation to Reportable Segments – LTM DE

FOR THE LTM ENDED JUN. 30, 2023  
(MILLIONS)

	Reportable Segments							Total
	Asset Management	Insurance Solutions	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Corporate	
<b>Asset Management</b>								
Brookfield Asset Management	\$ 1,875	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,875
Realized carried interest, net	755	—	—	—	—	—	—	755
Direct investments	846	—	—	—	—	—	—	846
	<u>3,476</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,476</u>
<b>Insurance Solutions</b>	—	634	—	—	—	—	—	634
<b>Operating Businesses</b>								
Brookfield Renewable Partners	—	—	410	—	—	—	—	410
Brookfield Infrastructure Partners	—	—	—	310	—	—	—	310
Brookfield Business Partners	—	—	—	—	36	—	—	36
Brookfield Property Group <sup>1</sup>	—	—	—	—	—	778	—	778
Other operating businesses	—	—	(22)	—	—	—	—	(22)
	<u>—</u>	<u>—</u>	<u>388</u>	<u>310</u>	<u>36</u>	<u>778</u>	<u>—</u>	<u>1,512</u>
<b>Corporate and other</b>								
Corporate cash and financial assets	—	—	—	—	—	—	159	159
Net working capital and other	—	—	—	—	—	—	(80)	(80)
Add back: equity-based compensation costs	—	—	—	—	—	—	92	92
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>171</u>	<u>171</u>
<b>Debt and preferred capital</b>								
Corporate borrowings	—	—	—	—	—	—	(553)	(553)
Perpetual preferred shares <sup>2</sup>	—	—	—	—	—	—	(169)	(169)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(722)</u>	<u>(722)</u>
<b>Disposition gains</b>	53	—	—	—	—	44	37	134
	<u>\$ 3,529</u>	<u>\$ 634</u>	<u>\$ 388</u>	<u>\$ 310</u>	<u>\$ 36</u>	<u>\$ 822</u>	<u>\$ (514)</u>	<u>\$ 5,205</u>

See endnotes.

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

FOR THE THREE MONTHS ENDED JUN. 30, 2023  
(MILLIONS)

## Asset Management

	Asset Management	Insurance Solutions	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Corporate	Total
Brookfield Asset Management	\$ 389	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 389
Realized carried interest, net	170	—	—	—	—	—	—	170
Direct investments	(25)	—	—	—	—	—	—	(25)
	<u>534</u>							<u>534</u>

## Insurance Solutions

	—	160	—	—	—	—	—	160
--	---	-----	---	---	---	---	---	-----

## Operating Businesses

Brookfield Renewable Partners	—	—	119	—	—	—	—	119
Brookfield Infrastructure Partners	—	—	—	132	—	—	—	132
Brookfield Business Partners	—	—	—	—	116	—	—	116
Brookfield Property Group <sup>1</sup>	—	—	—	—	—	21	—	21
Other operating businesses	—	—	7	—	—	—	—	7
	<u>—</u>	<u>—</u>	<u>126</u>	<u>132</u>	<u>116</u>	<u>21</u>	<u>—</u>	<u>395</u>

## Corporate and other

Corporate cash and financial assets	—	—	—	—	—	—	43	43
Net working capital and other	—	—	—	—	—	—	(22)	(22)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>21</u>	<u>21</u>

## Debt and preferred capital

Corporate borrowings	—	—	—	—	—	—	(154)	(154)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(154)</u>	<u>(154)</u>

## Disposition gains

	—	—	17	111	5	283	—	416
	<u>\$ 534</u>	<u>\$ 160</u>	<u>\$ 143</u>	<u>\$ 243</u>	<u>\$ 121</u>	<u>\$ 304</u>	<u>\$ (133)</u>	<u>\$ 1,372</u>

See endnotes.

# Entity Basis – Reconciliation to Reportable Segments – LTM FFO

FOR THE LTM ENDED JUN. 30, 2023  
(MILLIONS)

## Asset Management

	Asset Management	Insurance Solutions	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Corporate	Total
Brookfield Asset Management	\$ 1,807	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,807
Realized carried interest, net	755	—	—	—	—	—	—	755
Direct investments	77	—	—	—	—	—	—	77
	<u>2,639</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,639</u>

## Insurance Solutions

	—	634	—	—	—	—	—	634
--	---	-----	---	---	---	---	---	-----

## Operating Businesses

Brookfield Renewable Partners	—	—	438	—	—	—	—	438
Brookfield Infrastructure Partners	—	—	—	525	—	—	—	525
Brookfield Business Partners	—	—	—	—	680	—	—	680
Brookfield Property Group <sup>1</sup>	—	—	—	—	—	234	—	234
Other operating businesses	—	—	(22)	—	—	—	—	(22)
	<u>—</u>	<u>—</u>	<u>416</u>	<u>525</u>	<u>680</u>	<u>234</u>	<u>—</u>	<u>1,855</u>

## Corporate and other

Corporate cash and financial assets	—	—	—	—	—	—	159	159
Net working capital and other	—	—	—	—	—	—	(80)	(80)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>79</u>	<u>79</u>

## Debt and preferred capital

Corporate borrowings	—	—	—	—	—	—	(553)	(553)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(553)</u>	<u>(553)</u>

## Disposition gains

	565	—	19	131	124	320	37	1,196
	<u>\$ 3,204</u>	<u>\$ 634</u>	<u>\$ 435</u>	<u>\$ 656</u>	<u>\$ 804</u>	<u>\$ 554</u>	<u>\$ (437)</u>	<u>\$ 5,850</u>

See endnotes.



# Endnotes

## Performance Highlights – Page 5

1. Reflects distributable earnings attributable to a 25% interest in our asset management business.
2. Adjusted 2020 to reflect the three-for-two stock split effective April 1, 2020.
3. Excludes share repurchases. Total capital returned to common shareholders, including share repurchases, was approximately \$14 billion during the LTM ended June 30, 2023.
4. Combined, Brookfield Corporation and Brookfield Asset Management Ltd.'s ("BAM") quarterly dividend would equate to \$0.15 per Class A share held prior to the special distribution; representing a 7% increase compared to the dividend prior to the special distribution, assuming that shareholders retained the BAM shares received upon completion of the special distribution in December 2022.

## Distributable Earnings – Page 6

1. Adjusted for the special distribution of a 25% interest in BAM.
2. Annualized distributions are calculated by multiplying units held as at June 30, 2023 by the current distribution rates per unit.
3. BAM DE includes \$8 million (2022 – \$25 million) and \$77 million (2022 – \$94 million) of equity-based compensation add back for the three and twelve months ended June 30, 2023, respectively.
4. Annualized distributions for corporate cash and financial assets are calculated as an estimated 8% total return on the current quarter's ending balance.
5. Includes \$2 million (2022 – \$2 million) and \$10 million (2022 – \$9 million) of dividends paid on perpetual subordinated notes for the three and twelve months ended June 30, 2023, respectively.
6. Corporate costs and other DE includes \$29 million (2022 – \$14 million) and \$92 million (2022 – \$45 million) of equity-based compensation addback for the three and twelve months ended June 30, 2023, respectively.
7. Refer to page 27 for reconciliation of IFRS to non-IFRS measures.
8. Average number of shares outstanding on a fully diluted, time-weighted average basis for the three months and twelve months ended June 30, 2023 were 1,588.4 million and 1,595.3 million, respectively (June 30, 2022 – 1,617.1 million and 1,620.9 million, respectively).

## Capital – Page 7

1. Quoted based on June 30, 2023 and December 31, 2022 public pricing, respectively.
2. The blended values include our invested capital in other unlisted investments within the operating businesses. We determine the blended value of our capital using the quoted value of listed investments, IFRS values for direct investments, and an industry multiple (10x) for target carried interest of our asset management business.
3. Distributed cash flow (current) from our listed investments is calculated by multiplying units held as at June 30, 2023 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. Blended value represents management's view of the fair value of our insurance solutions business.
5. Blended value includes the fair value of comparable assets in our North America residential business.
6. Includes \$230 million of perpetual subordinated notes issued in November 2020 by a wholly owned subsidiary of Brookfield, included within non-controlling interest.

## Capital Allocation – Page 8

2. Subject to timing differences between period when earned and period when cash is received.
3. Includes repurchases of Corporation 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.

# Endnotes cont'd

## Liquidity and Capital Structure – Page 9

1. Refer to Glossary of Terms starting on page 37.
3. Draws on commercial paper of \$1.6 billion are excluded from the debt repayment schedule as they are not a permanent source of capital.
4. Debt repayment schedule adjusted for the redemption of \$550 million of senior notes due April 1, 2024 completed in July 2023.
5. Includes \$230 million of perpetual subordinated notes issued in November 2020 by a wholly owned subsidiary of Brookfield, included within non-controlling interest.

## Distributable Earnings and Net Income – Page 10

1. DE includes gains (net of losses) recorded in net income, directly in equity and the realization of appraisal gains and losses recorded in prior periods.
2. Includes amounts attributable to consolidated entities and equity accounted investments.
3. Net of non-controlling interests. Refer to page 27 for a reconciliation of IFRS to non-IFRS measures.
4. For DE per share purposes, average number of shares outstanding on a fully diluted, time-weighted average basis for the three months and twelve months ended June 30, 2023 were 1,588.4 million and 1,595.3 million, respectively (June 30, 2022 – 1,617.1 million and 1,620.9 million, respectively).
5. For Net Income per share purposes, average number of shares outstanding on a fully diluted, time-weighted average basis for the three months and twelve months ended June 30, 2023 were 1,578.4 million and 1,584.6 million, respectively (June 30, 2022 – 1,617.1 million and 1,620.9 million, respectively).

## Asset Management – Page 12

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.
3. Direct costs related to annualized fee revenues include \$843 million related to Oaktree (2022 – \$773 million), respectively.

## Carried Interest – Page 13

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.

## Target Carried Interest – Page 14

2. Carried interest is generated once a private fund exceeds its preferred return typically ranging from 5% – 9%. It will typically go through a catch-up period until the manager and limited partner (LP) are earning carry at their respective allocation.
3. Gross target return is before annual fund management fees ranging from 90 bps for core plus funds to 200 bps for certain opportunistic funds.
4. Based on carry eligible capital.
5. Uncalled fund commitments from carry eligible funds.
6. Target carry on uncalled fund commitments is discounted for two years at 10%, reflecting gross target return and average carried interest rate for uncalled fund commitments.

# Endnotes cont'd

## Direct Investments – Page 15

1. FFO includes disposition gains, which are gains (net of losses) recorded in net income, directly in equity, as well as the realization of appraisal gains recorded in prior years.
2. Represents the Corporation's investments in the funds.
3. On existing carry eligible funds, excluding perpetual funds.
4. "Gross TWR" has not been annualized where the performance measurement date is within twelve months of the inception date. "Gross TWR" of the fund reflects performance after fund expenses and before management fees, and incentive fees (or equivalent fees), if any, which would reduce an investor's return. Calculations are based on the NAV of the fund, which represents the fair value of the fund's investments and other assets, less the value of its liabilities, adjusted by certain items as detailed in the fund's partnership agreement, as amended, such as unamortized organizational expenses and deal costs. Fund performance is in the functional currency of each fund.
5. Brookfield Strategic Real Estate Partners ("BSREP").
6. These performance measures are not applicable as the performance measurement date is within twelve months of acquisition and these measures do not present as meaningful metrics.

## Operating Businesses – Page 17, 18, 19

1. Operating FFO excludes disposition gains, which are gains (net of losses) recorded in net income, directly in equity, as well as the realization of appraisal gains recorded in prior years.
2. The blended value represents the quoted value of our publicly listed investments as at June 30, 2023 and December 31, 2022.

## Operating Businesses cont'd – Page 20

1. Includes development projects.
2. Net of allocation of corporate leverage at the BPG level.
3. Net Operating Income or NOI is defined as property-specific revenues less direct operating expenses before the impact of depreciation and amortization.
4. Operating FFO excludes disposition gains, which are gains (net of losses) recorded in net income, directly in equity, as well as the realization of appraisal gains recorded in prior years.

## Operating Businesses cont'd – Page 22

3. Excludes our North American Residential business.
4. Operating FFO excludes disposition gains, which are gains (net of losses) recorded in net income, directly in equity, as well as the realization of appraisal gains recorded in prior years.

## Corporate Activities – Page 23

1. Operating FFO excludes disposition gains, which are gains (net of losses) recorded in net income, directly in equity, as well as the realization of appraisal gains recorded in prior years.
2. Invested capital includes a net deferred income tax asset of \$451 million (December 31, 2022 – \$363 million). FFO includes current tax expense of \$1 million and \$2 million for the three and twelve months ended June 30, 2023 (2022 – \$3 million and recovery of \$13 million).
3. 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 \$43 million and \$168 million for the three and twelve months ended June 30, 2023 (2022 – \$39 million and \$156 million).

# Endnotes cont'd

## **Disposition Gains – Page 24**

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

## **Capitalization – Page 25**

1. Corporate borrowings reflect the impact of the \$550 million repayment of term debt made subsequent to June 30, 2023.
2. 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.

## **Reconciliation of IFRS to Non-IFRS Measures – Page 27**

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 periods have been revised to reflect new definitions. Refer to Glossary of Terms starting on page 37.

## **Entity Basis – Reconciliation to Reportable Segments – Capital – Page 28**

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

## **Entity Basis – Reconciliation to Reportable Segments – Three Months DE – Page 29**

1. Includes nominal amounts of BPY preferred share distributions.
2. Excludes \$44 million of preferred share distributions for the three months, which are included in determining per share results.

## **Entity Basis – Reconciliation to Reportable Segments – Three Months and LTM DE – Page 30**

1. Includes nominal amounts of BPY preferred share distributions.
2. Excludes \$169 million of preferred share distributions for the LTM, which are included in determining per share results.

## **Entity Basis – Reconciliation to Reportable Segments – Three Months and LTM FFO – Page 31, 32**

1. Includes nominal amounts of BPY preferred share distributions.

# Glossary of Terms

The “Corporation,” “Brookfield” or “BN” refers to our business which is comprised of our asset management, insurance solutions and operating businesses.

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 129 through 135 of our 2022 annual report.

- **Asset under management** refers to the total fair value of assets that our asset management business manages, on a gross asset value basis, including assets for which this business earns management fees and those for which they 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. Our asset management business’ 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.
- **Distributable earnings (“DE”)** is our primary performance measure and 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 the distributable earnings of our asset management business, distributable operating earnings from our insurance solutions business, distributions received from our ownership of investments, realized carried interest and disposition gains from principal investments, net of earnings from our corporate activities, preferred share dividends and equity-based compensation costs. We also make reference to *DE before realizations*, which refers to DE before realized carried interest and realized disposition gains from principal investments.
- **Fee-bearing capital** represents the capital committed, pledged or invested in the perpetual affiliates, private funds and liquid strategies that our asset management business manages which entitles this business 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 our asset management business manages. The Corporation retains 100% of the carried interest earned on mature funds and is entitled to receive 33.3% of the carried interest on new funds of our asset management business. 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.
- **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 business.

# 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 our asset management business achieves 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.
- **Capital** is the amount of common equity in our operating businesses.
- **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 non-IFRS measure. FFO includes the fees that we earn from our asset management business 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 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 our asset management business 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 our asset management business 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.
- **Internal rate of return (“IRR”)** is the annualized compounded rate of return of the fund, calculated since initial investment date.
- **Net Operating Income (“NOI”)** is a non-IFRS measure that refers to the revenues from our operations less direct expenses before the impact of depreciation and amortization within our real estate business. We present this measure as we believe it is a key indicator of our ability to impact the operating performance of our properties. As NOI excludes non-recurring items and depreciation and amortization of real estate assets, it provides a performance measure that, when compared to prior periods, reflects the impact of operations from trends in occupancy rates and rental rates.
- **Adjusted earnings before interest, taxes, depreciation, and amortization (“Adjusted EBITDA”)** is a non-IFRS term that refers to our private equity business’ net income and equity accounted income at its share, excluding the impact of interest income (expense), net, income taxes, depreciation and amortization, gains (losses) on acquisitions/dispositions, net, transaction costs, restructuring charges, revaluation gains or losses, impairment expenses or reversals, other income (expense), net and distributions to preferred equity holders. We believe that Adjusted EBITDA is a measure of our private equity business’ ability to generate recurring earnings. Refer to pages 24 to 27 of BBU’s Q2 2023 Supplemental Information disclosure for a reconciliation of its Adjusted EBITDA to its net income.
- **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, the AEL acquisition, including its expected impact on our business and shareholders, the expected future deployment of capital, dispositions and associated realized carried interest, as well as statements regarding our fundraising targets and the results of future fundraising efforts.

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

Some of the factors, many of which are beyond Brookfield’s control and the effects of which can be difficult to predict, but may cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: (i) investment returns that are lower than target; (ii) the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; (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 renewable power and transition, infrastructure, private equity, real estate, 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.sedarplus.ca](http://www.sedarplus.ca) and EDGAR at [www.sec.gov](http://www.sec.gov).

We caution that the foregoing list of important factors that may affect future results is not exhaustive and other factors could also adversely affect its results. Readers are urged to consider the foregoing risks, as well as other uncertainties, factors and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information. Except as required by law, the company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.



# Notice to Readers cont'd

## STATEMENT REGARDING PAST AND FUTURE PERFORMANCE AND TARGET RETURNS

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

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

## STATEMENT REGARDING USE OF NON-IFRS MEASURES

We disclose a number of financial measures in this Supplemental Information that are calculated and presented using methodologies other than in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), which include but are not limited to 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.