

INVESTMENT PRINCIPLES AND FINANCIAL HIGHLIGHTS

BUSINESS PHILOSOPHY

- Build the business and all relationships based on integrity
 - Attract and retain high calibre individuals who will grow with us over the long-term
 - Ensure our people think and act like owners in all their decisions
 - Treat our clients' money like it is our own
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INVESTMENT GUIDELINES

- Invest where we possess competitive advantages
 - Acquire assets on a value basis with a goal of maximizing return on capital
 - Build sustainable cash flows to provide certainty, reduce risk and lower the cost of capital
 - Recognize that superior returns often require contrarian thinking
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MEASUREMENT OF OUR CORPORATE SUCCESS

- Measure success based on total return on capital over the long-term
- Encourage calculated risks, but compare returns with risk
- Sacrifice short-term profit, if necessary, to achieve long-term capital appreciation
- Seek profitability rather than growth, because size does not necessarily add value

AS AT AND FOR THE YEARS ENDED DECEMBER 31
(MILLIONS, EXCEPT PER SHARE AMOUNTS)

	2009	2008	2007	2006	2005
Per fully diluted common share					
Cash flow from operations	\$ 2.43	\$ 2.33	\$ 3.11	\$ 2.95	\$ 1.46
Underlying value – adjusted IFRS basis ¹	28.53	26.56	—	—	—
Market trading price – NYSE	22.18	15.27	35.67	32.12	22.37
Net income	0.71	1.02	1.24	1.90	2.72
Dividends paid	0.52	1.45 ²	0.47	0.39	0.26
Total					
Total assets under management ^{1,3}	\$ 108,342	\$ 89,753	\$ 94,340	\$ 71,121	\$ 49,700
Consolidated balance sheet assets	61,902	53,597	55,597	40,708	26,058
Underlying value – adjusted IFRS basis ¹	17,850	16,369	—	—	—
Revenues	12,082	12,909	9,343	6,897	5,220
Operating income	4,515	4,616	4,356	3,653	2,214
Cash flow from operations	1,450	1,423	1,907	1,801	908
Net income	454	649	787	1,170	1,662
Diluted number of common shares outstanding	608	600	611	611	608

1. Reflects carrying values on a pre-tax basis prepared in accordance with procedures and assumptions expected to be utilized to prepare the company's IFRS financial statements, adjusted to reflect asset values not recognized under IFRS (see Management's Discussion and Analysis of financial results)

2. Includes Brookfield Infrastructure special dividend of \$0.94 and regular dividends of \$0.51 per share

3. Assets under management for 2005 through 2007 reflect the combination of fair values and Canadian GAAP carrying values

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