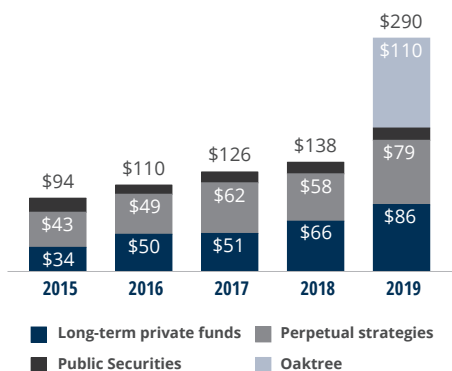


# Performance Highlights

## Fee-Bearing Capital<sup>1</sup>

AS AT DEC. 31 (BILLIONS)



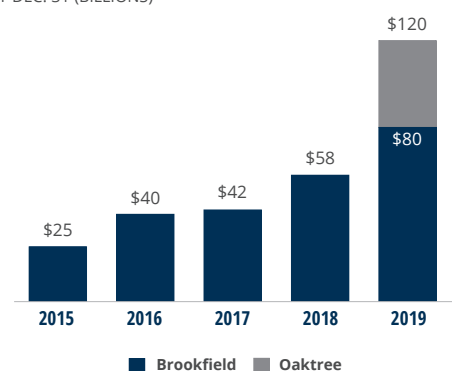
## Fee-Related Earnings<sup>1</sup>

FOR THE YEARS ENDED DEC. 31 (MILLIONS)



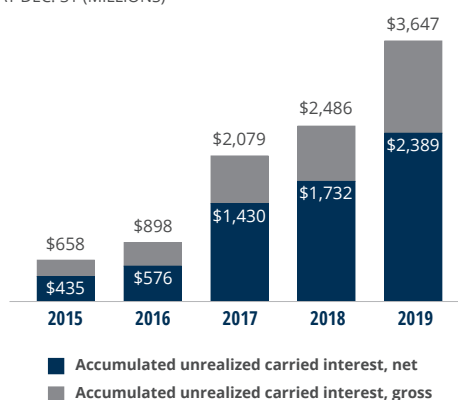
## Carry Eligible Capital<sup>1</sup>

AS AT DEC. 31 (BILLIONS)



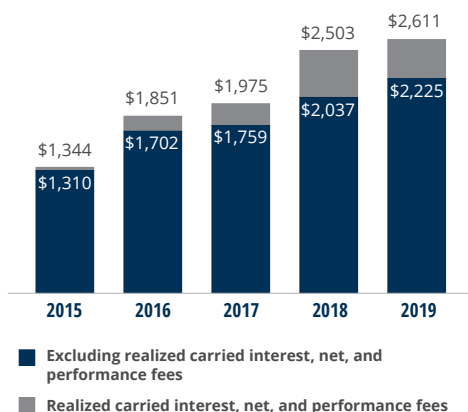
## Accumulated Unrealized Carried Interest<sup>1</sup>

AS AT DEC. 31 (MILLIONS)



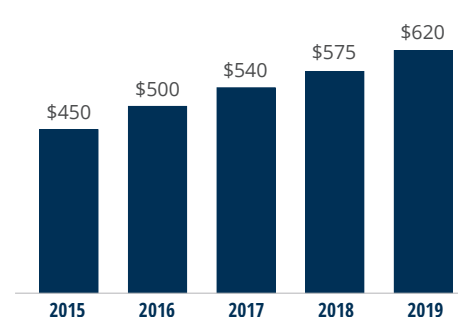
## Cash Available for Distribution and/or Reinvestment<sup>1,2</sup>

FOR THE YEARS ENDED DEC. 31 (MILLIONS)



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

FOR THE YEARS ENDED DEC. 31 (MILLIONS)



1. See definition in MD&A Glossary of Terms beginning on page 115.
2. Comparative numbers have been revised to reflect new definition.
3. Excludes special dividends.

## NOTICE TO READERS

Pages 1 through 18 of the 2019 Annual Report must be read in conjunction with the cautionary statements included elsewhere in the 2019 Annual Report. Except where otherwise indicated, the information provided herein is based on matters as they exist as of December 31, 2019 and not as any future date.

In addition, for pages 1 through 18 of the 2019 Annual Report, the following terms have the definitions provided below:

**Current fee-related earnings** is annualized fee revenues net of associated direct costs. Annualized fee revenues are the sum of (i) base management fees on current fee-bearing capital based on the associated contractual fee rates; (ii) incentive distributions based on BEP, BIP and BPY's current annual distribution policies; (iii) performance fees from BBU assuming a 10% annualized unit price appreciation; and (iv) transaction and public securities performance fees equal to a simple average of the last two years' revenues. We assume that direct costs represent 40% of current fee revenues from Brookfield funds and 70% on Oaktree funds.

**Plan value** is used to measure value creation for business planning and performance measurement. The metrics used in the measurement of plan value include current fee-related earnings, target carried interest, net, accumulated unrealized carried interest, net and invested capital, net. The multiples applied to current fee-related earnings and target carried interest, net to determine plan value reflect Brookfield's estimates of appropriate multiples used in the alternative asset management industry based on, among other things, industry reports.

**Target carried interest, net** is target carried interest net of associated direct costs. Target carried interest represents the carried interest we will earn, straight-lined over the life of the fund, assuming that we achieve the target fund returns. This is calculated by multiplying carry eligible fund capital by the net target return of a fund and the fund's carried interest percentage. Target gross returns are typically 20%+ for opportunistic funds; 13% to 15% for value add funds; 12% to 15% for credit and core funds. Fee terms vary by investment strategy (carried interest is approximately 15% to 20% subject to a preferred return and catch-up) and may change over time. Target carried interest on uncalled fund commitments is discounted for two years at 10%. We assume that direct costs represent 30% of target carried interest on Brookfield funds and 50% on Oaktree funds. There can be no assurance that targeted returns will be met.