Brookfield

BROOKFIELD ASSET MANAGEMENT INC.

Q3 2018 Supplemental Information

Three Months Ended September 30, 2018

HIGHLIGHTS

- Fee bearing capital increased to $141 billion, supported by inflows of $29 billion during the last twelve months ("LTM"). This reflects continued growth in our private funds, capital issued in connection with recent transactions including $6 billion on the privatization of GGP, expansion within our public securities business and debt and equity issuances by our listed partnerships.
  - We have raised $12 billion to date for our latest flagship real estate fund and we expect to raise additional capital during the remainder of 2018.
  - During the quarter, we raised an additional $200 million for our real estate perpetual core fund. We have raised over $1.1 billion for core real estate and mezzanine lending perpetual strategies over the LTM period.
  - Subsequent to quarter end, we raised $6.5 billion for our latest flagship private equity fund and launched our fourth flagship infrastructure fund.
- Annualized fees and target carry reached $2.7 billion, a 22% increase over the prior year, due to both fee related earnings and target carried interest growth:
  - Fee related earnings were over $1.2 billion in the LTM period, a 63% increase compared to the prior period. The increase is due to higher capitalization at our listed partnerships and new capital raised for our private funds.
- We generated $1.1 billion of unrealized carried interest in the LTM period, a 46% increase over the prior LTM period, due to strong investment performance in our real estate and private equity funds. Accrued unrealized carried interest as at September 30 is $2.6 billion, or $1.8 billion net of associated costs.
- Core liquidity and uncalled private fund commitments were $32 billion at quarter end. This is continuously bolstered by free cash flow, generated from our asset management business and distributions from our invested capital, which currently stands at $2.3 billion for the last twelve months and is growing significantly.

Contents

Brookfield

We assess the value created in our business in two components: our Asset Management activities and our Invested Capital

Asset Management

FOR THE LTM ENDED SEP 30, 2018 (MILLIONS)	Actual	Annualized[1]
Fee revenues	$ 1,743	$ 1,505
Direct costs	(525)	(602)
Fee related earnings ("FRE")[2]	1,218	903
Carried interest[3]	1,147	1,195
Direct costs[4]	(352)	(359)
Carried interest, net	795	836
Total	**$ 2,013**	**$ 1,739**

Note: we track value creation for planning purposes using a 20x multiple of fee related earnings and a 10x multiple of net carried interest

Invested Capital

AS AT SEP 30, 2018 (MILLIONS)	Invested Capital		
	Quoted[5]	IFRS	Blended[6]
BPY	$ 11,497	$ 15,667	$ 15,667
BEP	5,697	3,625	5,697
BIP	4,693	1,815	4,693
BBU	4,023	1,982	4,023
Other listed	1,883	2,040	1,883
	27,793	25,129	31,963
Financial assets	2,341	2,341	2,341
Total listed investments	$ 30,134	27,470	34,304
Unlisted investments		5,636	6,698
Corporate capitalization and working capital		(10,746)	(10,746)
Net invested capital		**$ 22,360**	**$ 30,256**

1. *Refer to slide 11 for details on the determination of annualized fees*
2. *Annualized fee related earnings assumes 60% margin (refer to slide 11). We use a 55% – 65% margin for planning purposes*
3. *Actual carried interest is unrealized carried interest generated in the period (refer to slide 8). Annualized carried interest is target carried interest (refer to slide 9)*
4. *We assume 70% margin on carried interest. We use a range of 65% – 75% for planning purposes (refer to slide 11)*
5. *Quoted based on September 30, 2018 public pricing*
6. *For performance measurement purposes, we consider the value of invested capital to be the quoted value of listed investments and IFRS value of unlisted investments, subject to two adjustments. First, we reflect BPY at its IFRS value as we believe that this best reflects the fair value of the underlying properties. Second, we reflect Brookfield Residential at its privatization value*

OVERVIEW
Funds from Operations and Net Income

Brookfield

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM			
	Funds from Operations[1]		Net Income[1]		Funds from Operations[1]		Net Income[1]	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Operating activities								
Fee related earnings	**$ 320**	$ 186	**$ 320**	$ 186	**$ 1,218**	$ 745	**$ 1,218**	$ 745
Invested capital	**364**	378	**364**	378	**1,636**	1,507	**1,636**	1,507
	684	564	**684**	564	**2,854**	2,252	**2,854**	2,252
Realized carried interest	**—**	25	**—**	25	**68**	177	**68**	177
Realized disposition gains[2]	**401**	220	**14**	35	**1,424**	1,094	**271**	149
Fair value changes	**—**	—	**(280)**	(137)	**—**	—	**663**	(895)
Depreciation and amortization	**—**	—	**(302)**	(221)	**—**	—	**(1,097)**	(884)
Deferred income taxes	**—**	—	**47**	(38)	**—**	—	**(13)**	(210)
	$ 1,085	$ 809	**$ 163**	$ 228	**$ 4,346**	$ 3,523	**$ 2,746**	$ 589
Per share[3]	**$ 1.07**	$ 0.79	**$ 0.11**	$ 0.20	**$ 4.28**	$ 3.47	**$ 2.56**	$ 0.46

1. *Net of non-controlling interests*
2. *FFO includes gains recorded in net income, directly in equity and the realization of appraisal gains recorded in prior periods*
3. *Per share amounts are inclusive of dilutive effect of mandatorily redeemable preferred shares issued in a consolidated subsidiary*

Three Months:

- **Fee related earnings:** Fee related earnings were $320 million, a 72% increase over the prior period. We earned higher private fund fees as a result of new capital raised for our third real estate flagship fund, higher performance fees from BBU resulting from the continued increase in its unit price and higher incentive distributions resulting from increased distribution levels at our listed partnerships. Further details on slide 7.
- FFO from **invested capital** decreased by 4%, as contributions from recent acquisitions were more than offset by asset sales, higher performance fees, the impact of foreign exchange and lower earnings on our financial asset portfolio when compared with the strong portfolio performance in the prior year quarter. Excluding these factors, growth at existing operations was 15% on a constant-currency basis. Further details on slide 16.
- **Realized disposition gains** include gains on the sales of partial interests in a number of core retail properties prior to the privatization of GGP, the sale of a portfolio of self-storage assets and further sell-downs of our graphite electrode manufacturing operations. Further details on slide 17.
- **Fair value changes** in the current period primarily relate to the net impact of step acquisitions completed in our Real Estate and Private Equity segments, including recognition of a deferred tax liability relating to the GGP privatization that offset the bargain purchase gain, and one-time charges in our infrastructure transport operations and private equity energy operations.
- **Depreciation and amortization** expenses increased due to the impact of recent acquisitions.

OVERVIEW
Cash Available for Distribution or Reinvestment

Over the last twelve months we generated $2.3 billion of cash available for distribution to shareholders or reinvestment within our business, a 23% increase from the prior year

FOR THE PERIODS ENDED SEP. 30, 2018 (MILLIONS)	Three Months 2018	Three Months 2017	LTM 2018	LTM 2017
Fee related earnings[1]	**$ 320**	$ 186	**$ 1,218**	$ 745
Realized carried interest, net[2]	**—**	25	**68**	177
Asset management	**320**	211	**1,286**	922
Distributions from listed investments[3]	**464**	329	**1,478**	1,239
Corporate activities[4]	**(90)**	(29)	**(298)**	(135)
Preferred share dividends	**(38)**	(35)	**(153)**	(139)
Cash available for distribution / reinvestment	**$ 656**	$ 476	**$ 2,313**	$ 1,887

1. *For details on fee related earnings refer to slide 7*
2. *For details on realized carried interest refer to slide 8*
3. *For details on distributions from listed investments refer to slide 15*
4. *Corporate activities includes FFO from financial assets, interest expense on corporate borrowings, corporate costs and current tax expense, as well as other investment income. For details refer to the Corporate segment column on slides 32 and 33*

- **Asset management:** Fee related earnings on an LTM basis benefited from strong fundraising in our private funds throughout the year, increased market-based performance fees, growing distributions across our listed partnerships and expansion within our public securities group.
- **Distributions from listed investments:** Distributions received from our listed invested capital grew over the twelve month period as strong FFO across our listed partnerships resulted in increased distribution levels. We also received a one-time special dividend in the current quarter from our investment in Norbord due to exceptionally strong cash flows.
- **Corporate activities:** The movement in the LTM period reflects an increase in taxes and interest expenses due to absence of tax recoveries included in the prior year and higher capitalization, respectively, as well as lower earnings on our financial asset portfolio when compared with the strong portfolio performance in the prior year period.
- **Preferred share dividends:** The increase in the quarter and LTM is due to preferred share issuances in the third quarter of 2017 and fourth quarter of 2016.

ASSET MANAGEMENT
Summarized Results

$141 billion
Fee Bearing Capital
(Gross inflows of $29 billion LTM)

63% increase
in Fee Related Earnings
over 2017 LTM

$2.7 billion
Annualized Fee Base and Target Carry
(22% increase over 2017 LTM)

Fee Bearing Capital – Profile

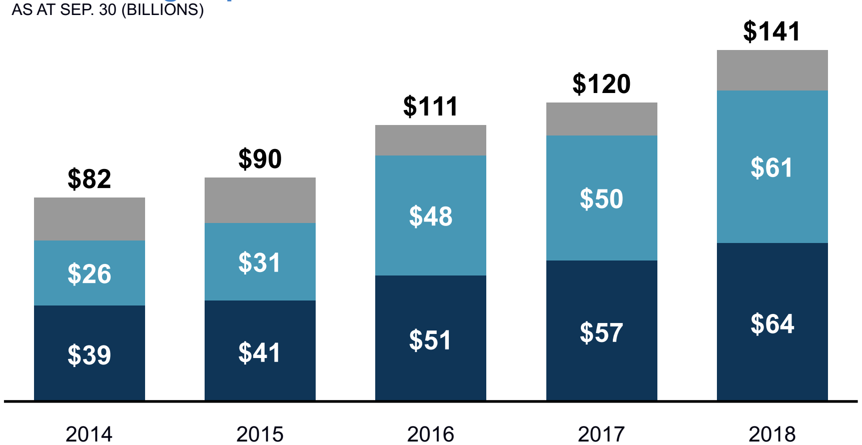
AS AT (MILLIONS)	Sep. 2018	Dec. 2017	Sep. 2017
Listed partnerships	**$ 64,226**	$ 60,560	$ 57,064
Private funds	**61,152**	52,375	50,262
Public securities	**15,236**	12,655	12,534
	$ 140,614	$ 125,590	$ 119,860

- Diversified client base of 570 global private fund investors, with an average commitment of approximately $110 million per investor. Approximately 42% are invested in multiple funds.

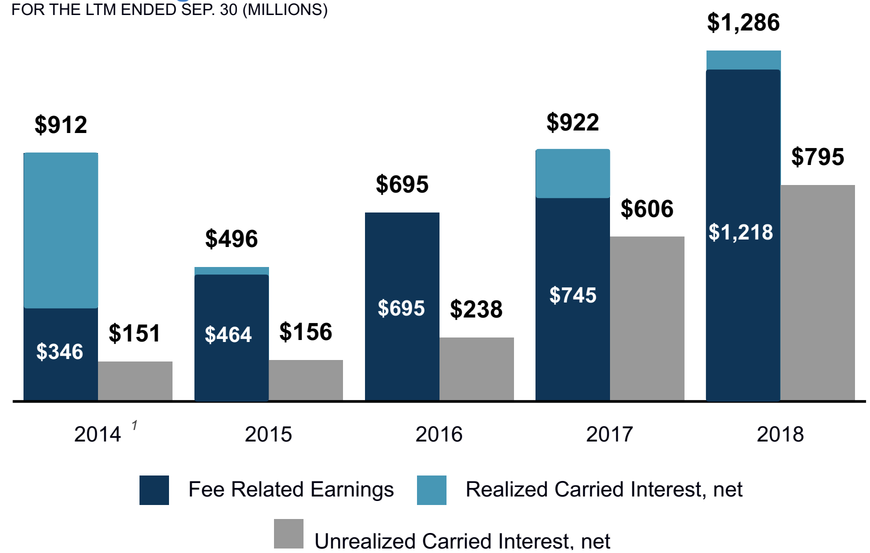
Asset Management Performance

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months		LTM	
	2018	2017	**2018**	2017
Fee related earnings	**$ 320**	$ 186	**$ 1,218**	$ 745
Realized carried interest, net	**—**	25	**68**	177
Asset management FFO	**$ 320**	$ 211	**$ 1,286**	$ 922
Unrealized carried interest, net	**$ 60**	$ 272	**$ 795**	$ 606

Fee Bearing Capital
AS AT SEP. 30 (BILLIONS)



Asset Management Performance – Five-Year Trend
FOR THE LTM ENDED SEP. 30 (MILLIONS)



1. *2014 asset management FFO included $558 million of realized carried interest relating to a fund investment in a U.S. retail mall business*

ASSET MANAGEMENT
Fee Bearing Capital

Inflows of $29 billion contributed to a 17% increase in fee bearing capital during the last twelve months, increasing fee bearing capital to $141 billion

AS AT AND FOR THE PERIODS ENDED SEP 30, 2018 (MILLIONS)	Three Months				LTM			
	Listed Partnerships	Private Funds[1]	Public Securities	**Total**	Listed Partnerships	Private Funds[1]	Public Securities	**Total**
Balance, beginning of period	$ 55,829	$ 57,035	$ 16,438	**$ 129,302**	$ 57,064	$ 50,262	$ 12,534	**$ 119,860**
Inflows	6,793	4,907	662	**12,362**	9,247	15,684	3,963	**28,894**
Outflows	—	—	(2,017)	**(2,017)**	—	—	(5,228)	**(5,228)**
Distributions	(1,108)	(694)	—	**(1,802)**	(3,304)	(4,230)	—	**(7,534)**
Market valuation	2,690	69	151	**2,910**	519	180	(58)	**641**
Other	22	(165)	2	**(141)**	700	(744)	4,025	**3,981**
Change	8,397	4,117	(1,202)	**11,312**	7,162	10,890	2,702	**20,754**
Balance, end of period[2]	$ 64,226	$ 61,152	$ 15,236	**$ 140,614**	$ 64,226	$ 61,152	$ 15,236	**$ 140,614**

1. *Includes $12.5 billion of co-investment capital (Dec. 31, 2017 – $9.5 billion, Sep. 30, 2017 – $9.4 billion), which earns minimal or no base fees*
2. *Fee bearing capital includes Brookfield capital of $30 billion in listed partnerships and $0.3 billion in private funds*

Three Months:

- **Inflows:** Listed partnership inflows of $6.8 billion include $5.7 billion related to the BPY and BPR equity issued as a result of the GGP privatization. Additional inflows included $567 million of debt issued at BIP and BEP, as well as $232 million of preferred equity issued at BIP.
- Private fund inflows of $4.9 billion include $2.7 billion of co-investment capital relating to the privatization of GGP, $1.1 billion of commitments to our latest flagship real estate fund and additional commitments to our multifamily and open-end real estate funds.
- Public securities inflows include new subscriptions across our natural resources, real estate and infrastructure funds.
- **Outflows:** Public securities outflows reflect redemptions primarily out of separately managed accounts and public funds that typically have higher subscription and redemption activity.
- **Distributions:** Listed partnership distributions represent total equity distributions paid.
- **Market Valuation:** Listed partnership market valuations increased due to higher unit prices across each of the listed partnerships. The total capitalization values of listed partnerships are detailed on slide 25. Our public securities funds also benefited from increased market valuations across its funds.

Last Twelve Months:

- **Inflows:** Listed partnership inflows of $9.2 billion include $5.7 billion related to the BPY and BPR equity issued as a result of the GGP privatization, and $2.1 billion relating to TERP. Additional inflows include preferred units and debt issued by the listed partnerships.
- Private fund inflows of $15.7 billion include $8.5 billion of commitments to our third flagship real estate fund, $2.7 billion of co-invest relating to the privatization of GGP, $1.1 billion to our open-end real estate funds, $0.6 billion to our infrastructure debt funds, $0.6 billion to our third multifamily fund and $0.3 billion to our fifth real estate credit fund. Inflows also include $0.6 billion of co-investments and $0.6 billion of capital managed by a recently acquired German renewable power asset manager.
- Public securities inflows of $4.0 billion relate to new contributions to our real estate and infrastructure focused mutual funds and managed accounts.
- **Outflows:** Public securities outflows reflect redemptions of separately managed accounts and real estate and infrastructure public funds as a result of market volatility and interest rate activity.
- **Distributions:** Private fund distributions represents the return of capital to clients relating to dispositions across several private funds and include $1.4 billion relating to the sale of Transelec within our infrastructure business and $1.0 billion relating to our first flagship real estate fund.
- **Other:** Public securities increase of $4.0 billion relates to the acquisition of an energy and infrastructure investment advisor.

ASSET MANAGEMENT
Fee Related Earnings

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months			LTM		
	2018	2017	Variance	**2018**	2017	Variance
Base management fees						
Listed partnerships	**$ 140**	$ 135	$ 5	**$ 540**	$ 493	$ 47
Private funds	**136**	105	31	**493**	446	47
– Catch-up fees	**5**	—	5	**5**	2	3
Public securities	**32**	22	10	**111**	84	27
Incentive distributions (“IDRs”)	**52**	38	14	**190**	140	50
	365	300	65	**1,339**	1,165	174
Performance fees	**94**	—	94	**395**	25	370
Transaction and advisory fees	**4**	2	2	**9**	29	(20)
Fee revenues	**463**	302	161	**1,743**	1,219	524
Direct costs						
Compensation and benefits	**(97)**	(83)	(14)	**(364)**	(341)	(23)
Other expenses	**(46)**	(33)	(13)	**(161)**	(133)	(28)
Fee related earnings	**$ 320**	$ 186	$ 134	**$ 1,218**	$ 745	$ 473

Three Months:

- Listed partnership fees increased by $5 million as a result of taking over the management of TERP in the fourth quarter of 2017 and increased market valuation at BBU resulting from strong unit price appreciation over the last twelve months.
- Private fund fees increased $36 million, including incremental catch-up fees of $5 million, primarily due to capital raised for our latest flagship real estate fund. Catch up fees are earned on commitments received in quarters subsequent to the initial close of a fund where base fees accrue from the initial close.
- The increase in public securities fees of $10 million reflects the acquisition of an energy and infrastructure investment advisor in the first quarter of 2018.
- We earned $94 million of performance fees from BBU during the quarter as a result of the unit price appreciation noted above,
- Transaction fees of $4 million include advisory fees within our real estate business and co-investment fees.
- Gross profit margin (excluding catch-up, performance, transaction and advisory fees) was 60%, compared to 61% in the 2017 quarter.
- Base management fee revenues from listed partnerships include $74 million from Brookfield capital (2017 – $68 million).
- The calculation of listed partnership base fees is detailed on slide 25.

Last Twelve Months:

- Listed partnership fees increased by $47 million due to higher levels of fee bearing capital primarily as a result of capital raised and strong market valuations in the fourth quarter of 2017.
- Private fund base fees, excluding catch-up fees, increased from prior year due to the capital raised for our third flagship real estate fund and capital deployed within our funds that earn fees based on invested capital. These increases were partially offset by decreases from dispositions, which returned capital to clients.
- Incentive distributions increased by 36%, reflecting increased unit distributions at BIP, BEP and BPY.
- Performance fees are attributable to BBU and represent 20% of the price increase per unit over the previous threshold.
- Transaction and advisory fees of $9 million (2017 – $29 million) relate to advisory fees earned within our real estate business and co-investment fees. The prior year LTM included a $20 million co-investment transaction fee relating to our Brazilian water treatment business.
- Gross profit margin (excluding catch-up, performance, transaction and advisory fees) was 61%, compared to 60% in the 2017 LTM.
- Fee revenues include $276 million of base management fees from Brookfield capital (2017 – $248 million).

ASSET MANAGEMENT
Carried Interest

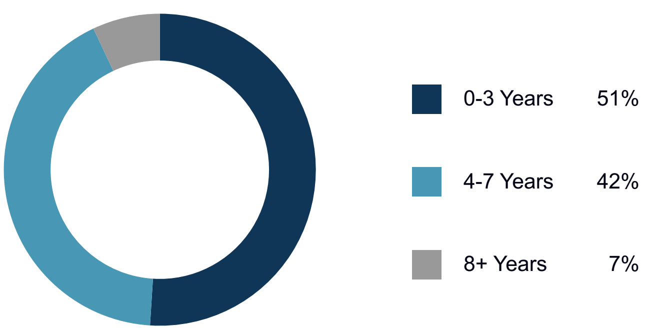
Carried interest represents our share, as manager, of investment performance in our private funds. We generated carried interest of $1.1 billion in the last twelve months based on investment returns, increasing cumulative gross unrealized carried interest to $2.6 billion

Unrealized Carried Interest Continuity[1,2]

AS AT AND FOR THE PERIODS ENDED SEP 30, 2018 (MILLIONS)	Three Months			LTM		
	Unrealized Carried Interest	Direct Costs	Net	Unrealized Carried Interest	Direct Costs	Net
Accumulated unrealized, beginning of period	$ 2,527	$ (778)	$ 1,749	$ 1,561	$ (479)	$ 1,082
In period change						
Unrealized in period	113	(31)	82	1,264	(379)	885
Foreign currency revaluation	(28)	6	(22)	(117)	27	(90)
	85	(25)	60	1,147	(352)	795
Less: realized	—	—	—	(96)	28	(68)
	85	(25)	60	1,051	(324)	727
Accumulated unrealized, end of period	**$ 2,612**	**$ (803)**	**$ 1,809**	**$ 2,612**	**$ (803)**	**$ 1,809**

1. *Amounts dependent on future investment performance are deferred. Represents management estimate of carried interest if funds were wound up at period end*
2. *Carried interest in respect of third-party capital*

Unrealized Carried Interest – Expected Realization Timeline
AS AT SEP. 30, 2018



- Estimates based on maturity date of funds currently generating unrealized carried interest.

Three Months:

- Unrealized carried interest in the current quarter, before foreign exchange and associated costs, was $113 million and was generated across our real estate, infrastructure and private equity flagship funds. Foreign exchange losses in the quarter are largely due to the depreciation of South American currencies and relate to assets within our real estate and infrastructure funds.

Last Twelve Months:

- We generated unrealized carried interest across all of our major funds, including significant increases in value from our graphite electrode manufacturing business within our fourth private equity fund and a European logistics company within our first flagship real estate fund that was sold in late 2017.
- Realized carried interest is related to our second private equity fund's share of its ownership in Norbord, co-investment carried interest and additional realizations relating to our real estate credit and value-add multifamily funds.

Brookfield

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

Annualized Target Carried Interest

AS AT SEP 30, 2018 (MILLIONS)	Fee Bearing Capital	Carry Eligible Capital[1]	Gross Target Return[2,3]	Average Carried Interest	Annualized Target Carried Interest[4]
Opportunistic	$ 26,139	$ 12,473	18% – 23%	~20%	$ 440
Value add	22,704	10,260	10% – 15%	~20%	200
Credit and core plus	12,309	6,738	10% – 15%	~15%	85
	$ 61,152	29,471			725
Uncalled fund commitments[5,6]		20,131			470
Total carry eligible capital / target carried interest		**$ 49,602**			1,195
Direct costs[7]					(359)
Net target carried interest					**$ 836**

1. *As at September 30, 2018, $29.5 billion of carry eligible capital has been invested and an additional $20.1 billion of committed capital will become carry eligible once invested*
2. *Carried interest is generated once a private fund exceeds its preferred return typically ranging from 5% – 9%. It will typically go through a catch-up period until the manager and limited partner (LP) are earning carry at their respective %*
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 periods at 10%, reflecting gross target return and average carried interest rate for uncalled fund commitments*
7. *We assume 70% margin on carried interest for planning purposes*

Annualized Target Carried Interest

Carried interest is our share of investment returns generated by our private funds. As long as investors earn a predetermined preferred return, we are entitled to a portion of returns above the preferred return, and after a catch-up period, we receive the full carried interest rate.

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, which is “net target carried interest.” To value carry for performance measurement purposes, we apply a 10x multiple on net target carried interest.

Target carried interest on capital currently invested is $725 million per annum, and we expect to add an additional $470 million per annum when $20.1 billion of uncalled fund commitments are deployed, aggregating to an annualized target carried interest figure of $1.2 billion, or $836 million net of costs.

The majority of our funds are tracking to meet or exceed target returns

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

AS AT SEP 30, 2018 (MILLIONS)	Asset Class	Vintage[1]	Target Gross IRR[2,3]	Gross Actual IRR[4]	Uncalled Fund Commitments[5]	Invested < 3 years	Invested > 3 years	**Total**	**Accumulated Unrealized Carried Interest**
Opportunistic	Real Estate – BSREP	2013 – 2018	20%	22%	$ 9,109	$ 6,429	$ 1,636	**$ 17,174**	**$ 984**
	Private Equity – BCP	2007 – 2016	20%	29%	793	1,773	1,163	**3,729**	**722**
	Other[6]	2006 – 2017			459	822	650	**1,931**	**25**
Value add	Infrastructure – BIF	2010 – 2016	13% – 15%	15%	6,125	6,532	2,953	**15,610**	**674**
	Other[6]	2008 – 2018			586	182	594	**1,362**	**87**
Credit and core plus	Real Estate – BREF	2005 – 2017	12% – 15%	13%	1,952	970	354	**3,276**	**69**
	Other[6]	2006 – 2018			1,107	3,321	2,092	**6,520**	**51**
Total carry eligible capital					20,131	20,029	9,442	**49,602**	**$ 2,612**
Non-carry eligible capital[7]					672	5,316	5,562	**11,550**	
Fee bearing capital					$ 20,803	$ 25,345	$ 15,004	**$ 61,152**	

1. *Year of final close*
2. *Gross target return is before annual fund management fees ranging from 90 bps for core plus funds to 200 bps for certain opportunistic funds*
3. *Carried interest is generated once a private fund exceeds its preferred return. It will typically go through a catch-up period until the manager and LP are earning carry at their respective allocation*
4. *On existing carry eligible funds, excluding open-end funds*
5. *Uncalled fund commitments from carry eligible funds. Additional $0.7 billion of uncalled fund commitments relate to funds not eligible to earn carry*
6. *Other represents funds and co-investments across similar return strategies but different asset classes*
7. *Non-carry eligible capital includes various co-investments, separately managed accounts and funds that are not entitled to carry*

ASSET MANAGEMENT
Annualized Fees and Target Carry

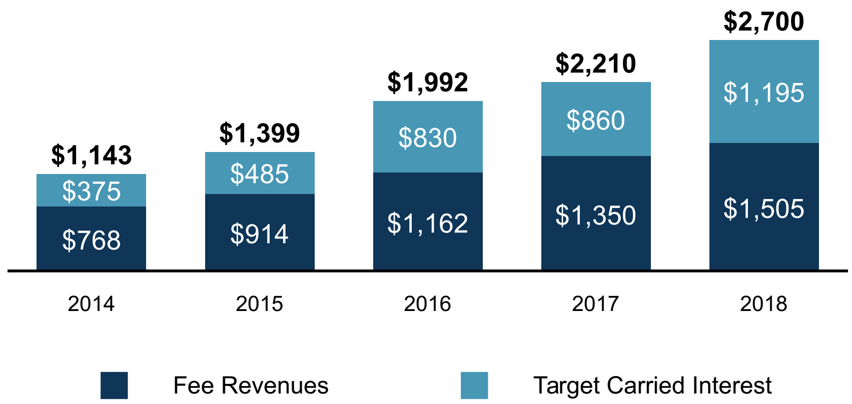
Annualized Fees and Target Carry

AS AT (MILLIONS)	Sep. 30, 2018	Dec. 31, 2017	Sep. 30, 2017
Base management fees[1]			
Listed partnerships[2]	$ **540**	$ 575	$ 550
Private funds	**550**	480	455
Public securities	**124**	127	89
Incentive distributions[3]	**207**	198	156
	1,421	1,380	1,250
Performance fee[4]	**65**	65	65
Transaction and advisory[5]	**19**	30	35
Fee revenues	**1,505**	1,475	1,350
Target carried interest[6]	**1,195**	1,000	860
	$ **2,700**	$ 2,475	$ 2,210

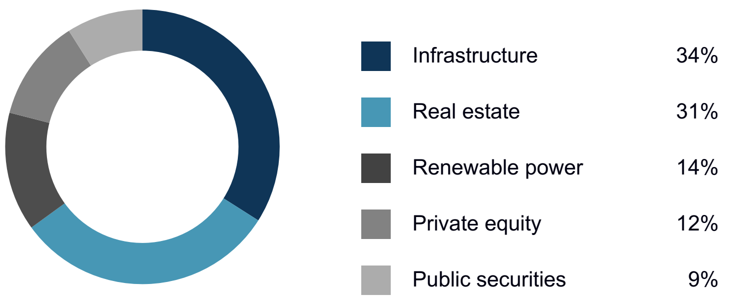
1. *Base management fees include $280 million of annualized base fees on Brookfield capital ($277 million from public affiliates and $3 million from private funds)*
2. *For details on listed partnership base fee calculations, refer to slide 25*
3. *Based on most recent quarterly distributions declared*
4. *Annualized BBU performance fees assume 10% annualized unit price appreciation*
5. *Annualized transaction and advisory fees based on simple average of the last two years' results*
6. *Based on prescribed carried interest for private funds and target gross return. Includes only third-party capital*

- Annualized listed partnership fee revenues of $540 million exclude the additional $70 million of fee revenues from new BPY capital issued in association with the privatization of GGP. This capital is subject to a 12-month fee waiver which will expire at the end of August 2019.

Annualized Fees and Target Carry
AS AT SEP. 30 (MILLIONS)



Fee Revenue Diversification[1]
AS AT SEP. 30, 2018



1. *Fee revenues based on annualized September 30, 2018 fees, excluding target carried interest*

- With respect to certain funds for which fees are charged on invested capital only, we estimate annualized base management fees will increase by approximately $49 million when $4 billion of uncalled third-party capital is invested.
- BBU's performance fee is calculated as 20% of the increase in weighted average unit price over the previous threshold. The initial unit price hurdle was $25.00 and, following the performance fee recognized in the third quarter of 2018, the current mark is $41.96.
- We include base fees on the capital invested by us in our funds in order to present operating margins and investment returns on a consistent basis (see note 1 above). FFO from the associated invested capital is shown net of these fees.
- We expect gross margins for fee revenues and target carried interest to range between 55% to 65% and 65% to 75%, respectively, for planning purposes.

ASSET MANAGEMENT
Capital Invested or Committed

Invested $24 billion of capital during the LTM, including $15 billion in the most recent quarter, with the close of the GGP transaction

Capital Deployed (Funding Source)

FOR THE LTM ENDED SEP 30, 2018 (MILLIONS)	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Total
Listed partnerships[1]	$ 16,048	$ 237	$ 930	$ 544	**$ 17,759**
Private funds[2]	2,114	446	1,287	733	**4,580**
Co-investments[2]	—	379	—	237	**616**
Direct[3]	—	—	—	704	**704**
Total invested	18,162	1,062	2,217	2,218	**23,659**
Committed – new[4]	4,886	5,422	40	496	**10,844**
Committed – invested[4]	(865)	(317)	(1,468)	(465)	**(3,115)**
Total[4]	$ 22,183	$ 6,167	$ 789	$ 2,249	**$ 31,388**

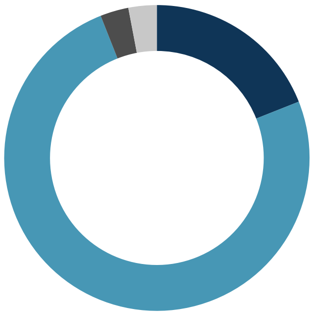
1. *Includes investments made by listed partnerships (BPY, BIP, BEP, BBU) directly or through its participation in private funds and co-investments*
2. *Reflects third-party investments managed by Brookfield*
3. *Investments made by Brookfield in financial assets or on balance sheet assets other than the listed partnerships*
4. *New commitments represent those commitments entered into during the year. Invested commitments represent the amounts invested during the year for commitments which were entered into during the prior period (shown as an outflow to commitments and an inflow to invested). Where capital was both committed and invested in the same period, it will be presented as invested only*

Capital Invested (Geography)

FOR THE LTM ENDED SEP 30, 2018 (MILLIONS)	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Total
North America	$ 17,203	$ 493	$ 607	$ 1,727	**$ 20,030**
South America	190	255	727	43	**1,215**
Europe	587	37	883	308	**1,815**
Asia and other	182	277	—	140	**599**
Total invested	$ 18,162	$ 1,062	$ 2,217	$ 2,218	**$ 23,659**

Capital Invested

FOR THE LTM ENDED SEP. 30, 2018



1. *Included within listed partnership is 61% relating to the privatization of GGP*

Significant investments include:

– GGP retail mall portfolio ($14.5 billion)
– Global commercial and hospitality properties ($2.3 billion)
– Infrastructure services company ($0.9 billion)
– Spanish renewable power business ($0.7 billion)
– Global solar and wind portfolio ($0.7 billion)
– TerraForm Power ($0.6 billion)
– European housing portfolios ($0.6 billion)

Significant commitments include:

– U.S. REIT portfolio ($3.4 billion)
– Residential energy service provider ($2.3 billion)
– Midstream energy portfolio ($1.8 billion)

ASSET MANAGEMENT
Available Liquidity

Core and Total Liquidity

AS AT SEP. 30, 2018 AND DEC. 31, 2017 (MILLIONS)	Corporate	Real Estate	Renewable Power	Infrastructure	Private Equity and Other	**Total 2018**	Total 2017
Cash and financial assets, net	$ 2,341	$ 48	$ 425	$ 718	$ 736	**$ 4,268**	$ 3,218
Undrawn committed credit facilities	1,678	1,705	627	1,923	825	**6,758**	4,839
Core liquidity	4,019	1,753	1,052	2,641	1,561	**11,026**	8,057
Uncalled private fund commitments[1]	—	12,743	2,236	4,754	1,070	**20,803**	18,591
Total liquidity	$ 4,019	$ 14,496	$ 3,288	$ 7,395	$ 2,631	**$ 31,829**	$ 26,648

1. *Third-party private fund uncalled commitments*

- Corporate credit facilities totaled $1.9 billion, of which $184 million was utilized for short-term bank or commercial paper borrowings and $73 million was drawn and utilized for letters of credit at September 30, 2018.
- Core liquidity represents our principal sources of short-term liquidity (consists of our cash and financial assets, net of deposits and other associated liabilities, and undrawn committed credit facilities).

Uncalled Fund Commitments – Expiry Profile

AS AT SEP. 30, 2018 AND DEC. 31, 2017 (MILLIONS)	2018	2019	2020	2021	2022+	**Total 2018**	Dec. 2017
Real estate	$ —	$ 102	$ 3,173	$ —	$ 9,468	**$ 12,743**	$ 9,126
Infrastructure and renewable power	—	—	6,418	—	572	**6,990**	7,791
Private equity	—	—	909	—	161	**1,070**	1,674
	$ —	$ 102	$ 10,500	$ —	$ 10,201	**$ 20,803**	$ 18,591

- Uncalled commitments expire after approximately four years, based on the weighted average time to the end of each fund's investment period.
- We invested approximately $0.4 billion of third-party fund capital (private funds and co-investments) during the quarter; $4.6 billion over the last twelve months.
- $9.5 billion of fund capital (inclusive of Brookfield commitments) has been committed to transactions not yet closed as at September 30, 2018 (real estate – $4.7 billion; infrastructure – $4.5 billion and private equity – $0.3 billion).

INVESTED CAPITAL
Summarized Results

~83%
of invested capital
is held in listed securities

over $33 billion
of capital invested
alongside our investors

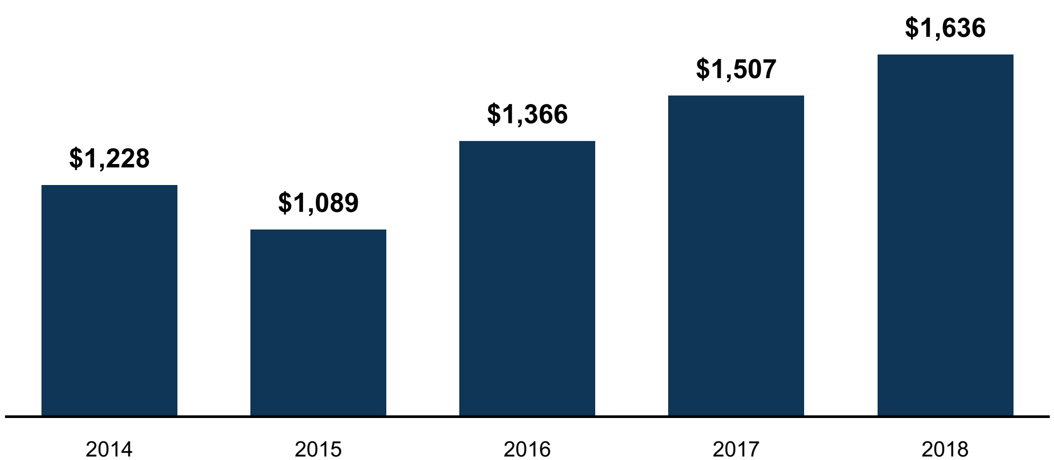
$1.6 billion
of annualized cash flow
generated from listed investments

Financial Performance

AS AT SEP. 30, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations: Three Months		Funds from Operations: LTM	
	2018	2017	**2018**	2017	**2018**	2017
Listed investments	**$ 27,470**	$ 29,132	**$ 447**	$ 477	**$ 1,921**	$ 1,848
Unlisted investments	**5,636**	4,797	**27**	(16)	**144**	(43)
Corporate capitalization[1]	**(10,746)**	(10,189)	**(110)**	(83)	**(429)**	(298)
	22,360	23,740	**364**	378	**1,636**	1,507
Disposition gains	**—**	—	**401**	220	**1,424**	1,094
	$ 22,360	$ 23,740	**$ 765**	$ 598	**$ 3,060**	$ 2,601

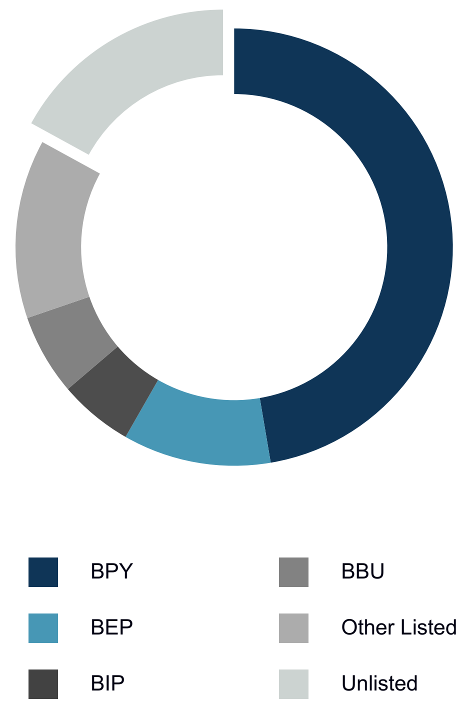
1. *FFO includes interest expense on corporate borrowings and corporate costs and excludes distributions on preferred shares*

FFO – Operating Activities[1]
FOR THE LTM ENDED SEP. 30 (MILLIONS)



1. *Excludes disposition gains and is net of associated asset management fees paid*

Investment Portfolio
AS AT SEP. 30, 2018



- ~83% of our invested capital is held in listed securities, the majority invested in our four listed partnerships, providing liquidity and increased transparency.

INVESTED CAPITAL
Entity Basis[1]

~83% of our invested capital is held in listed securities, which provides enhanced transparency for investors and financial flexibility and liquidity for Brookfield

		Invested Capital		FFO[3]		Distributed Cash Flow	
AS AT AND FOR THE PERIODS ENDED SEP. 30, 2018 (MILLIONS)	No. of Units	Quoted[2]	IFRS	Three Months	LTM	LTM	Current[4]
Brookfield Property Partners	514 [5]	$ 10,732	$ 14,902	$ 159	$ 697	$ 626	$ 647
BPY Preferred Shares	n/a	765	765	16	73	73	44
		11,497	15,667	175	770	699	691
Brookfield Renewable Partners	188	5,697	3,625	58	347	366	369
Brookfield Infrastructure Partners	118	4,693	1,815	73	325	216	221
Brookfield Business Partners	88	4,023	1,982	52	76	22	22
Other Listed Investments							
Acadian Timber	8	107	86	2	6	8	7
Norbord	35	1,154	1,332	68	281	167	65
Other Listed – Private Equity	Various	622	622	—	—	—	—
		27,793	25,129	428	1,805	1,478	1,375
Financial assets[6]	Various	2,341	2,341	19	116	116	188[7]
		$ 30,134	27,470	447	1,921	$ 1,594	$ 1,563
Unlisted Investments			5,636	27	144		
			$ 33,106	$ 474	$ 2,065		

1. *Refer to slides 31 to 33 for a reconciliation to invested capital and total FFO*
2. *Quoted based on September 30, 2018 public pricing*
3. *Excludes realized disposition gains*
4. *Distributed cash flow (current) is calculated by multiplying units held as at September 30, 2018 by the current distribution rates per unit*
5. *After the privatization of GGP, Brookfield Property REIT ("BPR"), a publicly-traded entity, was formed. A total of 162 million BPR Class A shares, treated as a class of BPY equity, were issued to former GGP shareholders as consideration.* As a result of this transaction, BAM's effective ownership in BPY was reduced to 53%; we currently hold 514 million of the 975 million outstanding common equity units
6. *Financial assets is inclusive of $1.2 billion of cash and cash equivalents*
7. *Estimated 8% total return on weighted average balance of the last four quarters*

Brookfield

INVESTED CAPITAL
Segment Funds From Operations (Excluding Realized Disposition Gains)

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months			LTM		
	2018	2017	Variance	**2018**	2017	Variance
Brookfield Property Partners (BPY)	**$ 175**	$ 182	$ (7)	**$ 770**	$ 746	$ 24
Brookfield Renewable Partners (BEP)	**58**	50	8	**347**	286	61
Brookfield Infrastructure Partners (BIP)	**73**	81	(8)	**325**	297	28
Brookfield Business Partners (BBU)[1]	**52**	46	6	**76**	111	(35)
Other listed investments	**70**	64	6	**287**	252	35
Financial assets	**19**	54	(35)	**116**	156	(40)
Unlisted investments	**27**	(16)	43	**144**	(43)	187
	474	461	13	**2,065**	1,805	260
Unallocated						
Interest expense	**(83)**	(66)	(17)	**(311)**	(252)	(59)
Corporate costs and taxes	**(27)**	(17)	(10)	**(118)**	(46)	(72)
FFO – Invested capital	**$ 364**	$ 378	$ (14)	**$ 1,636**	$ 1,507	$ 129

1. *BBU FFO is net of performance fees paid to BAM of $94 million for the three months ended Sep. 30, 2018 (2017 – $nil) and $395 million for the LTM (2017 – $25 million), which are recorded in asset management FFO*

Three Months:

- **BPY:** Contributions from acquisitions, including the GGP privatization, and same-property core office growth were more than offset by same-property decreases at core retail properties, asset sales and the dilution of our ownership interest in BPY due to the equity issued as part of the GGP privatization.
- **BEP:** Contributions from additions to our wind and solar operations, improved pricing and cost savings were partially offset by lower hydrology and wind generation in North America and unfavorable foreign exchange in Brazil.
- **BIP:** Organic growth across the business and lower management fees were more than offset by the sale of our Chilean electricity transmission business and unfavorable foreign exchange in Brazil.
- **BBU:** Improved pricing in our industrial operations and contributions from recent acquisitions were partially offset by higher management and performance fees paid due to increase in BBU's share price.
- **Financial assets:** Income generated by our financial asset portfolio was lower relative to strong results in the prior year quarter.
- **Unlisted investments:** Improved performance is due to increases in North American residential home closings, improved margins in our Brazilian residential operations and contributions from directly-held real estate assets.
- **Interest expense and corporate costs and taxes:** Interest expenses increased due to corporate debt issuances in the first quarter of 2018 and taxes increased due to the absence of tax recoveries received in the prior year quarter.

Last Twelve Months:

- **BPY:** Contributions from recent acquisitions, including GGP, same-property leasing growth and merchant build asset sales were offset by the absence of FFO from assets sold and a one-time tenant settlement gain recognized in the prior year LTM.
- **BEP:** Improved pricing and contributions from recent acquisitions were partially offset by lower generation, the absence of a one-time settlement gain and depreciation of foreign currencies against the USD.
- **BIP:** Contributions from recent acquisitions and higher volumes and tariffs were partially offset by asset sales and depreciation of foreign currencies against the USD.
- **BBU:** Improved pricing in our industrial operations and contributions from recent acquisitions were more than offset by lower construction margins and an increase in management and performance fees paid.
- **Other listed investments:** Performance at our Norbord investment was strong.
- **Unlisted Investments:** Better margins in our Brazilian residential operations, higher energy and capacity prices in our energy marketing business, and increases in our real estate direct investments contributed to higher FFO.
- **Interest expense and corporate costs and taxes:** Interest expenses increased due to corporate debt issuances in the first quarter of 2018; corporate costs and taxes increased due to expansion as well as higher current tax expense.

INVESTED CAPITAL
Realized Disposition Gains – Brookfield Share, Net of Non-Controlling Interests

Brookfield

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM			
	Funds from Operations[1,2]		Net Income[2]		Funds from Operations[1,2]		Net Income[2]	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Real Estate								
Core retail portfolio	**$ 246**	$ —	**$ 2**	$ —	**$ 246**	$ —	**$ 2**	$ —
Simply Storage asset sale	**36**	—	**12**	—	**36**	—	**12**	—
Bay Adelaide Centre	**—**	—	**—**	—	**161**	—	**20**	—
1801 California Street	**—**	—	**—**	—	**73**	—	**13**	—
245 Park Avenue	**—**	—	**—**	—	**—**	469	**—**	(33)
Gazeley – European operations	**—**	—	**—**	—	**275**	—	**191**	—
Principal Place Commercial	**—**	—	**—**	—	**—**	141	**—**	69
20 Fenchurch St.	**—**	57	**—**	9	**—**	57	**—**	9
College and Spadina	**—**	31	**—**	12	**—**	31	**—**	12
Other properties	**(1)**	112	**—**	26	**148**	272	**(52)**	42
	281	200	**14**	47	**939**	970	**186**	99
Infrastructure	**—**	—	**—**	—	**244**	32	**53**	—
Private Equity	**120**	(12)	**—**	(12)	**241**	50	**32**	50
Renewable Power	**—**	—	**—**	—	**—**	10	**—**	—
Norbord partial sale	**—**	32	**—**	—	**—**	32	**—**	—
	$ 401	$ 220	**$ 14**	$ 35	**$ 1,424**	$ 1,094	**$ 271**	$ 149
Per share	**$ 0.41**	$ 0.22	**$ 0.01**	$ 0.04	**$ 1.45**	$ 1.12	**$ 0.28**	$ 0.15

1. *FFO includes gains recorded in net income, directly in equity, as well as the realization of appraisal gains recorded in prior years*
2. *Net of non-controlling interests*

Value of assets sold:

- During the last twelve months, we sold proportionate net assets of $4.4 billion at a 12% premium above appraised or carrying values.

Third Quarter:

- **2018:** We sold full or partial interests in a number of core retail properties prior to the privatization of GGP resulting in disposition gains of $246 million. A portfolio of self-storage assets was also sold for disposition gains of $36 million. In private equity, we recognized a $120 million gain from the sale of a partial interest in our graphite electrode manufacturing business through a secondary offering and share buyback.
- **2017:** Assets sold include a number of European core office assets, a core office building in Toronto and four directly-held real estate investments.

Last Twelve Months:

- **2018:** Core office and retail disposition gains, $603 million; LP investments and other property disposition gains, $336 million; sale of Chilean electricity transmission business, $244 million; sales of various private equity businesses, including partial interests in our graphite electrode manufacturing business, $241 million.
- **2017:** Core office and retail disposition gains, $880 million; LP investments and other property disposition gains, $90 million; sale of various private equity businesses, $50 million; sale of a Canadian utilities business, $32 million; sale of an Irish wind farm, $10 million; partial sale of Norbord shares, $32 million.

INVESTED CAPITAL
Financial Position and Performance

Brookfield

BPY (NASDAQ: BPY; TSX: BPY.UN) – 50% (fully diluted) ownership interest

AS AT SEP. 30, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2018	2017	**2018**	2017	**2018**	2017
Core office	**$ 14,489**	$ 13,913	**$ 136**	$ 126	**$ 586**	$ 626
Core retail	**13,618**	8,844	**146**	128	**539**	489
LP investments[1]	**5,585**	5,010	**74**	88	**341**	307
Corporate	**(5,418)**	(5,581)	**(107)**	(106)	**(417)**	(423)
Attributable to unitholders	**28,274**	22,186	**249**	236	**1,049**	999
Non-controlling interests	**(13,372)**	(6,798)	**(90)**	(73)	**(343)**	(311)
Segment reallocation and other[2]	**—**	—	**—**	—	**(9)**	(18)
Brookfield's interest	**14,902**	15,388	**159**	163	**697**	670
Preferred shares	**765**	1,265	**16**	19	**73**	76
	$ 15,667	$ 16,653	**$ 175**	$ 182	**$ 770**	$ 746

1. *Formerly known as "Opportunistic"*
2. *Reflects fee related earnings and net carried interest reclassified to asset management segment as well as current taxes related to disposition gains*

BEP (NYSE: BEP, TSX: BEP.UN) – 60% ownership interest

AS AT SEP. 30, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2018	2017	**2018**	2017	**2018**	2017
Proportionate generation (GWh)						
Actual	**n/a**	n/a	**5,552**	5,198	**24,591**	22,811
Long-term average (LTA)	**n/a**	n/a	**5,956**	5,053	**25,272**	22,960
Hydroelectric generation	**$ 8,257**	$ 8,821	**$ 104**	$ 132	**$ 640**	$ 623
Wind energy	**959**	939	**29**	18	**133**	96
Solar, storage and other	**1,033**	682	**42**	6	**94**	8
Corporate	**(4,248)**	(3,584)	**(70)**	(65)	**(254)**	(235)
Attributable to unitholders	**6,001**	6,858	**105**	91	**613**	492
Incentive distributions	**—**	—	**(10)**	(7)	**(37)**	(26)
Non-controlling interests	**(2,376)**	(2,715)	**(37)**	(34)	**(229)**	(180)
Brookfield's interest	**$ 3,625**	$ 4,143	**$ 58**	$ 50	**$ 347**	$ 286

INVESTED CAPITAL
Financial Position and Performance (cont'd)

BIP (NYSE: BIP, TSX: BIP.UN) – 30% ownership interest

AS AT SEP. 30, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
	2018	2017	**2018**	2017	**2018**	2017
Utilities	**$ 1,703**	$ 3,290	**$ 130**	$ 170	**$ 610**	$ 535
Transport	**3,583**	4,116	**119**	136	**528**	508
Energy	**1,801**	1,806	**59**	48	**235**	205
Data infrastructure[1]	**651**	614	**19**	19	**76**	77
Corporate and other	**(1,697)**	(2,822)	**(49)**	(72)	**(231)**	(223)
Attributable to unitholders	**6,041**	7,004	**278**	301	**1,218**	1,102
Incentive distributions	**—**	—	**(34)**	(28)	**(131)**	(105)
Non-controlling interests	**(4,226)**	(4,906)	**(171)**	(192)	**(762)**	(700)
Brookfield's interest	**$ 1,815**	$ 2,098	**$ 73**	$ 81	**$ 325**	$ 297

1. *Formerly known as "Communications"*

BBU (NYSE: BBU, TSX: BBU.UN) – 68% ownership interest

AS AT SEP. 30, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
	2018	2017	**2018**	2017	**2018**	2017
Business services[1]	**$ 1,372**	$ 1,407	**$ 26**	$ 40	**$ 131**	$ 120
Infrastructure services	**400**	—	**49**	—	**49**	—
Industrial operations[2]	**(12)**	661	**76**	22	**291**	107
Energy	**942**	660	**35**	(5)	**130**	42
Corporate and other	**203**	310	**(16)**	(11)	**(48)**	(30)
Attributable to unitholders	**2,905**	3,038	**170**	46	**553**	239
Performance fees	**—**	—	**(94)**	—	**(395)**	(25)
Non-controlling interests	**(923)**	(974)	**(24)**	(12)	**(50)**	(53)
Segment reallocation and other[3]	**—**	—	**—**	12	**(32)**	(50)
Brookfield's interest	**$ 1,982**	$ 2,064	**$ 52**	$ 46	**$ 76**	$ 111

1. *Effective Q3-2018, the construction services segment was amalgamated with the business services segment; comparative figures were restated to reflect the reclassification*
2. *Invested capital in our industrial operations is negative primarily due to distributions and returns of capital paid by our graphite electrode manufacturing business*
3. *Reallocations relate to disposition gains, net of NCI, included in BBU's operating FFO*

INVESTED CAPITAL
Financial Position and Performance (cont'd)

In addition to being invested in our four flagship listed partnerships, we hold a number of other listed and unlisted investments

Other Listed Investments and Financial Assets

AS AT SEP. 30, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Segment	Invested Capital 2018	Invested Capital 2017	FFO Three Months 2018	FFO Three Months 2017	FFO LTM 2018	FFO LTM 2017
Other listed							
Acadian Timber	Infrastructure	**$ 86**	$ 88	**$ 2**	$ 2	**$ 6**	$ 7
Norbord	Private Equity	**1,332**	1,364	**68**	62	**281**	198
Other listed — private equity	Private Equity	**622**	467	**—**	—	**—**	47
		2,040	1,919	**70**	64	**287**	252
Financial assets	Corporate	**2,341**	2,255	**19**	54	**116**	156
		$ 4,381	$ 4,174	**$ 89**	$ 118	**$ 403**	$ 408

Unlisted Investments

AS AT SEP. 30, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Segment	Invested Capital 2018	Invested Capital 2017	FFO Three Months 2018	FFO Three Months 2017	FFO LTM 2018	FFO LTM 2017
Residential development							
North America	Residential	**$ 1,737**	$ 1,711	**$ 40**	$ 33	**$ 191**	$ 188
Brazil and other	Residential	**841**	1,204	**(24)**	(57)	**(98)**	(175)
		2,578	2,915	**16**	(24)	**93**	13
Energy Marketing[1]	Renewable Power	**706**	801	**(10)**	(5)	**(40)**	(93)
Sustainable resources	Infrastructure	**578**	648	**5**	4	**23**	21
Other corporate	Corporate	**42**	41	**1**	—	**15**	7
Other unlisted[2]	Various	**1,732**	392	**15**	9	**53**	9
		$ 5,636	$ 4,797	**$ 27**	$ (16)	**$ 144**	$ (43)

1. *Please refer to slide 28 for additional information on our energy marketing business*
2. *The current period invested capital balance includes our directly held 27.5% interest in a new BAM-sponsored venture that owns operating and development properties in New York, which we acquired from BPY for $1.4 billion. We expect to syndicate this holding to third parties in the near term*

INVESTED CAPITAL
Corporate Capitalization

Brookfield

Corporate debt maturities are well distributed over the next 10 years, with ~81% of our term debt maturing after five years

AS AT SEP. 30, 2018 AND DEC. 31, 2017 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Average Yield	Invested Capital 2018	Invested Capital 2017	Funds from Operations Three Months 2018	Funds from Operations Three Months 2017	Funds from Operations LTM 2018	Funds from Operations LTM 2017
Corporate borrowings	**4.5%**	**$ 6,661**	$ 5,659	**$ 83**	$ 66	**$ 311**	$ 252
Net working capital / Corporate costs and taxes[1]	**n/a**	**963**	928	**27**	17	**118**	46
Deferred income tax asset, net	**n/a**	**(1,070)**	(590)	**—**	—	**—**	—
				$ 110	$ 83	**$ 429**	$ 298
Perpetual preferred shares[2]	**4.1%**	**4,192**	4,192	**$ 38**	$ 35	**$ 153**	$ 139
		$ 10,746	$ 10,189				

1. *Corporate costs and taxes FFO includes current tax expense of $2 million (2017 – recovery of $7 million) for the three months and current tax expense of $16 million (2017 – recovery of $47 million) for the last twelve months ended September 30*
2. *FFO excludes preferred share distributions of $38 million (2017 – $35 million) for the three months and $153 million (2017 – $139 million) for the last twelve months ended September 30*

Corporate Maturity Profile

AS AT SEP 30, 2018 (MILLIONS)	Average Term (Years)	Total	Maturity 2018	2019	2020	2021	2022	2023+
Corporate borrowings								
Term debt	**10**	$ 6,477	$ —	$ 465	$ —	$ 271	$ —	$ 5,741
Revolving facilities[1]	**4**	184	—	—	—	—	—	184
		6,661	—	465	—	271	—	5,925
Perpetual preferred shares	**perp.**	4,192	—	—	—	—	—	n/a
		$ 10,853	$ —	$ 465	$ —	$ 271	$ —	$ 5,925

1. *Revolving credit facilities of $1.9 billion support commercial paper issuances*

INVESTED CAPITAL
Growth Capital Backlog

We complement our acquisition activities with capital expansion and development projects which we expect will enhance the value of our various operations once completed and commissioned

Capital Backlog (by Geography)

AS AT SEP 30, 2018 (MILLIONS)	North America	South America	Europe	Asia and Other	Total
Real estate	$ 3,645	$ —	$ 3,130	$ 342	**$ 7,117**
Infrastructure	423	1,988	1,210	153	**3,774**
Renewable power	346	512	220	50	**1,128**
Private equity and other	1,335	651	98	—	**2,084**
	$ 5,749	$ 3,151	$ 4,658	$ 545	**$ 14,103**

Our capital backlog of $14 billion provides an additional opportunity to deploy capital and is a major source of organic growth; it consists of a diverse set of projects across our business, including the expansion and/or development of:

- **Real estate:** Planned capital expansion of $7.1 billion includes development projects in progress across our premier office buildings, retail malls and mixed-used complexes. Within our core office business we have 11 million square feet of development projects underway, including our premier office building development ongoing in London within Canary Wharf and other core office investments over the next eight years, and further core office development ongoing within North America. Additional projects include North American retail mall developments.
- **Infrastructure:** Planned capital expansion projects of $3.8 billion consist primarily of upgrade and expansion projects within our transport and utilities segments. The largest contributor to capital development within our transport segment over the next three years is our South American toll road operations, focusing on enhancing capacity and capturing volume growth. Within our utilities segment, our U.K. regulated distribution business and South American electricity transmission operations are the largest contributors to capital.
- **Renewable power:** Planned capital expansion projects of $1.1 billion consist primarily of hydroelectric generating stations, solar and wind facilities development projects. Over the next three years, we expect to complete significant development across South America, Europe, North America and Asia.
- **Private equity and other:** Planned capital expansion of $2.1 billion includes significant expansion projects at our Brazilian water treatment business, GTA gaming operations and marine energy services.

Additional Information

ASSET MANAGEMENT
Private Funds[1]

AS AT SEP. 30, 2018 (MILLIONS)		Committed Capital[2]	Brookfield Participation[2]	Year[3]
Brookfield Real Estate Funds				
Opportunistic				
Real Estate Opportunity I	$	240	52%	2006
Real Estate Opportunity II		260	29%	2009
Real Estate Turnaround		5,570	18%	2010
Strategic Real Estate Partners I[4]		4,350	31%	2013
Strategic Real Estate Partners II[4]		9,000	26%	2016
Thayer VI		306	48%	2014
Value Add				
U.S. Multifamily Value Add I	$	325	13%	2012
U.S. Multifamily Value Add II		805	37%	2014
U.S. Multifamily Value Add III		1,005	30%	2018
Core Plus				
U.S. Office	$	2,200	83%	2006
DTLA		1,100	45%	2013
Premier Real Estate Partners[5]		1,908	21%	2016
Credit				
Real Estate Finance I	$	600	33%	2005
Real Estate Finance III		420	12%	2012
Real Estate Finance IV		1,375	18%	2014
Real Estate Finance V		2,949	14%	2017
Senior Mezzanine Real Estate Finance[5]		938	1%	2017

AS AT SEP. 30, 2018 (MILLIONS)		Committed Capital[2]	Brookfield Participation[2]	Year[3]
Brookfield Infrastructure Funds				
Value Add				
Global Infrastructure I[4]	$	2,660	25%	2010
Global Infrastructure II[4]		7,000	40%	2013
Global Infrastructure III[4]		14,000	29%	2016
Colombia Infrastructure		360	28%	2009
Credit				
Infrastructure Debt	$	884	17%	2017
Sustainable Resources				
Island Timberlands	$	530	—	2005
Timberlands Fund V		351	25%	2013
Brazil Timber I		280	18%	2008
Brazil Timber II		95	19%	2013
Brazil Agriculture I		330	31%	2010
Brazil Agriculture II		500	22%	2016
Brookfield Private Equity Funds				
Opportunistic				
Capital Partners II[4]	C$	1,000	40%	2007
Capital Partners III[4]	$	1,000	25%	2012
Capital Partners IV[4]		4,000	26%	2016
Credit				
Peninsula Brookfield India Real Estate	$	95	—	2013

1. *Includes discretionary funds managed by Brookfield Asset Management Inc. or a management affiliate thereof and all investments made by a consortium of investors formed and managed by Brookfield. Excludes direct investments made through managed accounts, joint ventures, co-investments, publicly listed issuers or investment funds for which Brookfield did not serve as the manager during the investment period. Also excludes closed-end funds currently in the market and fully divested funds*
2. *Inclusive of Brookfield commitments; Brookfield participation includes commitments from Brookfield directly held as well as BPY, BEP, BIP and BBU*
3. *Year of final close. For open-end funds, year of first close*
4. *Flagship funds*
5. *Open-end fund*

LISTED ISSUER BASE MANAGEMENT FEES AND ASSOCIATED CAPITALIZATION

AS AT AND FOR THE PERIODS ENDED SEP. 30, 2018 (MILLIONS)	Capitalization	Three Months Fixed Base Fee	Three Months Variable Base Fee	Three Months **Total Base Fee**	Annualized[1] Fixed Base Fee	Annualized[1] Variable Base Fee	Annualized[1] **Total Base Fee**
Listed Investments							
Brookfield Property Partners[2]	$ 25,646	$ 14	$ 30	**$ 44**	$ 54	$ 99	**$ 153**
Brookfield Renewable Partners	13,532	5	18	**23**	22	70	**92**
Brookfield Infrastructure Partners	17,527	—	54	**54**	—	218	**218**
Brookfield Business Partners	4,958	—	15	**15**	—	60	**60**
	61,663	19	117	**136**	76	447	**523**
Other Listed Investments							
TerraForm Power	2,321	3	—	**3**	10	5	**15**
Acadian Timber	242	—	1	**1**	—	2	**2**
	2,563	3	1	**4**	10	7	**17**
Total	$ 64,226	$ 22	$ 118	**$ 140**	$ 86	$ 454	**$ 540**

Brookfield Property Partners (BPY): We earn fixed base management fees paid quarterly and an additional equity enhancement distribution of 0.3125% (1.25% annually) of the amount by which the partnership's total capitalization value exceeded its initial total capitalization value ($11.5 billion). The fixed fee at initial spin-off was $12.5 million quarterly ($50 million annually) and is subject to an inflationary adjustment. Capitalization is calculated as the volume-weighted average of the closing prices of the LP units on the Nasdaq for each of the last five trading days of the quarter multiplied by the number of units issued and outstanding on those days, plus the amount of third-party debt, net of cash, with recourse to the partnership.

Brookfield Renewable Partners (BEP): We earn base management fees paid quarterly and an additional equity enhancement distribution of 0.3125% (1.25% annually) of the amount by which the partnership's total capitalization value exceeded the initial capitalization value ($8 billion). The fixed fee at initial spin-off was $5 million quarterly ($20 million annually) and is subject to an inflationary adjustment. Capitalization is calculated as the volume-weighted average of the closing prices of the LP units on the principal exchange for each of the last five trading days of the quarter multiplied by the number of units issued and outstanding on those days, plus the amount of third-party debt and preferred securities, net of cash, with recourse to the partnership.[3]

Brookfield Infrastructure Partners (BIP): We earn base management fees paid quarterly equal to 0.3125% (1.25% annually) of BIP's market value. Capitalization is calculated as the volume-weighted average of the closing prices of the LP units on the principal exchange for each of the last five trading days of the quarter multiplied by the number of units issued and outstanding on those days, plus the amount of third-party debt and preferred securities, net of cash, with recourse to the partnership.[3]

Brookfield Business Partners (BBU): We earn base management fees paid quarterly equal to 0.3125% (1.25% annually) of BBU's market value. Capitalization is calculated as the volume-weighted average of the closing prices of the LP units on the principal exchange for the quarter multiplied by the number of units issued and outstanding on the last day of the quarter, plus the amount of third-party debt, net of cash, with recourse to the partnership.[3]

TerraForm Power (TERP): For the first four quarters following the acquisition of TERP, on October 16, 2017, we earn base management fees paid quarterly of $2.5 million ($10 million annually) followed by $3 million per quarter ($12 million annually) for the following four quarters. Thereafter, we earn base management fees paid quarterly of $3.75 million ($15 million annually). We earn an additional equity enhancement distribution of 0.3125% (1.25% annually) of the amount by which the company's per unit capitalization value at the end of each quarter exceeded its initial per unit capitalization value at the time of acquisition. Capitalization is calculated as the volume-weighted average of the closing prices of the LP units on the Nasdaq for the quarter multiplied by the number of units outstanding on the last day of the quarter.

1. *Annualized fee revenues illustrate potential future performance based on our current level of listed partnership fee bearing capital*
2. *Included in Brookfield Property Partners is $5.7 billion of capital related to BPR and BPY units issued in relation to the GGP acquisition. This capital is subject to a fee waiver for the first 12 months following the close of the acquisition*
3. *For units traded on multiple exchanges, the principal exchange is determined on the basis of aggregate trading volume for the period*

LISTED ISSUER INCENTIVE DISTRIBUTIONS

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

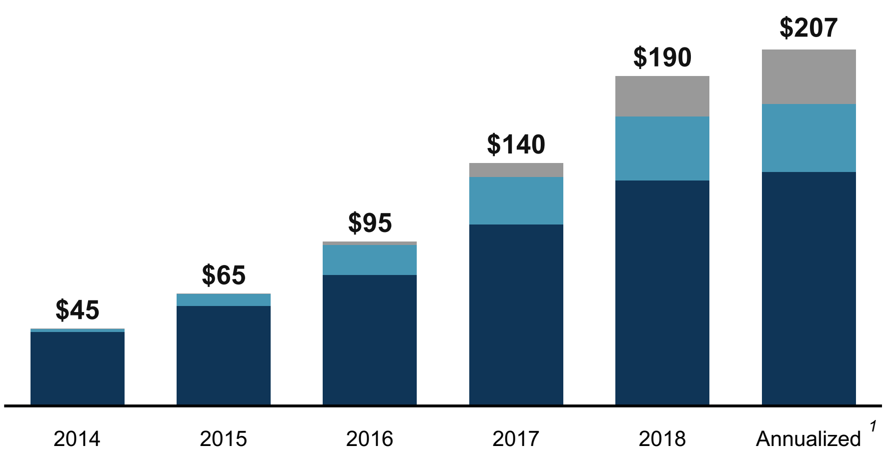
Annualized Incentive Distributions

AS AT SEP 30, 2018 (MILLIONS, EXCEPT PER UNIT)	Per Unit: Annualized Distributions	Per Unit: Distribution Hurdles[1]	Per Unit: Incentive Distributions[2]	Units Outstanding	Annualized Incentive Distributions
Brookfield Infrastructure Partners (BIP)	$ 1.88	$ 0.81 / $ 0.88	15% / 25%	394.2	$ 135
Brookfield Renewable Partners (BEP)	1.96	1.50 / 1.69	15% / 25%	312.6	39
Brookfield Property Partners (BPY)[3]	1.26	1.10 / 1.20	15% / 25%	975.0	33
					$ 207

1. *We are also entitled to earn a portion of increases in distributions by TERP, based on distribution hurdles of $0.93 and $1.05. TERP's current annual distribution has not yet reached the first hurdle*
2. *Incentive distributions equate to 18% and 33% of limited partner distribution increases over the first and second hurdles, respectively*
3. *Incentive distributions from Brookfield Property Partners are earned on distributions made by BPY and BPR*

Incentive Distributions (LTM)

SEP. 30 (MILLIONS)



1. *Annualized 2018 IDR based on most recently announced distribution levels*

Listed Partnerships Distributions (per unit)

BPY/BEP/BIP

- Distribution policies target a distribution level that is sustainable on a long-term basis while retaining sufficient liquidity for capital expenditures and general purposes.

	BPY	BEP	BIP
Targeted:			
- FFO payout	80%	60% to 70%	60% to 70%
- Distribution growth	5% to 8%	5% to 9%	5% to 9%
2018[1]	$ 1.26	$ 1.96	$ 1.88
2017	1.18	1.87	1.74
2016	1.12	1.78	1.55
2015	1.06	1.66	1.41
2014	1.00	1.55	1.28

1. *Annualized based on current distribution levels*

BBU

- BBU's performance fee is calculated as 20% of the increase in weighted average unit price for the quarter, over the previous threshold. Following the fee paid in the third quarter of 2018, the threshold was revised upwards to $41.96.

DEBT TO CAPITALIZATION

Capitalization

AS AT SEP. 30, 2018 AND DEC. 31, 2017 (MILLIONS)	Corporate 2018	Corporate 2017	Our Share[1] 2018	Our Share[1] 2017	Consolidated 2018	Consolidated 2017
Corporate borrowings	**$ 6,661**	$ 5,659	**$ 6,661**	$ 5,659	**$ 6,661**	$ 5,659
Non-recourse borrowings						
Property specific borrowings	**—**	—	**34,758**	30,210	**91,551**	63,721
Subsidiary borrowings	**—**	—	**5,459**	5,711	**8,762**	9,009
	6,661	5,659	**46,878**	41,580	**106,974**	78,389
Accounts payable and other	**2,015**	2,140	**10,452**	10,880	**22,546**	17,965
Deferred income tax liabilities	**178**	160	**4,357**	5,204	**11,550**	11,409
Subsidiary equity obligations	**—**	—	**1,653**	1,648	**3,847**	3,661
Liabilities associated with assets held for sale	**—**	—	**210**	703	**785**	1,424
Equity						
Non-controlling interests	**—**	—	**—**	—	**61,376**	51,628
Preferred equity	**4,192**	4,192	**4,192**	4,192	**4,192**	4,192
Common equity	**22,691**	24,052	**22,691**	24,052	**22,691**	24,052
	26,883	28,244	**26,883**	28,244	**88,259**	79,872
Total capitalization	**$ 35,737**	$ 36,203	**$ 90,433**	$ 88,259	**$ 233,961**	$ 192,720
Debt to capitalization[2]	**19%**	16%	**52%**	47%	**46%**	41%

1. *Represents our share of debt and other obligations based on our ownership percentage of the related investments*
2. *Determined as the aggregate of corporate borrowings and non-recourse borrowings divided by total capitalization*

- Capitalization includes borrowings, accounts payable and other liabilities, deferred income taxes, subsidiary equity obligations and equity, which is consistent with how we assess our leverage ratios and how we present them to our rating agencies.
  - — Corporate capitalization shows debt on a deconsolidated basis.
  - — Capitalization at our share, which reflects our proportionate interest in the underlying entities, depicts the extent to which our underlying assets are leveraged, which we believe is an important component of enhancing shareholder returns.
  - — Consolidated capitalization reflects the full consolidation of wholly owned and partially owned entities; however, it excludes amounts within equity accounted investments.

BROOKFIELD ENERGY MARKETING

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT GENERATION AND PER MWH INFORMATION)	Three Months						Last Twelve Months					
	Generation (GWh)		FFO		Per MWh		Generation (GWh)		FFO		Per MWh	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Contracted	**468**	786	**$ 40**	$ 66	**$ 85**	$ 84	**2,663**	3,244	**$ 223**	$ 259	**$ 84**	$ 80
Uncontracted and financial contracts	**1,003**	1,265	**43**	70	**43**	55	**5,538**	5,877	**290**	265	**52**	45
	1,471	2,051	**83**	136	**56**	66	**8,201**	9,121	**513**	524	**63**	57
Less: Purchases from BEP	**(1,471)**	(2,051)	**(93)**	(141)	**(63)**	(69)	**(8,201)**	(9,121)	**(553)**	(617)	**(67)**	(68)
FFO	**—**	—	**$ (10)**	$ (5)	**$ (7)**	$ (3)	**—**	—	**$ (40)**	$ (93)	**$ (4)**	$ (11)

Third Quarter:

- FFO deficit increased by $5 million primarily from higher energy and capacity prices, particularly in our U.S. Northeast market, which was more than offset by lower realized pricing on short-term financial contracts, decreasing overall uncontracted FFO to $43/MWh compared to $55/MWh in the prior year quarter. The benefits from higher realized prices from uncontracted sales were also offset by lower deliveries on our contracted power resulting from a contract volume step-down.
  - Ancillary revenues including capacity payments, green credits and revenues generated for the peaking ability of our plants totaled $18 million (2017 – $41 million), decreasing average realized prices by $6/MWh (2017 – increasing average realized prices by $20/MWh).

Energy Marketing Restructuring:

- Subsequent to quarter end, BEP announced that it will internalize its power marketing capabilities in North America consistent with BEP's capabilities in other parts of the world. As a result, we will transfer our energy marketing function, including applicable costs to BEP, and will no longer charge an energy marketing fee. No material impact to FFO is expected as a result of this restructuring as the fees were effectively cost-recovery.
- To further simplify our structure, we have transferred or amended our long-term power contracts with BEP, such that BEP will assume all of the benefits of the Ontario contracts and in return will reduce the price paid by BAM to BEP on the remaining New York contract. The Ontario contracts had provided a positive FFO contribution as the contract rates received by us are above the rates that we acquired the underlying power from BEP. The New York contract price reduction is an incremental $3/MWh per year from 2021 to 2025 and $5.27/MWh in 2026 resulting in an approximate $20/MWh reduction in price by 2026 for the remaining years of the contract, expiring in 2046. These amendments were completed on a value neutral basis based on the projected future cash flows.

COMMON SHARE INFORMATION

Common Share Continuity

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months		LTM	
	2018	2017	**2018**	2017
Outstanding at beginning of period	**957.5**	958.7	**959.3**	959.3
Issued (repurchased)				
Repurchases	**—**	—	**(6.6)**	(3.4)
Long-term share ownership plans	**1.4**	0.5	**6.1**	3.1
Dividend reinvestment plan	**—**	0.1	**0.1**	0.3
Outstanding at end of period	**958.9**	959.3	**958.9**	959.3
Unexercised options and other share-based plans	**46.1**	48.2	**46.1**	48.2
Total diluted shares at end of period	**1,005.0**	1,007.5	**1,005.0**	1,007.5

- The company holds 34.0 million common shares for management share ownership plans, which have been deducted from the total number of shares outstanding.
  - 6.9 million shares would be issued in respect of these plans if exercised based on current market prices and the balance would be canceled.
- Cash value of unexercised options at September 30, 2018 was $1.1 billion (December 31, 2017 – $994 million).

FFO and Earnings Per Share Information

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	Funds from Operations		Net Income	
	2018	2017	**2018**	2017
FFO/Net income	**$ 1,085**	$ 809	**$ 163**	$ 228
Preferred share dividends	**(38)**	(35)	**(38)**	(35)
Dilutive effect of conversion of subsidiary preferred shares	**—**	—	**(20)**	—
FFO/Net income available for shareholders	**$ 1,047**	$ 774	**$ 105**	$ 193
Weighted average shares	**957.9**	958.9	**957.9**	958.9
Dilutive effect of the conversion of options and other share-based plans using treasury stock method	**20.1**	21.6	**20.1**	21.6
Shares and share equivalents	**978.0**	980.5	**978.0**	980.5
Per share	**$ 1.07**	$ 0.79	**$ 0.11**	$ 0.20

FINANCIAL PERFORMANCE (IFRS)

Condensed Statements of Operations

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	2018	2017	Change
Revenue	**$ 14,858**	$ 12,276	$ 2,582
Direct costs	**(11,967)**	(10,034)	(1,933)
Gross margin	**2,891**	2,242	649
Other income and gains	**144**	(29)	173
Equity accounted income	**50**	505	(455)
Expenses			
Interest	**(1,274)**	(932)	(342)
Corporate costs	**(25)**	(24)	(1)
Fair value changes	**132**	132	—
Depreciation and amortization	**(833)**	(643)	(190)
Income tax	**(144)**	(259)	115
Net income	**941**	992	(51)
Non-controlling interests	**(778)**	(764)	(14)
Net income attributable to shareholders	**$ 163**	$ 228	$ (65)
Per share	**$ 0.11**	$ 0.20	$ (0.09)

Financial Highlights

- **Revenues** increased by $2.6 billion due largely to recent acquisitions, most notably Westinghouse, our power generation industry services provider acquired in August 2018. Organic growth initiatives and pricing increases at existing operations also contributed to the increase in revenue, most significantly at our graphite electrode manufacturing business. These increases were partially offset by the absence of revenue from assets sold and the impact of foreign exchange.
- **Gross margin** was positively impacted by the contributions of acquisitions, favorable pricing in our Renewable Power segment, strong leasing activity in our core office properties and improved performance in our Private Equity segment, in particular our graphite electrode manufacturing business.
- **Other income and gains** relate primarily to gains on the sale of a portfolio of self-storage assets in our Real Estate segment.
- **Equity accounted income** decreased as positive operating income was offset by appraisal and valuation losses at various equity accounted investments.
- **Interest expense** increased due to debts assumed from acquired businesses, higher borrowings used to finance acquisitions and the issuance of an additional $1.0 billion of corporate debt in the last twelve months.
- **Fair value changes** include the impact of consolidating GGP and our marine energy services business in the Private Equity segment, appraisal gains on core office properties and unrealized gains on financial contracts, partially offset by successful deal costs and a one-time charge at our private equity energy operations.
- **Income tax expense** decreased due to non-taxable gains attributed to the consolidation of our marine energy services business and a higher proportion of income earned in partially owned flow through entities for which our consolidated tax provision includes only our proportionate share of these entities' provisions.
- **Net income attributable to shareholders** decreased due to the aforementioned items as well as the impact of our diluted ownership interest in BPY following the GGP privatization.

Entity Basis – Reconciliation to Reportable Segments – Invested Capital

AS AT SEP 30, 2018 (MILLIONS)	Reportable Segments							
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	**Total**
Asset Management								
Fee related earnings	$ 331	$ —	$ —	$ —	$ —	$ —	$ —	**$ 331**
Carried interest, net	—	—	—	—	—	—	—	**—**
	331	—	—	—	—	—	—	**331**
Invested Capital								
Listed investments								
Brookfield Property Partners[1]	—	15,667	—	—	—	—	—	**15,667**
Brookfield Renewable Partners	—	—	3,625	—	—	—	—	**3,625**
Brookfield Infrastructure Partners	—	—	—	1,815	—	—	—	**1,815**
Brookfield Business Partners	—	—	—	—	1,982	—	—	**1,982**
Other listed investments								
Acadian Timber	—	—	—	86	—	—	—	**86**
Norbord	—	—	—	—	1,332	—	—	**1,332**
Other listed – private equity	—	—	—	—	622	—	—	**622**
	—	15,667	3,625	1,901	3,936	—	—	**25,129**
Financial assets	—	—	—	—	—	—	2,341	**2,341**
	—	15,667	3,625	1,901	3,936	—	2,341	**27,470**
Unlisted investments								
Residential development	—	—	—	—	—	2,578	—	**2,578**
Energy marketing	—	—	706	—	—	—	—	**706**
Sustainable resources	—	—	—	578	—	—	—	**578**
Other corporate	—	—	—	—	—	—	42	**42**
Other	—	1,304	—	66	362	—	—	**1,732**
	—	1,304	706	644	362	2,578	42	**5,636**
Capitalization								
Borrowings	—	—	—	—	—	—	(6,661)	**(6,661)**
Net working capital/operating costs	—	—	—	—	—	—	107	**107**
Preferred shares	—	—	—	—	—	—	(4,192)	**(4,192)**
	—	—	—	—	—	—	(10,746)	**(10,746)**
	$ 331	$ 16,971	$ 4,331	$ 2,545	$ 4,298	$ 2,578	$ (8,363)	**$ 22,691**

1. *Includes $765 million of BPY preferred shares*

Entity Basis – Reconciliation to Reporting Segments – Three Months FFO

FOR THE THREE MONTHS ENDED SEP. 30, 2018 (MILLIONS)	Reporting Segments: Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	Total
Asset Management								
Fee related earnings	$ 320	$ —	$ —	$ —	$ —	$ —	$ —	**$ 320**
Carried interest, net	—	—	—	—	—	—	—	**—**
	320	—	—	—	—	—	—	**320**
Invested Capital								
Listed investments								
Brookfield Property Partners[1]	—	175	—	—	—	—	—	**175**
Brookfield Renewable Partners	—	—	58	—	—	—	—	**58**
Brookfield Infrastructure Partners	—	—	—	73	—	—	—	**73**
Brookfield Business Partners	—	—	—	—	52	—	—	**52**
Other listed investments								
Acadian Timber	—	—	—	2	—	—	—	**2**
Norbord	—	—	—	—	68	—	—	**68**
Other listed – private equity	—	—	—	—	—	—	—	**—**
	—	175	58	75	120	—	—	**428**
Financial assets	—	—	—	—	—	—	19	**19**
	—	175	58	75	120	—	19	**447**
Unlisted investments								
Residential development	—	—	—	—	—	16	—	**16**
Energy marketing	—	—	(10)	—	—	—	—	**(10)**
Sustainable resources	—	—	—	5	—	—	—	**5**
Other corporate	—	—	—	—	—	—	1	**1**
Other	—	8	—	—	7	—	—	**15**
	—	8	(10)	5	7	16	1	**27**
Disposition Gains	—	281	—	—	120	—	—	**401**
Capitalization[2]								
Borrowings	—	—	—	—	—	—	(83)	**(83)**
Net working capital/operating costs	—	—	—	—	—	—	(27)	**(27)**
	—	—	—	—	—	—	(110)	**(110)**
	$ 320	$ 464	$ 48	$ 80	$ 247	$ 16	$ (90)	**$ 1,085**

1. *Includes $16 million of BPY preferred share distributions*
2. *Excludes $38 million (2017 – $35 million) of preferred share distributions for the three months, which are included in determining per share results*

Entity Basis – Reconciliation to Reporting Segments – LTM FFO

FOR THE LTM ENDED SEP 30, 2018 (MILLIONS)	Reporting Segments: Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	Total
Asset Management								
Fee related earnings	$ 1,218	$ —	$ —	$ —	$ —	$ —	$ —	**$ 1,218**
Carried interest, net	68	—	—	—	—	—	—	**68**
	1,286	—	—	—	—	—	—	**1,286**
Invested Capital								
Listed investments								
Brookfield Property Partners[1]	—	770	—	—	—	—	—	**770**
Brookfield Renewable Partners	—	—	347	—	—	—	—	**347**
Brookfield Infrastructure Partners	—	—	—	325	—	—	—	**325**
Brookfield Business Partners	—	—	—	—	76	—	—	**76**
Other listed investments								
Acadian Timber	—	—	—	6	—	—	—	**6**
Norbord	—	—	—	—	281	—	—	**281**
Other listed – private equity	—	—	—	—	—	—	—	**—**
	—	770	347	331	357	—	—	**1,805**
Financial assets	—	—	—	—	—	—	116	**116**
	—	770	347	331	357	—	116	**1,921**
Unlisted investments								
Residential development	—	—	—	—	—	93	—	**93**
Energy marketing	—	—	(40)	—	—	—	—	**(40)**
Sustainable resources	—	—	—	23	—	—	—	**23**
Other corporate	—	—	—	—	—	—	15	**15**
Other	—	36	—	—	17	—	—	**53**
	—	36	(40)	23	17	93	15	**144**
Disposition Gains	—	939	—	244	241	—	—	**1,424**
Capitalization[2]								
Borrowings	—	—	—	—	—	—	(311)	**(311)**
Net working capital/operating costs	—	—	—	—	—	—	(118)	**(118)**
	—	—	—	—	—	—	(429)	**(429)**
	$ 1,286	$ 1,745	$ 307	$ 598	$ 615	$ 93	$ (298)	**$ 4,346**

1. *Includes $73 million of BPY preferred share distributions*
2. *Excludes $153 million (2017 – $139 million) of preferred share distributions for the LTM, which are included in determining per share results*

RECONCILIATION OF NET INCOME TO FFO

The following table reconciles net income to total FFO:

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	2018	2017
Net income	**$ 941**	$ 992
Realized disposition gains recorded as fair value changes or equity	**387**	232
Non-controlling interests in FFO	**(1,415)**	(1,073)
Financial statement components not included in FFO		
Equity accounted fair value changes and other non-FFO items	**446**	(15)
Fair value changes	**(132)**	(132)
Depreciation and amortization	**833**	643
Deferred income taxes	**25**	162
Total FFO	**$ 1,085**	$ 809

GLOSSARY OF TERMS

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 103 through 108 of our December 31, 2017 annual report.

- **Fee Bearing Capital** represents the capital committed, pledged or invested in the listed partnerships, private funds and public securities that we manage which entitles us to earn fee revenues. Fee bearing capital includes both called ("invested") and uncalled ("pledged" or "committed") amounts. When reconciling period amounts we utilize the following definitions:
  - — **Inflows** include capital commitments and contributions to our private and public securities funds and equity issuances in our listed partnerships.
  - — **Outflows** represent distributions and redemptions of capital from within the public securities capital.
  - — **Distributions** represent quarterly distributions from listed partnerships 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, listed partnerships and public securities based on market prices.
  - — **Other** include changes in net non-recourse leverage included in the determination of listed partnership capitalization and the impact of foreign exchange fluctuations on non-U.S. dollar commitments.
- **Cash available for distribution/reinvestment** is a non-IFRS measure and is the sum of our Asset Management segment FFO and distributions received from our listed investments, net of Corporate FFO and preferred share dividends. This provides insight into earnings received by the corporation that are available for distribution to common shareholders or to be reinvested into the business.
- **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 listed partnerships' current annual distribution policies, annualized transaction and public securities performance fees equal a simple average of the last two years' revenues.
- **Fee Related Earnings** is comprised of fee revenues less direct costs associated with earning those fees, which include employee expenses and professional fees as well as business related technology costs, other shared services and taxes. We use this measure to provide additional insight into the operating profitability of our asset management activities.
- **Carried Interest** is a contractual arrangement whereby we receive a fixed percentage of investment gains generated within a private fund provided that the investors receive a pre-determined minimum return. Carried interest is typically paid towards the end of the life of a fund after the capital has been returned to investors and may be subject to "clawback" until all investments have been monetized and minimum investment returns are sufficiently assured. This is referred to as **realized carried interest**. We defer recognition of carried interest in our financial statements until they are no longer subject to adjustment based on future events. Unlike fees and incentive distributions, we only include carried interest earned in respect of third-party capital when determining our segment results.
  - — **Accumulated unrealized carried interest** is based on carried interest that would be receivable under the contractual formula at the period end date as if a fund was liquidated and all investments had been monetized at the values recorded on that date. **Unrealized carry** refers to the change in unrealized carry during a specified period, adjusted for realized carry.
  - — **Annualized target carried interest** represents the annualized carried interest we would earn on third-party private fund capital subject to carried interest based on the assumption that we achieve the targeted returns on the private funds. It is determined by multiplying the target gross return of a fund by the percentage carried interest and by the amount of third-party capital, and discounted by a utilization factor representing the average invested capital over the fund life.

GLOSSARY OF TERMS (cont'd)

- **Invested Capital** is the amount of common equity in our operating segments.
- **Fee Revenues** include base management fees, incentive distributions, performance fees and transaction fees presented within our Asset Management segment. Fee revenues exclude carried interest.
- **Funds from Operations ("FFO")** is a key measure of financial performance. FFO includes the fees that we earn from managing capital as well as our share of revenues earned and costs incurred within our operations, which include interest expense and other costs. FFO is defined as net income attributable to shareholders prior to fair value changes, depreciation and amortization, and deferred income taxes, and includes disposition gains that are not recorded in net income as determined under IFRS. FFO also includes the company's share of equity accounted investments' funds from operations on a fully diluted basis. Brookfield uses FFO to assess its operating results and believes that many of its shareholders and analysts also find this measure valuable to them.

  FFO and its per share equivalent are non-IFRS measures which do not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Net income is reconciled to FFO on slide 34.

  — FFO from **Operating Activities** represents the company's share of revenues less operating costs and interest expenses: it excludes carried interest, disposition gains, fair value changes, depreciation and amortization and 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.

  — **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.

- **Performance Fees** are paid to us when we exceed predetermined investment returns within BBU and on certain public securities portfolios. BBU performance fees are accrued quarterly based on the volume-weighted average increase in BBU unit price, whereas performance fees within public securities funds are typically determined annually. Performance fees are not subject to clawback.
- **Incentive Distributions** are determined by contractual arrangements and are paid to us by BPY, BEP, BIP and TERP and represent a portion of distributions paid by listed partnerships above a predetermined hurdle.
- **Base Management Fees** are determined by contractual arrangements, are typically equal to a percentage of fee bearing capital and are accrued quarterly. Private fund base fees are typically earned on fee bearing capital from third-party investors only and are earned on invested and/or uninvested fund capital, depending on the stage of the fund life.
- **Internal Rate of Return ("IRR")** is the annualized compounded rate of return of the fund, calculated since fund inception.
- **Multiple of Capital ("MoC")** represents the ratio of total distributions and estimates of remaining values to the equity invested.

CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

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 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.”

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.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: investment returns that are lower than target; the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behavior of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; governmental investigations; litigation; changes in tax laws; ability to collect amounts owed; catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, the corporation 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.

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”). 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 financial measures 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.