

BROOKFIELD ASSET MANAGEMENT INC.

Q1 2019 Supplemental — Information

Three Months Ended March 31, 2019

Our Business

We are a leading global alternative asset manager with over **\$365 billion** of assets under management including **\$150 billion** in fee bearing capital. We raise private and public capital from the world's largest institutional investors, sovereign wealth funds and individuals, with a focus on generating attractive investment returns that will allow our investors and their stakeholders to meet their goals and protect their financial future.

- ✓ **Investment focus** – Real Estate, Infrastructure, Renewable Power and Private Equity
- ✓ **Diverse products offering** – Core, value-add, opportunistic and credit strategies in both closed-end and long-life vehicles
- ✓ **Focused investment strategies** – we invest where we have a competitive advantage, such as our strong capabilities as an owner-operator, large scale capital and our global reach
- ✓ **Disciplined financing approach** – Debt is carefully employed to enhance returns while preserving capital throughout business cycles

In addition to our Asset Management Activities outlined above, we invest significant capital from our balance sheet in our managed entities alongside our clients creating an important alignment of interests. We refer to this as our Invested Capital which currently totals approximately \$44 billion.

Value Creation

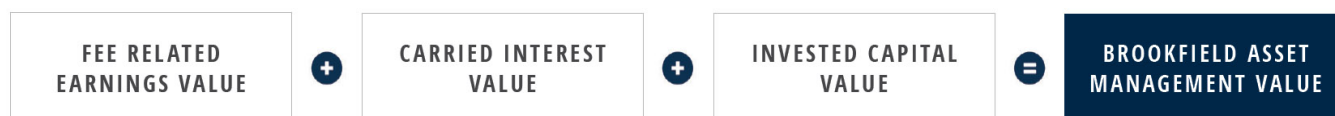
We create shareholder value by increasing the earnings of our Asset Management Activities and increasing the value of our Invested Capital.

Asset Management

1. Our fee related earnings are driven by increasing fee bearing capital. We track the value created by applying a multiple to our annualized fee related earnings.
2. Achieving attractive investment returns, which allows us to earn performance income (carried interest). We measure the value created by applying a multiple to our target carried interest, net of costs.

Invested Capital

3. Our Invested Capital grows through our assets generating increased cash flow, as well as capital appreciation. We achieve capital appreciation through operational improvements and disciplined recycling of the underlying assets. We measure the value created using a combination of market values and fair values as determined under IFRS.



Financial Profile

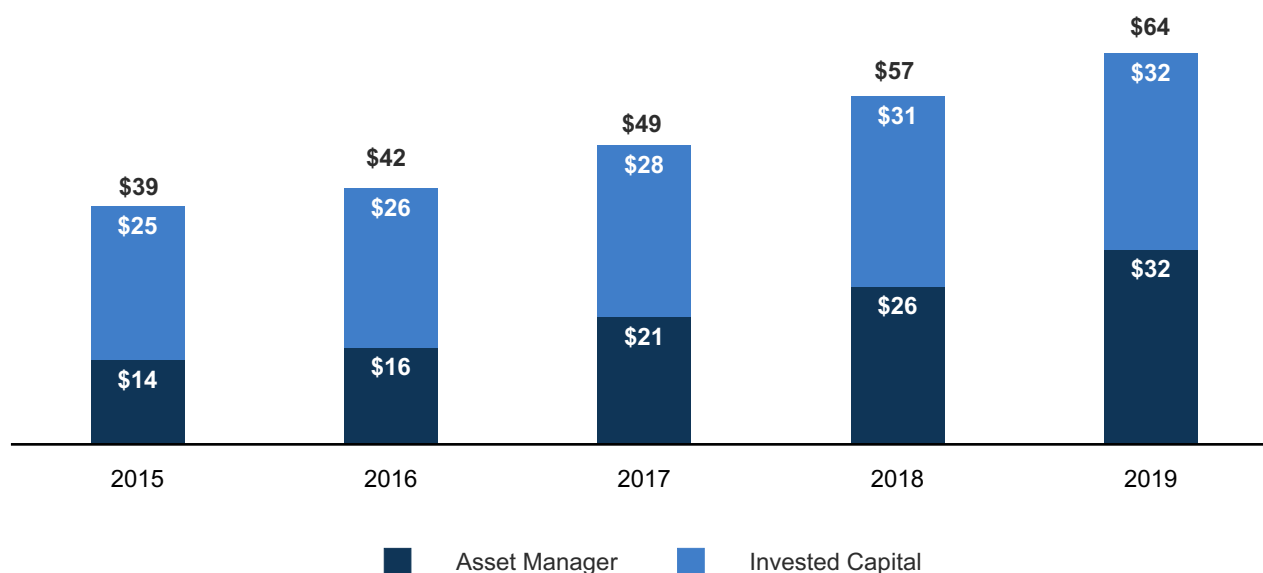
We measure value creation for business planning and performance measurement using a consistent set of metrics as set out in the table below. This analysis is similar to that used by our management team and board of directors when assessing performance and growth in our business. We provide it to you in order to assist you in understanding how we think about our business. These plan values are for illustrative purposes only and not intended to forecast or predict future events, or to measure intrinsic value.

AS AT	Base ¹	Plan Value Factor ²	Mar. 31 2019	Dec. 31 2018	Mar. 31 2018
	(MILLIONS)		(BILLIONS, EXCEPT FOR PER SHARE AMOUNT)		
Asset management activities					
Annualized fee related earnings ³	\$ 990	20x	\$ 19.8	\$ 18.5	\$ 17.1
Target carried interest, net ³	1,015	10x	10.2	10.0	7.3
Accumulated unrealized carried interest, net			1.9	1.7	1.7
			31.9	30.2	26.1
Invested capital, net⁴					
Listed investments			35.4	31.1	35.6
Unlisted investments and net working capital			8.6	8.4	6.0
Invested capital, gross			44.0	39.5	41.6
Debt and preferred capital			(11.6)	(10.6)	(10.6)
			32.4	28.9	31.0
Total plan value			\$ 64.3	\$ 59.1	\$ 57.1
Total plan value (per share)			\$ 63.98	\$ 59.26	\$ 56.90

1. Base fee related earnings and carried interest represent our annualized fee revenues and target carried interest, as at March 31, 2019. We assume a 60% margin on annualized fee revenues and a 70% margin on gross target carried interest.
2. Reflects Brookfield's estimates of appropriate multiples applied to fee related earnings and carried interest in the alternative asset management industry based on, among other things, industry reports. These factors are used to translate earnings metrics into value in order to measure performance and value creation for business planning purposes.
3. See definition in the glossary of terms starting on page 41.
4. See Invested Capital details on page 7.

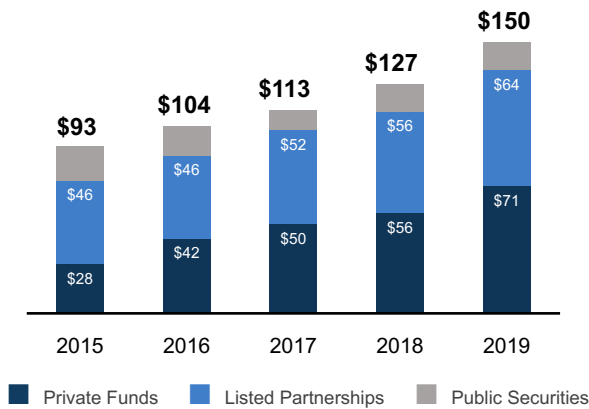
Plan Value

AS AT MAR. 31 (BILLIONS)

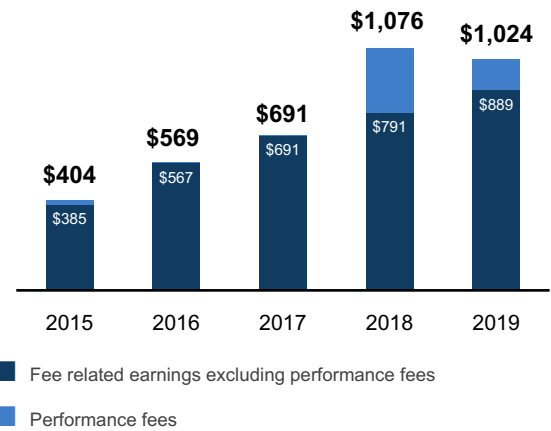


Performance Highlights

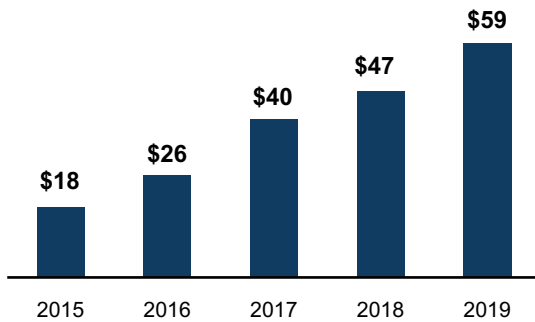
Fee Bearing Capital AS AT MAR. 31 (BILLIONS)



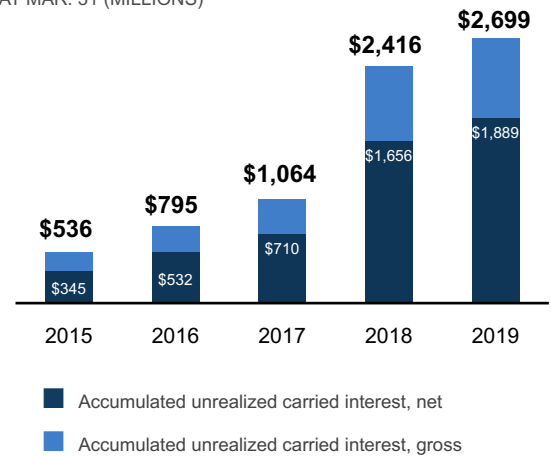
Fee Related Earnings FOR THE LTM ENDED MAR. 31, 2019 (MILLIONS)



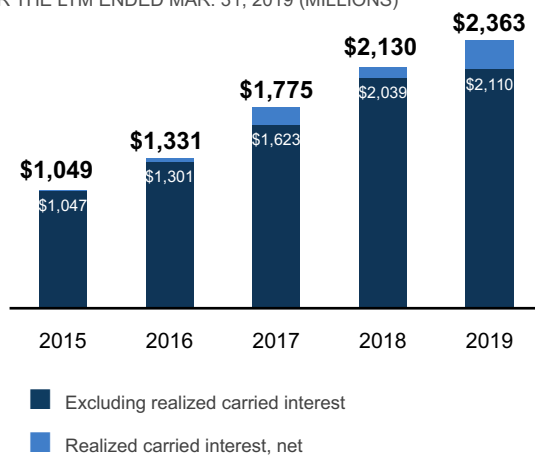
Carry Eligible Capital AS AT MAR. 31 (BILLIONS)



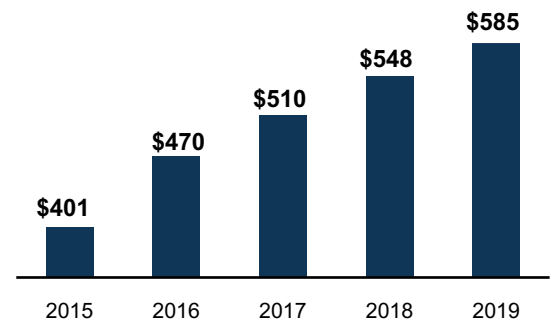
Accumulated Unrealized Carried Interest AS AT MAR. 31 (MILLIONS)



Cash Available for Distribution and/or Reinvestment¹ FOR THE LTM ENDED MAR. 31, 2019 (MILLIONS)



Distributions to Common Shareholders² FOR THE LTM ENDED MAR. 31, 2019 (MILLIONS)



1. Comparative numbers have been revised to reflect new definition. Refer to page 11 and glossary of terms starting on page 41.
2. Excludes special dividends.

Q1 – 2019 Highlights

\$150B

FEE BEARING CAPITAL

\$22B

PRIVATE FUNDS RAISED IN THE
LAST TWELVE MONTHS

\$36B

CORE LIQUIDITY & UNCALLED
FUND COMMITMENTS

- Fee bearing capital increased to \$150 billion, a \$12 billion increase since year end and a \$23 billion increase over the last twelve months (“LTM”).
 - The increase during the past twelve months reflects continued growth in our private funds and higher capitalization values at our listed partnerships.
- We closed \$22 billion of private fund commitments (\$18.2 billion third party) over the LTM:
 - BSREP III, the latest vintage of our flagship real estate fund, held its final close in January 2019. Total raised for the fund was \$15 billion, which is our largest fund to date.
 - We had a first close for our fifth flagship private equity fund which occurred in October 2018 and totaled \$7 billion.
 - Subsequent to March 31, we held additional closes for our fifth flagship private equity fund and our long-life infrastructure fund at the start of the second quarter. Later in May, we expect to close \$14 billion of initial commitments to our most recent infrastructure fund.
- Annualized fees and target carry reached \$3.1 billion, a 26% increase over the prior year quarter.
- We announced the acquisition of a 62% interest in Oaktree Capital Group (“Oaktree”) for total consideration of \$4.8 billion. Oaktree is recognized as a premier credit manager. We expect the deal to close during the third quarter.
- Funds from operations (“FFO”) for the LTM totaled \$4.3 billion and was consistent with the prior year as contributions from higher base management fees across our asset management franchise and a number of significant acquisitions made across our operating segment businesses were partially offset by lower performance fees, the absence of contributions from assets sold and lower realized disposition gains.
 - Fee related earnings were over \$1 billion in the LTM. This is in line with the prior year, despite the higher amount of performance fees arising from BBU unit price appreciation in the prior year.
- We generated \$632 million of unrealized carried interest during the LTM due to investment performance in our funds. Accrued unrealized carried interest is \$2.7 billion, or \$1.9 billion net of associated costs.
- Our debt and preferred capital profile remains conservative:
 - \$7 billion of corporate debt, with an average term of 10 years and corporate debt to capitalization ratio of less than 20%. This is supplemented with \$4 billion of perpetual preferred shares.
 - We completed a \$1 billion 10-year note issuance in January to supplement existing liquidity and pre-fund a corporate debt maturity due in April.
- Our deployable capital, including core liquidity and uncalled private fund commitments, remains strong at \$36 billion.
 - Liquidity is increasingly bolstered by free cash flow in Brookfield Asset Management. Over the last twelve months we generated cash flow available for distribution and/or reinvestment of \$2.4 billion.

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Asset Management

Fee bearing capital totaled \$150 billion across private funds, listed partnerships and public securities

PRIVATE FUNDS (\$71 billion)

- We manage private fund capital on behalf of 630 unique institutional investors. We earn base management fees on the committed and/or invested capital, as well as performance fees in the form of carried interest when achieving target returns in our funds.
- Fundraising over the last twelve months has contributed \$18 billion to fee bearing capital, leading to an increase of approximately \$170 million in annualized fees and approximately \$460 million in target carried interest.

LISTED PARTNERSHIPS (\$64 billion)

- We earn base management fees on total capitalization and earn performance fees when distributions (for BPY, BIP and BEP) or unit price (for BBU) exceed pre-determined thresholds.
- Each of BPY, BIP and BEP have declared distribution increases within their stated guidance of 5% – 9% annually.

PUBLIC SECURITIES (\$15 billion)

- Consists of public funds and separately managed accounts, focused on fixed income and equity securities within the real estate, infrastructure and natural resources asset classes.
- We earn management fees based on committed capital and fund net asset value, as well as performance fees.

AS AT AND FOR THE LTM ENDED MAR. 31 (MILLIONS)	Fee Bearing Capital		Actual		Annualized ¹	
	2019	2018	2019	2018	2019	2018
Fee revenues						
Base management fees						
Private funds	\$ 70,794	\$ 55,687	\$ 615	\$ 446	\$ 644	\$ 500
Listed partnerships	63,546	56,195	518	544	545	525
Public securities	15,242	15,083	117	92	120	120
Incentive distributions	n/a	n/a	220	163	255	198
Performance fees	n/a	n/a	135	285	65	65
Transaction and advisory fees	n/a	n/a	13	28	21	17
	<u>\$ 149,582</u>	<u>\$ 126,965</u>	<u>1,618</u>	<u>1,558</u>	<u>1,650</u>	<u>1,425</u>
Direct costs			(594)	(482)	(660)	(570)
Fee related earnings ("FRE") ²			1,024	1,076	990	855
Carried interest, gross ³			632	1,470	1,450	1,040
Direct costs ⁴			(146)	(433)	(435)	(312)
Carried interest, net			486	1,037	1,015	728
Total			<u>\$ 1,510</u>	<u>\$ 2,113</u>	<u>\$ 2,005</u>	<u>\$ 1,583</u>

1. Refer to pages 18, 19, 20 and 22 for details on the determination of annualized fees.

2. Annualized fee related earnings assumes 60% margin. We use a 55% – 65% margin for planning purposes.

3. Actual carried interest is unrealized carried interest generated in the period (refer to page 21). Annualized carried interest is target carried interest (refer to page 22).

4. We assume 70% margin on carried interest. We use a range of 65% – 75% for planning purposes (refer to page 22).

Invested Capital

Invested capital was \$44 billion on a blended basis at March 31, 2019 with approximately 80% invested in our listed partnerships (BPY, BIP, BEP, BBU) and other publicly traded investments, in which we earn diversified, long-term, stable cash flows from dividends.

- We earned \$1.7 billion in dividends from our investments over the last twelve months (March 31, 2018 – \$1.4 billion) representing an approximate 5% yield on invested capital.

Unlisted investments include a commercial office portfolio in New York, residential development operations in North America and Brazil, energy contracts, sustainable resources and other corporate seed investments.

The following table provides a breakdown of our invested capital as at March 31, 2019 and December 31, 2018. We provide three methods for you to review. These are quoted prices, our IFRS values, and a blended column. We recommend you focus on the blended column as we do have control over those assets and believe we could liquidate for IFRS values. So to the extent quoted prices are less than IFRS values, those values may be relevant to a stock investor, but not to us as a control investor. Nonetheless, we provide this information so you can choose how to assess the numbers.

	Quoted ¹		IFRS		Blended ²		Distributed Cash Flow
	2019	2018	2019	2018	2019	2018	Current ³
BPY	\$ 10,910	\$ 8,855	\$ 15,455	\$ 15,595	\$ 15,455	\$ 15,595	\$ 701
BEP	6,019	4,879	4,679	4,749	6,019	4,879	388
BIP	4,927	4,063	1,958	1,916	4,927	4,063	237
BBU	3,477	2,671	2,065	2,017	3,477	2,671	22
Other listed	1,665	1,584	2,011	1,949	1,665	1,584	61
	26,998	22,052	26,168	26,226	31,543	28,792	1,409
Corporate cash and financial assets ⁴	3,894	2,275	3,894	2,275	3,894	2,275	238
Total listed investments	\$ 30,892	\$ 24,327	30,062	28,501	35,437	31,067	1,647
Unlisted investments			6,576	6,314	7,585	7,355	56
Working capital, net			1,035	1,081	1,035	1,081	n/a
Invested capital			37,673	35,896	44,057	39,503	\$ 1,703
Debt and preferred capital			(11,608)	(10,577)	(11,608)	(10,577)	
Invested capital, net			\$ 26,065	\$ 25,319	\$ 32,449	\$ 28,926	

1. Quoted based on March 31, 2019 and December 31, 2018 public pricing, respectively.

2. 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.

3. Distributed cash flow (current) is calculated by multiplying units held as at March 31, 2019 by the current distribution rates per unit.

4. Corporate cash and financial assets is inclusive of \$2.6 billion of cash and cash equivalents (2018 – \$1.3 billion).

Summary of Results – Funds from Operations

We generated over \$4 billion in FFO over the LTM, consistent with the prior period

	Three Months		LTM		Page Ref.
	2019	2018	2019	2018	
FOR THE PERIODS ENDED MAR. 31 (MILLIONS, EXCEPT FOR PER SHARE AMOUNTS)					
Fee related earnings					
Base management fees					
Private funds	\$ 172	\$ 124	\$ 615	\$ 446	page 18
Listed partnerships	137	130	518	544	page 19
Public securities	27	27	117	92	page 19
Incentive distributions (“IDRs”)	64	50	220	163	
Transaction and advisory fees	—	1	13	28	
Total fee revenues	400	332	1,483	1,273	
Direct costs	(162)	(132)	(594)	(482)	
Fee related earnings before performance fees	238	200	889	791	
Performance fees	—	143	135	285	
Fee related earnings	A 238	343	1,024	1,076	page 17
INVESTED CAPITAL					
Listed partnerships					
BPY	168	210	758	780	page 31
BEP	130	110	401	349	page 31
BIP	92	89	330	335	page 31
BBU, before performance fees	139	99	452	222	page 31
	529	508	1,941	1,686	
Other listed investments	33	54	230	239	page 32
Corporate cash and financial assets	98	22	87	148	page 32
Listed investments before performance fees	660	584	2,258	2,073	
BBU performance fee, net to BAM	—	(97)	(92)	(194)	
	660	487	2,166	1,879	
Unlisted investments					
Residential	(22)	(33)	60	9	
Energy contracts	(48)	(10)	(129)	(46)	
Other	39	5	137	62	
	(31)	(38)	68	25	page 32
Corporate activities					
Corporate interest expense	(87)	(78)	(332)	(277)	
Corporate costs and taxes	(37)	(37)	(163)	(63)	
	(124)	(115)	(495)	(340)	page 29
Invested capital FFO	B 505	334	1,739	1,564	
Total operating FFO	A+B 743	677	2,763	2,640	
Realized carried interest					
Realized carried interest	119	24	349	118	
Direct costs	(34)	(4)	(96)	(27)	
Realized carried interest, net	C 85	20	253	91	page 21
Disposition gains	D 223	473	1,266	1,575	page 30
Total funds from operations^{1,2}	A+B+C+D \$ 1,051	\$ 1,170	\$ 4,282	\$ 4,306	
Per Share					
Total operating FFO	\$ 0.72	\$ 0.65	\$ 2.68	\$ 2.55	
Total FFO	1.04	1.16	4.23	4.25	

1. FFO excludes preferred share distributions of \$37 million (2018 – \$38 million) for the three months ended March 31 and \$150 million (2018 – \$147 million) for the LTM.

2. Refer to page 36 for reconciliations of IFRS to non-IFRS measures.

Funds From Operations

Total LTM funds from operations remained consistent on a period-over-period basis due to strong fee related earnings, same-store growth across our operating companies and the positive impact of recent acquisitions being offset by lower performance fees and disposition gains

THREE MONTHS:

Fee Related Earnings during the quarter were \$238 million, a 19% increase compared to the prior year quarter, excluding performance fees. We earned higher private fund fees as a result of new capital raised for our third real estate flagship fund and higher incentive distributions resulting from increased distribution levels at our listed partnerships. Further details on page 17.

Invested Capital FFO, before performance fees, increased by 17% primarily due to mark-to-market gains in our corporate cash and financial assets portfolio and contributions from new acquisitions within BBU's infrastructure services operations. Same-store growth at our renewable power and infrastructure businesses driven by improved pricing and higher volumes also contributed to the increase in FFO. These contributions were partially offset by higher corporate interest expense due to new debt issuances since the prior year quarter, reduced ownership of BPY following the privatization of GGP and the absence of FFO from assets sold since the prior year quarter.

Realized Carried Interest of \$119 million was recognized (\$85 million net of direct costs) during the quarter, mainly from our first flagship real estate fund.

Disposition Gains of \$223 million were recognized in the quarter. We sold a partial interest in certain Canadian hydroelectric assets, a partial interest in our Chilean toll road, our investment in a portfolio of retail assets in Shanghai and full or partial interests in a number of opportunistic investment properties. See page 30 for details.

LTM:

Fee Related Earnings were up 12% year over year prior to performance fees. After including performance fees the results were approximately \$1 billion, the same as last year as we had significant fees in the prior year comparative quarter. Base management fees increased due to higher fee bearing capital primarily as a result of strong fundraising in our private funds, partially offset by a slight decrease in the average capitalization values of our listed partnerships. Incentive distributions were higher due to increased distributions at BIP, BEP and BPY.

Invested Capital FFO increased by 11% due to significant contributions from recent acquisitions across the business. In addition, results at a number of our existing operations improved, most notably at our renewable power business and at our graphite electrode manufacturing business. These contributions were partially offset by the absence of FFO from assets sold, a decline in the performance of our corporate cash and financial assets portfolio in the fourth quarter of 2018, higher corporate interest expense and higher corporate tax expense.

Realized Carried Interest of \$349 million was recognized during the period (\$253 million net of direct costs), compared to \$118 million in the prior year (\$91 million net of direct costs). The current period LTM results include carry from our flagship private equity and real estate funds.

Disposition Gains of \$1.3 billion were recognized in the period. Assets sold in the LTM include a number of core office and retail properties, our U.S. logistics portfolio, partial interests in our graphite electrode manufacturer, our Australian energy operations, partial interests in certain Canadian hydroelectric assets and a partial interest in our Chilean toll road operations.

Funds from Operations and Net Income

FOR THE PERIODS ENDED MAR. 31
(MILLIONS, EXCEPT PER SHARE
AMOUNTS)

	Three Months				LTM			
	FFO ¹		Net Income ¹		FFO ¹		Net Income ¹	
	2019	2018	2019	2018	2019	2018	2019	2018
Operating activities								
Fee related earnings	\$ 238	\$ 343	\$ 238	\$ 343	\$ 1,024	\$ 1,076	\$ 1,024	\$ 1,076
Invested capital	505	334	505	334	1,739	1,564	1,739	1,564
	<u>743</u>	<u>677</u>	<u>743</u>	<u>677</u>	<u>2,763</u>	<u>2,640</u>	<u>2,763</u>	<u>2,640</u>
Realized carried interest	85	20	85	20	253	91	253	91
Realized disposition gains ²	223	473	(9)	72	1,266	1,575	85	215
Fair value changes ³	—	—	143	167	—	—	657	304
Depreciation and amortization ³	—	—	(313)	(273)	—	—	(1,147)	(967)
Deferred income taxes ³	—	—	(34)	194	—	—	731	73
	<u>\$ 1,051</u>	<u>\$ 1,170</u>	<u>\$ 615</u>	<u>\$ 857</u>	<u>\$ 4,282</u>	<u>\$ 4,306</u>	<u>\$ 3,342</u>	<u>\$ 2,356</u>
Per share	<u>\$ 1.04</u>	<u>\$ 1.16</u>	<u>\$ 0.58</u>	<u>\$ 0.84</u>	<u>\$ 4.23</u>	<u>\$ 4.25</u>	<u>\$ 3.18</u>	<u>\$ 2.26</u>

1. Net of non-controlling interests. Refer to page 36 for reconciliations of IFRS to non-IFRS measures.

2. FFO includes gains (net of losses) recorded in net income, directly in equity and the realization of appraisal gains and losses recorded in prior periods.

3. Includes amounts attributable to consolidated entities and equity accounted investments.

Refer to pages 17, 21, 29 and 30 for discussions of fee related earnings, realized carried interest, FFO from invested capital and realized disposition gains, respectively.

THREE MONTHS:

Fair value changes in the current quarter relate primarily to appraisal gains on investment properties in our core office and LP investments portfolios, partially offset by deal costs on completed transactions and mark-to-market losses on certain financial contracts.

Depreciation and amortization expenses increased due to the impact of recent acquisitions as well as the adoption of the new lease accounting standard.

Deferred income taxes for the prior period include a recovery relating to a reorganization that reduced the effective rate in our real estate business.

LTM:

Fair value changes in the LTM include appraisal gains on investment properties, most notably in our LP investments portfolios, gains on step-up acquisitions completed in the third quarter of 2018 and a transaction-related gain on a hospitality asset. These gains were partially offset by transaction costs, one-time charges in our infrastructure transport operations and private equity industrial operations and the net impact of mark-to-market losses on certain financial contracts.

Depreciation and amortization expenses increased due to the impact of recent acquisitions as well as the adoption of the new lease accounting standard.

Deferred income taxes positively contributed to net income in the LTM primarily due to the sizable recovery recognized in the fourth quarter of 2018 relating to higher projected taxable income in our revised business plan that we expect to be able to offset with previously unrecognized net operating losses.

Cash Available for Distribution and/or Reinvestment

Over the last twelve months we generated \$2.4 billion of cash available for distribution to shareholders and/or reinvestment within our business, an 11% increase from the prior period

FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Three Months		LTM		
	2019	2018	2019	2018	
Fee related earnings (see page 17)	A \$ 238	\$ 343	\$ 1,024	\$ 1,076	
Distributions from investments (see page 33)					
Listed partnerships					
BPY ¹	181	173	704	662	
BEP	99	94	375	357	
BIP	61	54	229	202	
BBU	5	5	22	21	
	346	326	1,330	1,242	
Corporate cash and financial assets ²	7	46	117	112	
Other investments ³	30	18	244	71	
	B 383	390	1,691	1,425	
Other invested capital earnings					
Corporate activities	(124)	(115)	(495)	(340)	
Other wholly owned investments ⁴	(39)	(38)	40	25	
	C (163)	(153)	(455)	(315)	
Preferred share dividends	D (37)	(38)	(150)	(147)	
Cash available for distribution and/or reinvestment before realized carried interest	A+B+C+D=E	421	542	2,110	2,039
Realized carried interest, net (see page 21)	F	85	20	253	91
Cash available for distribution and/or reinvestment⁵	E+F	\$ 506	\$ 562	\$ 2,363	\$ 2,130

1. Includes distributions from BPY preferred shares.

2. Represents cash distributions received from our portfolio of corporate cash and financial assets.

3. Includes cash distributions from Norbord, Acadian, Vistra and a 27.5% interest in BAM-sponsored real estate venture that owns operating and development properties in New York.

4. Relates to FFO from other wholly owned investments used as a proxy for cash generated. It includes total FFO from unlisted investments excluding the New York property portfolio mentioned above which generated \$8 million and \$28 million of FFO for the three months and LTM ended March 31, 2019.

5. Comparative numbers have been revised to reflect new definition. Refer to glossary of terms starting on page 41. Refer to page 36 for reconciliations of IFRS to non-IFRS measures.

THREE MONTHS:

Fee related earnings and **realized carried interest**: refer to pages 17 and 21 respectively.

Distributions from investments decreased slightly from the prior year quarter. Although distributions increased across the listed partnerships supported by continued FFO growth, these increases were offset by lower cash generated by our corporate cash and financial assets portfolio and by the redemption of the majority of BPY preferred shares, yielding on average 6% annually, that were held during the prior year quarter.

Other invested capital earnings decreased due to higher corporate interest expenses.

Preferred share dividends decreased slightly as we bought back shares across different series through our NCIB program during the most recent two quarters.

LTM:

Distributions from investments were higher across the listed partnerships supported by continued FFO growth; there was also a \$103 million one-time special distribution in the third quarter of 2018 from our investment in Norbord.

Other invested capital earnings decreased compared to the prior year due to the absence of current tax recoveries in our Corporate segment, increased interest expense from corporate debt issuances and higher losses on our energy contracts, partially offset by improved performance in our residential homebuilding business.

Liquidity and Capital Structure

We manage our liquidity and capital resources on a group-wide basis; however, it is organized into three principal tiers:

1. The Corporation¹;
2. Our listed partnerships (BPY, BEP, BIP and BBU); and
3. Managed funds, or operating asset level in directly held investments

LIQUIDITY

The Corporation has very few non-discretionary capital requirements. We maintain significant liquidity (\$6 billion in the form of corporate cash and financial assets and undrawn credit facilities) at the corporate level to further enable the growth of the broader business. This does not include our ability to issue debt at the Corporation to replenish our cash resources on an otherwise low leveraged balance sheet.

On a consolidated group basis, we have approximately \$36 billion of group liquidity, which includes corporate liquidity, listed partnership liquidity, and uncalled private fund commitments. Uncalled fund commitments include third-party commitments available for drawdown in our private funds.

AS AT MAR. 31, 2019 AND DEC. 31, 2018 (MILLIONS)	Corporate Liquidity		Group Liquidity	
	2019	2018	2019	2018
Cash and financial assets, net	\$ 3,894	\$ 2,275	\$ 5,553	\$ 3,752
Undrawn committed credit facilities	1,865	1,867	6,243	7,061
Core liquidity	5,759	4,142	11,796	10,813
Third-party uncalled private fund commitments	—	—	24,511	23,575
Total liquidity	\$ 5,759	\$ 4,142	\$ 36,307	\$ 34,388

CAPITAL STRUCTURE

Virtually all of the debt within our business is issued by entities that we manage, and most of this is at the operating asset level. Only 6% of our consolidated debt is issued by, or has recourse to, the Corporation.

Our Corporate capitalization is \$41 billion as at March 31, 2019 with a debt to capitalization level of ~18% at the corporate level based on book values, which generally excludes the value of our asset management operations (see page 34 for details). On April 9, 2019, we repaid C\$600 million notes (\$450 million USD equivalent), reducing our debt to capitalization level to 17%.

- Corporate borrowings totaled \$7.5 billion, with a weighted-average term of 10 years, and a weighted-average yield of 4.6%. The April 9, 2019 note maturity reduced our corporate borrowings balance by \$450 million, with a slight increase to our weighted-average term and yield.
- Our corporate borrowings are supplemented by \$4 billion of perpetual preferred shares with a weighted-average yield of 4.2%.

Consolidated debt in the listed partnerships and managed funds are predominantly investment-grade debt with limited covenants and have no recourse to the corporation.

AS AT MAR. 31, 2019 (MILLIONS)	Average Term (Years)	Total	Maturity					
			2019	2020	2021	2022	2023	2024+
Corporate borrowings								
Term debt	10	\$ 7,459	\$ 450 ³	\$ —	\$ 262	\$ —	\$ 451	\$ 6,296
Revolving facilities ²	4	—	—	—	—	—	—	—
		7,459	450	—	262	—	451	6,296
Perpetual preferred shares	perp.	4,149	—	—	—	—	—	n/a
		\$ 11,608	\$ 450	\$ —	\$ 262	\$ —	\$ 451	\$ 6,296

1. References to "the Corporation" represent Brookfield Asset Management Inc.

2. Revolving credit facilities of \$1.9 billion support commercial paper issuances.

3. The \$450 million of term debt due in 2019 has been repaid in April 2019. We have no further borrowings maturing in 2019 or 2020.

Liquidity Profile

CORE AND TOTAL LIQUIDITY

AS AT MAR. 31, 2019 AND DEC. 31, 2018 (MILLIONS)	Corporate	Real Estate	Renewable Power	Infrastructure	Private Equity and Other	Total 2019	Dec. 2018
Cash and financial assets, net	\$ 3,894	\$ 35	\$ 319	\$ 482	\$ 823	\$ 5,553	\$ 3,752
Undrawn committed credit facilities	1,865	1,565	1,393	595	825	6,243	7,061
Core liquidity	5,759	1,600	1,712	1,077	1,648	11,796	10,813
Uncalled private fund commitments ¹	—	14,227	611	3,531	6,142	24,511	23,575
Total liquidity	\$ 5,759	\$ 15,827	\$ 2,323	\$ 4,608	\$ 7,790	\$ 36,307	\$ 34,388

1. Third-party private fund uncalled commitments.

- Corporate credit facilities totaled \$1.9 billion, of which \$nil was utilized for short-term bank or commercial paper borrowings and \$70 million was drawn and utilized for letters of credit at March 31, 2019.
- 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 MAR. 31, 2019 AND DEC. 31, 2018 (MILLIONS)	2019	2020	2021	2022	2023+	Total 2019	Dec. 2018
Real estate	\$ —	\$ 2,953	\$ —	\$ —	\$ 11,274	\$ 14,227	\$ 12,326
Infrastructure	—	2,801	—	—	1,341	4,142	5,090
Private equity	—	881	—	—	5,261	6,142	6,159
	\$ —	\$ 6,635	\$ —	\$ —	\$ 17,876	\$ 24,511	\$ 23,575

- 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 \$2 billion of third-party fund capital (private funds and co-investments) during the quarter; \$10 billion during the last twelve months.
- \$25 billion of uncalled commitments includes \$6 billion of third-party capital committed to transactions not yet closed as at March 31, 2019 (real estate – \$4 billion; infrastructure – \$1 billion; and private equity – \$1 billion).

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Detailed — Analysis

Asset Management Operating Results

FEE BEARING CAPITAL

AS AT AND FOR THE PERIODS ENDED MAR. 31, 2019 (MILLIONS)	Three Months			LTM			Total
	Private Funds ¹	Listed Partnerships	Public Securities	Private Funds ¹	Listed Partnerships	Public Securities	
Balance, beginning of period	\$ 69,812	\$ 54,339	\$ 13,377	\$ 55,687	\$ 56,195	\$ 15,083	\$ 126,965
Inflows	1,456	693	632	18,204	8,998	4,181	31,383
Outflows	—	—	(882)	—	—	(5,676)	(5,676)
Distributions	(114)	(1,594)	—	(2,649)	(5,220)	—	(7,869)
Market valuation	118	10,158	2,164	324	3,448	1,701	5,473
Other	(478)	(50)	(49)	(772)	125	(47)	(694)
Change	982	9,207	1,865	15,107	7,351	159	22,617
Balance, end of period²	\$ 70,794	\$ 63,546	\$ 15,242	\$ 70,794	\$ 63,546	\$ 15,242	\$ 149,582

1. Includes \$15.6 billion of co-investment capital (Dec. 31, 2018 – \$15.1 billion, Mar. 31, 2018 – \$9.6 billion), which earns minimal or no base fees.

2. Fee bearing capital includes Brookfield capital of \$30 billion (Dec. 31, 2018 – \$25 billion) in listed partnerships and \$0.3 billion (Dec. 31, 2018 – \$0.3 billion) in private funds.

Private funds: Inflows for the three month period include capital raised in our third flagship real estate fund (\$0.9 billion), as well as co-investment and separately managed account capital (\$0.5 billion). Over the LTM period we have raised \$18.2 billion in third party capital, including:

- \$4.7 billion for our third flagship real estate fund and \$4.2 billion for our fifth flagship private equity fund;
- \$0.9 billion across our long-life real estate funds and \$0.9 billion for our long-life infrastructure fund;
- \$6.4 billion of co-investment capital; and
- additional capital across other credit and multifamily strategies.

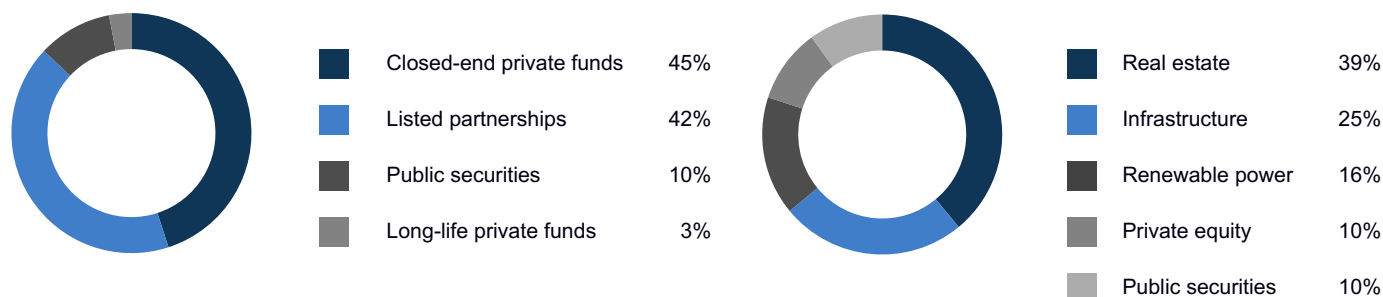
For further details on private fund capital flows in the period, refer to page 18.

Listed partnerships: Market valuation increased \$10.2 billion since December 2018 as a result of market recovery following the volatility at the end of 2018. Included within the increase is \$5 billion relating to BPY, following the merger it completed in 2018, which also benefited from significant unit price appreciation following announcement and completion of its Substantial Issuer Bid. For further details on listed partnership fee bearing capital in the period, refer to page 19.

Public securities: Market valuation increased \$2.2 billion in the period as a result of the net asset value of investments across our mutual funds and separately managed accounts.

Fee Bearing Capital Diversification

AS AT MAR. 31, 2019



Asset Management Operating Results

FEE RELATED EARNINGS

FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Three Months			LTM		
	2019	2018	Variance	2019	2018	Variance
Base management fees						
Private funds	\$ 163	\$ 124	\$ 39	\$ 581	\$ 446	\$ 135
– Catch-up fees	9	—	9	34	—	34
Listed partnerships	137	130	7	518	544	(26)
Public securities	27	27	—	117	92	25
Incentive distributions	64	50	14	220	163	57
Transaction and advisory fees	—	1	(1)	13	28	(15)
	400	332	68	1,483	1,273	210
Direct costs						
Compensation and benefits	(117)	(93)	(24)	(411)	(343)	(68)
Other expenses	(45)	(39)	(6)	(183)	(139)	(44)
	(162)	(132)	(30)	(594)	(482)	(112)
Fee related earnings before performance fees	238	200	38	889	791	98
Performance fees	—	143	(143)	135	285	(150)
Total fee related earnings	\$ 238	\$ 343	\$ (105)	\$ 1,024	\$ 1,076	\$ (52)
Margin – excluding performance fees	60%	60%		60%	62%	
Margin – including performance fees	60%	72%		63%	69%	

Private funds: Record fundraising levels for our latest series of real estate and private equity flagship funds drove a significant increase in private fund fee bearing capital and fee revenues. See page 18 for further details.

Listed partnerships: Lower listed partnership unit prices during the majority of 2018 contributed to lower listed partnership fee revenues for the LTM period. Unit prices recovered in the start of 2019 and resulted in higher fees for the three month period. See page 19 for further details.

Public securities: Fee revenues for the LTM period increased as a result of the acquisition of an energy and infrastructure investment advisor late in the first quarter of 2018. See page 19 for further details.

Incentive distributions: Reflects increased distribution levels at BIP, BEP and BPY. See page 20 for further details.

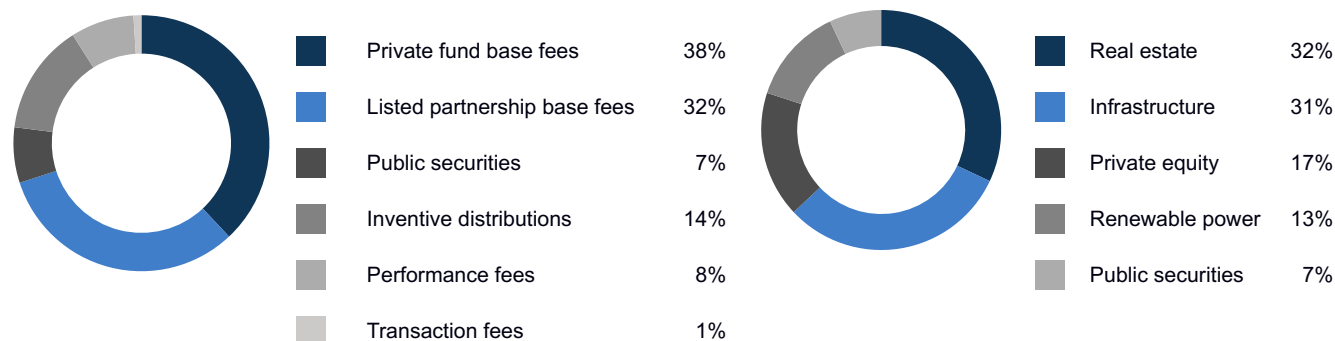
Transaction and advisory fees: Fees earned in the year relate to advisory fees in our real estate business and fees earned on co-investments within our infrastructure and private equity funds.

Direct costs: Direct costs increased as we continue to support the fundraising of our current series of flagship funds and the growth of other product offerings.

Performance fees: Represent 20% of the price increase per BBU unit over the previous threshold (“high-water mark”).

Fee Revenue Diversification

FOR THE LTM ENDED MAR. 31, 2019



Fee Revenues

PRIVATE FUNDS

Inflows of \$18 billion over the LTM increased private fund fee bearing capital to \$71 billion and contributed to a 32% increase in private fund fee revenues, including catch-up fees

AS AT AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Three Months		LTM		Annualized ¹	
	2019	2018	2019	2018	2019	2018
Base management fees						
Flagship funds						
Real estate	\$ 60	\$ 44	\$ 220	\$ 121	\$ 235	\$ 175
Infrastructure	43	43	173	173	170	170
Private equity	27	13	79	56	110	55
	<u>130</u>	<u>100</u>	<u>472</u>	<u>350</u>	<u>515</u>	<u>400</u>
Other fund series						
Credit and core plus	8	4	23	18	30	35
Co-investments and other	25	20	86	78	99	65
	<u>163</u>	<u>124</u>	<u>581</u>	<u>446</u>	<u>644</u>	<u>500</u>
Catch-up fees	9	—	34	—	—	—
Transaction and advisory fees	—	1	13	28	21	17
	<u>\$ 172</u>	<u>\$ 125</u>	<u>\$ 628</u>	<u>\$ 474</u>	<u>\$ 665</u>	<u>\$ 517</u>

1. Refer to details on annualized fees on page 24.

THREE MONTHS:

- Flagship fee revenues increased by \$30 million from the prior year quarter as a result of an increase of \$4.7 billion and \$4.2 billion of third-party commitments raised during the last twelve months within our latest flagship real estate and private equity funds, respectively. Incremental catch-up fees of \$9 million related to our third flagship real estate fund.
- Additional fees were earned from fundraising and deployment across our latest real estate credit and long-life funds, partially offset by the return of capital following asset dispositions.
- Co-investment fees increased as a result of significant co-investment capital raised relating to the privatization of GGP and Forest City during the third and fourth quarters of 2018, respectively.

LTM:

- Flagship: fee revenues increased by \$122 million as we closed \$8.9 billion of flagship fund capital during the last twelve months. We also earned incremental catch-up fees of \$34 million related to our third flagship real estate fund.
- Credit and core-plus: We raised \$1.8 billion of long-life capital during the last twelve months, including \$0.9 billion for our real estate long-life funds, as well as \$0.9 billion for our core infrastructure fund. Fees from these funds are earned based on net asset value of the fund. Fees relating to our credit funds increased from the prior year as a result of capital deployed. We also returned capital relating to our real estate credit and multifamily funds as a result of dispositions.
- Co-investments: We raised \$6.4 billion of co-investment capital during the year related to acquisitions, which included \$2.7 billion of co-investments related to the privatization of GGP and \$1.2 billion related to Forest City, as well as an additional \$1.1 billion and \$0.9 billion related to acquisitions within our flagship private equity and infrastructure funds, respectively. Additional co-investments relate to our credit and long-life fund series.

Fee Revenues

LISTED PARTNERSHIPS

	Three Months		LTM		Annualized ¹	
	2019	2018	2019	2018	2019	2018
AS AT AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)						
Base management fees						
Listed partnerships						
BPY	\$ 41	\$ 37	\$ 152	\$ 164	\$ 165	\$ 155
BEP	20	21	79	87	80	85
BIP	58	55	213	237	230	220
BBU	12	13	55	41	50	50
Other	6	4	19	15	20	15
	137	130	518	544	545	525
Incentive distributions	64	50	220	163	255	198
Performance fees	—	143	135	285	65	65
	\$ 201	\$ 323	\$ 873	\$ 992	\$ 865	\$ 788

1. Refer to details on annualized fees on page 24.

- Listed partnership base management fees increased by \$7 million in the quarter as a result of listed partnership unit price appreciation and capital markets activity since the prior year quarter. Lower listed partnership unit prices during the majority of 2018 contributed to lower listed partnership fee revenues for the LTM period.
- The listed partnership fee bearing capital includes \$5.7 billion related to BPY and BPR equity issued as a result of the GGP privatization. This capital is subject to a 12-month fee waiver which will expire at the end of August 2019. Additional inflows over the last twelve months include common and preferred units and debt issued by the listed partnerships.
- Incentive distributions increased reflecting higher unit distributions at BIP, BEP and BPY, partially offset by the repurchase of BPY shares as a result of its substantial issuer bid.
- Performance fees represent 20% of the price increase per BBU unit over the previous threshold. As at March 31, 2019 the threshold was \$41.96 (2018 – \$36.72).
- Base management fee revenues from listed partnerships include \$65 million (2018 – \$66 million) and \$260 million (2018 – \$271 million) from Brookfield capital for the three months and last twelve months, respectively.

PUBLIC SECURITIES

	Three Months		LTM		Annualized ¹	
	2019	2018	2019	2018	2019	2018
AS AT AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)						
Mutual funds	\$ 17	\$ 17	\$ 74	\$ 45	\$ 77	\$ 80
Separately managed accounts	9	9	38	34	40	36
Other	1	1	5	13	3	4
	\$ 27	\$ 27	\$ 117	\$ 92	\$ 120	\$ 120

1. Refer to details on annualized fees on page 24.

- The acquisition of an energy and infrastructure investment advisor during the first quarter of 2018 contributed to the \$25 million increase in public securities fee revenues earned in the last twelve months.

Incentive Distributions and Performance Fees

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. The following table provides the current distribution levels of BIP, BEP and BPY:

ANNUALIZED INCENTIVE DISTRIBUTIONS

AS AT MAR. 31, 2019 (MILLIONS, EXCEPT PER UNIT)	Per Unit			Units Outstanding	Annualized Incentive Distributions
	Annualized Distributions	Distribution Hurdles ¹	Incentive Distributions ²		
Brookfield Infrastructure Partners (BIP)	\$ 2.01	\$ 0.81 / \$ 0.88	15% / 25%	398.5	\$ 153
Brookfield Renewable Partners (BEP)	2.06	1.50 / 1.69	15% / 25%	311.2	48
Brookfield Property Partners (BPY) ³	1.32	1.10 / 1.20	15% / 25%	953.3	54
					<u>\$ 255</u>

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.

LISTED PARTNERSHIPS DISTRIBUTIONS (PER UNIT)

	BPY	BEP	BIP
Targeted:			
FFO payout	80%	70%	60% to 70%
Distribution growth	5% to 8%	5% to 9%	5% to 9%
2019 ¹	\$ 1.32	\$ 2.06	\$ 2.01
2018	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

1. Annualized based on the most recently announced distribution levels.

BPY/BEP/BIP

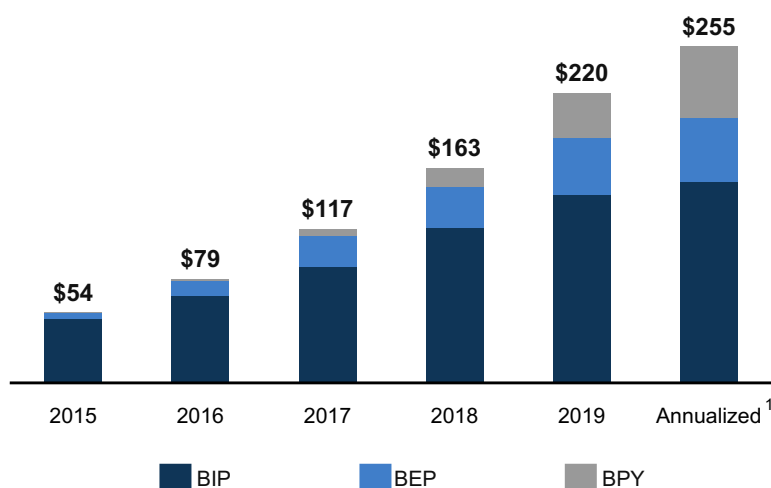
- Distribution policies target a distribution level that is sustainable on a long-term basis while retaining sufficient liquidity for capital expenditures and general purposes.

BBU

- BBU's performance fee is calculated as 20% of the increase in weighted average unit price for the quarter, over the highest previous threshold. There are 129.2 million BBU units outstanding and the current threshold is \$41.96.

Incentive Distributions (LTM)

MAR. 31 (MILLIONS)



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

Carried Interest

Carried interest represents our share, as manager, of investment performance in our private funds

We generated carried interest of \$783 million in the last twelve months based on investment returns, increasing cumulative gross unrealized carried interest to \$2.7 billion

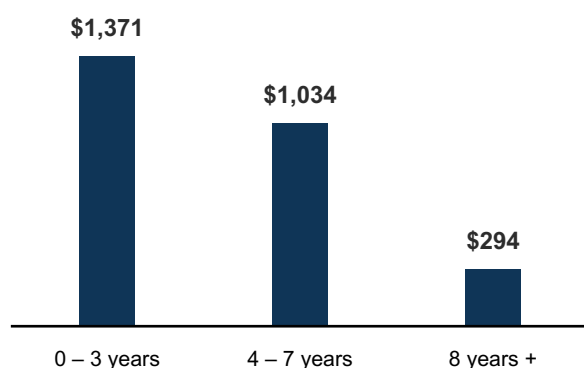
UNREALIZED CARRIED INTEREST CONTINUITY^{1,2}

	Three Months			LTM		
	Unrealized Carried Interest	Direct Costs	Net	Unrealized Carried Interest	Direct Costs	Net
AS AT AND FOR THE PERIODS ENDED MAR. 31, 2019 (MILLIONS)						
Accumulated unrealized, beginning of period	\$ 2,486	\$ (754)	\$ 1,732	\$ 2,416	\$ (760)	\$ 1,656
In period change						
Unrealized in period	324	(89)	235	783	(182)	601
Foreign currency revaluation	8	(1)	7	(151)	36	(115)
	332	(90)	242	632	(146)	486
Less: realized	(119)	34	(85)	(349)	96	(253)
	213	(56)	157	283	(50)	233
Accumulated unrealized, end of period	\$ 2,699	\$ (810)	\$ 1,889	\$ 2,699	\$ (810)	\$ 1,889

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 MAR. 31, 2019 (MILLIONS)



- Of the \$1.4 billion of carried interest expected to be recognized within the next three years, \$1.2 billion relates to carried interest from our real estate, infrastructure and private equity flagship funds.

THREE MONTHS:

- Unrealized carried interest generated in the current quarter, before foreign exchange and associated costs, was \$324 million and was generated across our real estate, infrastructure and private equity flagship funds.
- We realized \$119 million of carried interest in the quarter, primarily from the return of capital within our first flagship real estate fund.

LTM:

- We generated unrealized carried interest across all of our major funds, including significant increases in value from realized dispositions in our first flagship real estate fund as well as generation from our fourth flagship private equity fund as a result of completed and pending asset dispositions and the sell down of our position in our graphite electrode manufacturing business.
- In addition to the realized carried interest noted above, we earned carried interest income from the sale of our U.S. logistics business within our first real estate flagship fund as well as income from the sale of our Australian energy operation and distributions from additional investments within our fourth flagship private equity fund.

Target Carried Interest

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

AS AT MAR. 31, 2019 (MILLIONS)	Fee Bearing Capital	Carry Eligible Capital ¹	Gross Target Return ^{2,3}	Average Carried Interest	Annualized Target Carried Interest ⁴
Opportunistic	\$ 34,366	\$ 14,714	18% – 23%	~20%	\$ 500
Value add	22,939	13,537	10% – 15%	~20%	265
Credit and core plus	13,489	8,288	10% – 15%	~15%	105
	\$ 70,794	36,539			870
Uncalled fund commitments ^{5,6}		22,614			580
Total carry eligible capital / target carried interest		\$ 59,153			1,450
Direct costs ⁷					(435)
Net target carried interest					\$ 1,015

- As at March 31, 2019, \$36.5 billion of carry eligible capital has been invested and an additional \$22.6 billion of committed capital will become carry eligible once invested.
- Carried interest is generated once a private fund exceeds its preferred return typically ranging from 5% – 9%. It will typically go through a catch-up period until the manager and limited partner (LP) are earning carry at their respective allocation.
- Gross target return is before annual fund management fees ranging from 90 bps for core plus funds to 200 bps for certain opportunistic funds.
- Based on carry eligible capital.
- Uncalled fund commitments from carry eligible funds.
- Target carry on uncalled fund commitments is discounted for two years at 10%, reflecting gross target return and average carried interest rate for uncalled fund commitments.
- We assume 70% margin on carried interest for planning purposes.

ANNUALIZED TARGET CARRIED INTEREST

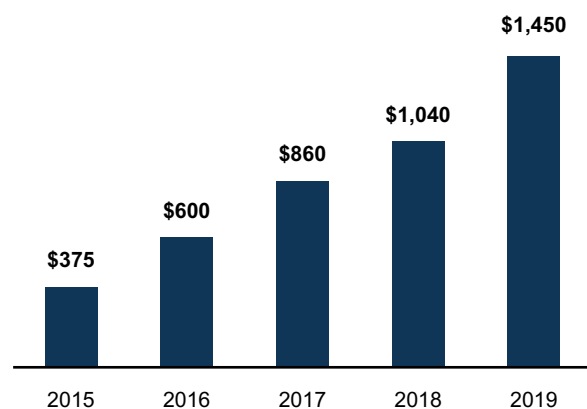
Carried interest is our share of investment returns generated by our private funds. As long as investors earn a predetermined preferred return, after a catch-up period, we receive the full carried interest rate.

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.”

Target carried interest on capital currently invested is \$870 million per annum, and we expect to add an additional \$580 million per annum when \$22.6 billion of uncalled fund commitments are deployed, aggregating to an annualized target carried interest figure of \$1.5 billion, or \$1.0 billion net of costs.

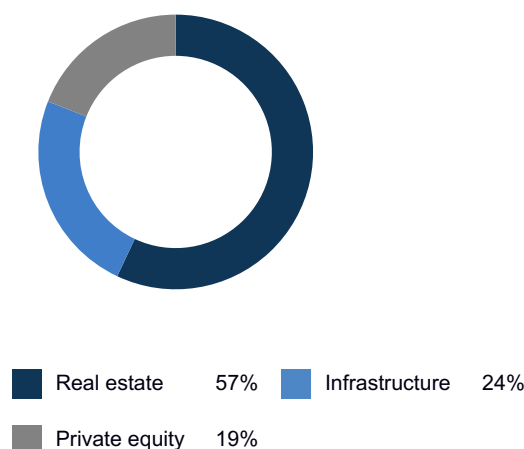
Target Carried Interest

AS AT MAR. 31 (MILLIONS)



Target Carry Diversification

AS AT MAR. 31, 2019



Private Funds Carried Interest

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 MAR. 31, 2019 (MILLIONS)	Strategy	Vintage ¹	Target Gross IRR ^{2,3}	Gross Actual IRR ⁴	Uncalled Fund Commitments ⁵	Invested < 3 years	Invested > 3 years	Total	Accumulated Unrealized Carried Interest
Real Estate	Opportunistic – BSREP	2013 – 2019	20%	21%	\$ 10,534	\$ 7,526	\$ 1,552	\$ 19,612	\$ 885
	Credit – BREF	2005 – 2017	12% – 15%	13%	1,697	1,124	163	2,984	77
	Other ⁶	2008 – 2018			1,205	6,393	1,071	8,669	98
Infrastructure	Value add – BIF	2010 – 2016	13% – 15%	15%	2,692	7,863	5,059	15,614	863
	Other ⁶	2008 – 2018			1,396	1,271	773	3,440	33
Private Equity	Opportunistic – BCP	2007 – 2018	20%	29%	4,965	1,714	1,260	7,939	731
	Other ⁶	2015 – 2018			125	333	437	895	12
Total carry eligible capital					22,614	26,224	10,315	59,153	\$ 2,699
Non-carry eligible capital⁷					1,897	6,764	2,980	11,641	
Fee bearing capital					\$ 24,511	\$ 32,988	\$ 13,295	\$ 70,794	

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 long-life funds.

5. Uncalled fund commitments from carry eligible funds. Additional \$2 billion of uncalled fund commitments relate to funds not eligible to earn carry.

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

7. Non-carry eligible capital includes various co-investments, separately managed accounts and funds that are not entitled to carry.

Annualized Fees and Target Carried Interest

ANNUALIZED FEES AND TARGET CARRY

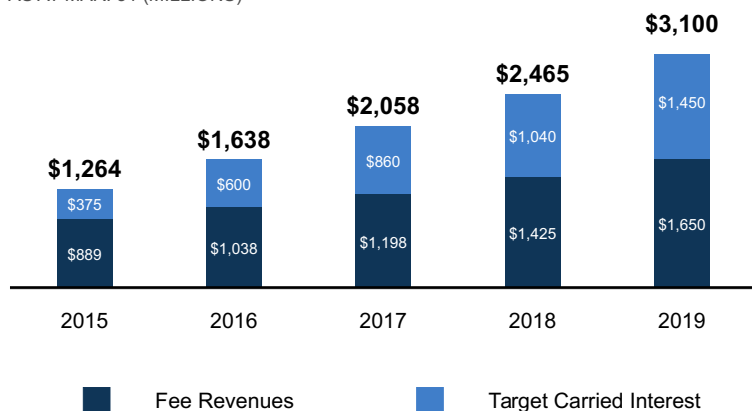
AS AT (MILLIONS)	Mar. 31, 2019	Dec. 31, 2018	Mar. 31, 2018
Base management fees ¹			
Private funds	\$ 644	\$ 615	\$ 500
Listed partnerships ²	545	470	525
Public securities	120	115	120
Incentive distributions ³	255	259	198
	1,564	1,459	1,343
Performance fee ⁴	65	65	65
Transaction and advisory ⁵	21	21	17
Fee revenues	1,650	1,545	1,425
Target carried interest ⁶	1,450	1,430	1,040
	\$ 3,100	\$ 2,975	\$ 2,465

1. Base management fees include \$266 million of annualized base fees on Brookfield capital (\$263 million from listed partnerships and \$3 million from private funds).
2. For details on listed partnership base fee calculations, refer to page 42.
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 \$545 million exclude the additional \$70 million of fee revenues from new BPY capital issued in association with the privatization of GGP, based on its March 31 market value. This capital is subject to a 12-month fee waiver which will expire at the end of August 2019.
- With respect to certain funds for which fees are charged on invested capital only, we estimate annualized base management fees will increase by approximately \$55 million when \$5 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 the current hurdle is \$41.96.
- We include base fees on the capital invested by us in our listed partnerships and funds in order to present operating margins and investment returns on a consistent basis. FFO from the associated invested capital is shown net of these fees.
- We expect gross margins for fee revenues and target carried interest to range between 55% to 65% and 65% to 75%, respectively, for planning purposes.

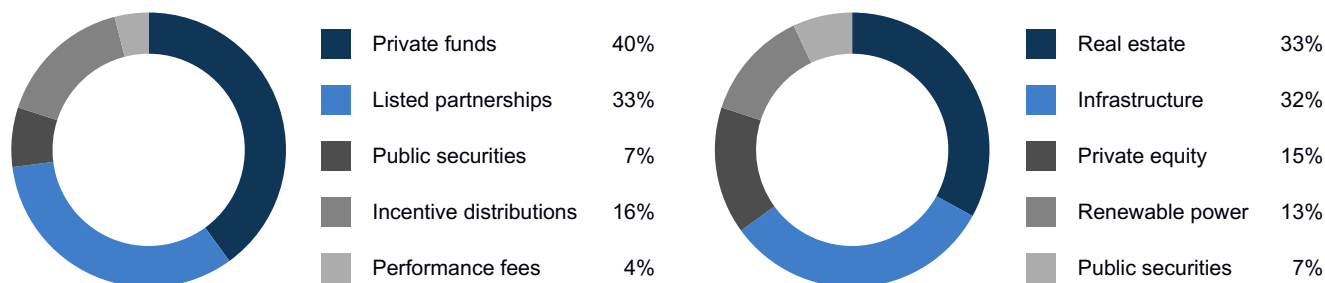
Annualized Fees and Target Carry

AS AT MAR. 31 (MILLIONS)



Fee Revenue Diversification¹

AS AT MAR. 31, 2019



1. Fee revenues based on annualized March 31, 2019 fees, excluding transaction fees and target carried interest.

Private Fund Listing¹

AS AT MAR. 31, 2019
(MILLIONS, USD UNLESS OTHERWISE NOTED)

	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
Strategic Real Estate Partners III ⁴	15,000	25%	2019
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	2,116	20%	2016
Premier Real Estate Partners Australia ⁵	A \$ 760	48%	2018
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	996	1%	2017
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
Core			
Super-Core Infrastructure Partners ⁵	\$ 927	5%	2018
Sustainable Resources			
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 partnerships 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 long-life funds, year of first close.

4. Flagship funds.

5. Long-life funds.

Capital Invested or Committed

Invested \$30 billion of capital during the LTM, including \$2 billion in the quarter

CAPITAL INVESTED OR COMMITTED (FUNDING SOURCE)

FOR THE LTM ENDED MAR. 31, 2019
(MILLIONS)

	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Total
Listed partnerships ¹	\$ 16,090	\$ 1,978	\$ 494	\$ 502	\$ 19,064
Private funds ²	3,446	3,705	437	527	8,115
Co-investments ²	1,224	816	—	237	2,277
Direct ³	—	—	—	660	660
Total invested	20,760	6,499	931	1,926	30,116
Committed – new ⁴	8,390	853	606	9,788	19,637
Committed – invested ⁴	(15,832)	(442)	(400)	(1,691)	(18,365)
Total ⁴	\$ 13,318	\$ 6,910	\$ 1,137	\$ 10,023	\$ 31,388

1. Includes investments made by listed partnerships (BPY, BIP, BEP and 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.

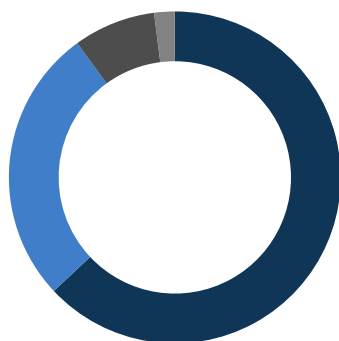
CAPITAL INVESTED (GEOGRAPHY)

FOR THE LTM ENDED MAR. 31, 2019
(MILLIONS)

	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Total
North America	\$ 19,631	\$ 4,290	\$ 59	\$ 1,490	\$ 25,470
South America	190	777	104	47	1,118
Europe	743	27	768	374	1,912
Asia and other	196	1,405	—	15	1,616
Total invested	\$ 20,760	\$ 6,499	\$ 931	\$ 1,926	\$ 30,116

Capital Invested (by capital type)

FOR THE LTM ENDED MAR. 31, 2019



■ Listed partnerships ¹	63%	■ Private funds	27%
■ Co-investments	8%	■ Direct	2%

SIGNIFICANT INVESTMENTS:

- GGP retail mall portfolio (\$14.5 billion)
- Forest City realty portfolio (\$3.5 billion)
- Global commercial & hospitality properties (\$2.8 billion)
- Residential energy infrastructure provider (\$2.2 billion)
- Natural gas midstream transportation assets (\$1.0 billion)
- Indian pipeline assets (\$1.0 billion)
- Infrastructure services company (\$0.9 billion)
- Spanish renewable power business (\$0.7 billion)

SIGNIFICANT COMMITMENTS:

- Oaktree Capital Management (\$4.8 billion²)
- Automotive battery manufacturer (\$3.0 billion)
- Core office developments (\$2.9 billion)
- Australian private health care provider (\$1.0 billion)
- Federally regulated midstream energy portfolio (\$0.9 billion)
- Canadian renewable energy portfolio (\$0.6 billion)

1. Included within listed partnership of 63% is 49% relating to the privatization of GGP.

2. \$4.8 billion committed to Oaktree Capital Management includes funding of approximately \$2.4 billion of cash and 53 million Class A Shares of Brookfield.

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 MAR. 31, 2019 (MILLIONS)	North America	South America	Europe	Asia and Other	Total
Real estate	\$ 2,584	\$ —	\$ 3,132	\$ 387	\$ 6,103
Infrastructure	625	1,871	1,179	99	3,774
Renewable power	475	492	287	44	1,298
Private equity and other	1,397	644	61	—	2,102
	<u>\$ 5,081</u>	<u>\$ 3,007</u>	<u>\$ 4,659</u>	<u>\$ 530</u>	<u>\$ 13,277</u>

Our capital backlog of \$13.3 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 \$6.1 billion includes development projects in progress across our premier office buildings, retail malls and mixed-used complexes. Within our core office business we have 13 million square feet of development projects underway, including our premier office building development ongoing in London within Canary Wharf and other core office development ongoing within North America, Europe and Australia. 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 \$1.3 billion consist primarily of hydroelectric, solar and wind 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, Ontario gaming operations and services provider to the offshore oil production industry.

Invested Capital – Overview

LISTED INVESTMENTS:

Our **listed partnerships** are **BPY, BEP, BIP and BBU**, the flagship entities that hold most of the investments in our four largest operating segments. Each of our flagship entities is publicly traded in the United States and Canada.

- We own 51% (fully diluted) of **Brookfield Property Partners (BPY)**, a diversified global real estate company that owns, operates and develops one of the largest portfolios of office, retail, multifamily, logistics, hospitality, triple net lease, self-storage, student housing and manufactured housing assets.
- We own 61% of **Brookfield Renewable Partners (BEP)**, one of the world's largest publicly traded renewable power platforms with generating facilities in North America, South America, Europe and Asia.
- We own 30% of **Brookfield Infrastructure Partners (BIP)**, one of the largest owners and operators of critical and diverse global infrastructure networks which facilitate the movement and storage of energy, water, freight, passengers and data.
- We own 68% of **Brookfield Business Partners (BBU)**, our flagship private equity listed partnership that invests primarily in business services, infrastructure services and industrial companies focused on long-term capital appreciation.

In addition to our flagship entities, we have the following investments that are also publicly traded:

- **Norbord**: an international producer of wood-based panels which trades on the TSX and the NYSE. We own 43% of Norbord's shares and equity account for the investment as we exercise significant influence.
- **Acadian**: a leading supplier of primary forest products in Eastern Canada and the Northeastern U.S. We own 45% of Acadian's outstanding shares but consolidate the business as the management arrangements result in us exercising control over the business.
- **Vistra**: an integrated power company based in Texas that trades on the NYSE. Together with our institutional partners, we own approximately 9% of the company which is treated as a financial asset on our balance sheet.

Our **corporate cash and financial assets** portfolio includes corporate cash, assets held as part of our liquidity management operations, seeding investments in new strategies and financial contracts to manage market risk.

UNLISTED INVESTMENTS:

- **Residential**: in North America, we develop land for building homes or selling lots to other homebuilders while in Brazil we develop and construct residential and commercial towers.
- **Energy Contracts**: our contractual arrangement with BEP to purchase power generated by certain North American hydro assets at a fixed price that is then resold on a contracted or uncontracted basis.
- **Other Real Estate**: BAM's direct investment in the third flagship real estate fund, a 27.5% interest in a BAM-sponsored venture that owns operating and development properties in New York and investments in assets in the multifamily sector.
- **Other Infrastructure**: investments in sustainable resources, mainly timber and agricultural assets, in Brazil.
- **Other Private Equity**: direct investments in various operating companies within the Private Equity segment.
- **Other corporate investments**: our investments in insurance businesses whose investment portfolios are primarily held in support of the insurance premium liabilities.

CORPORATE ACTIVITIES:

- Our **corporate borrowings** reflect the amount of recourse debt held in the corporation.
- Net **working capital** includes accounts receivable, accounts payable, other assets and other liabilities, including deferred tax assets and liabilities; FFO includes **corporate costs and cash taxes**.
- **Preferred equity** represents permanent, non-participating equity that provides leverage to our common equity.

Invested Capital – Operating Results

AS AT MAR. 31, 2019 AND DEC. 31, 2018
AND FOR THE PERIODS ENDED MAR. 31
(MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Invested Capital		Funds from Operations ¹			
			Three Months		LTM	
	2019	2018	2019	2018	2019	2018
INVESTED CAPITAL						
Listed investments						
Listed partnerships						
BPY	\$ 15,289	\$ 15,160	\$ 159	\$ 191	\$ 704	\$ 704
BPY preferred shares	166	435	9	19	54	76
BEP	4,679	4,749	130	110	401	349
BIP	1,958	1,916	92	89	330	335
BBU ²	2,065	2,017	139	2	360	28
Other listed investments						
Norbord	1,267	1,287	25	52	216	234
Other	744	662	8	2	14	5
Corporate cash and financial assets³	3,894	2,275	98	22	87	148
	30,062	28,501	660	487	2,166	1,879
Unlisted investments						
Residential	2,652	2,606	(22)	(33)	60	9
Energy contracts	539	553	(48)	(10)	(129)	(46)
Other	3,385	3,155	39	5	137	62
	6,576	6,314	(31)	(38)	68	25
Corporate activities						
Corporate borrowings/Interest expense	(7,459)	(6,409)	(87)	(78)	(332)	(277)
Working capital/Corporate costs and taxes ⁴	1,035	1,081	(37)	(37)	(163)	(63)
Perpetual preferred shares ⁵	(4,149)	(4,168)	—	—	—	—
	(10,573)	(9,496)	(124)	(115)	(495)	(340)
Invested capital, net / FFO	\$ 26,065	\$ 25,319	\$ 505	\$ 334	\$ 1,739	\$ 1,564
Per Share	\$ 25.94	\$ 25.39	\$ 0.48	\$ 0.30	\$ 1.63	\$ 1.45

1. Excludes realized disposition gains.

2. FFO includes the net impact of performance fees paid to BAM of \$nil (2018 – \$97 million) for the three months ended March 31 and \$92 million (2018 – \$194 million) for the LTM.

3. Corporate cash and financial assets is inclusive of \$2.6 billion of cash and cash equivalents (2018 – \$1.3 billion).

4. Invested capital includes net deferred income tax asset of \$1.9 billion (2018 – \$1.9 billion); FFO includes current tax expense of \$11 million (2018 – \$10 million) for the three months ended March 31 and current tax expense of \$60 million (2018 – recovery of \$34 million) for the LTM.

5. FFO excludes preferred shares distributions of \$37 million (2018 – \$38 million) for the three months ended March 31 and \$150 million (2018 – \$147 million) for the LTM.

THREE MONTHS:

- FFO from invested capital increased by \$171 million during the quarter to \$505 million primarily due to contributions from recent acquisitions, same-store growth across multiple lines of business and gains from our cash and financial asset portfolio, which rebounded with market recovery in early 2019. The absence of a \$143 million (\$97 million, net) performance fee paid by BBU in the prior year quarter also contributed to the growth in FFO.
- The aforementioned contributions were partially offset by lower ownership in BPY following the GGP privatization in the third quarter of 2018, a decrease in selling prices at Norbord, an increase in losses on our energy contracts and higher interest expenses from new debt issuances.

LTM:

- FFO from invested capital increased by \$175 million to \$1.7 billion due to contributions from recent acquisitions across our listed partnerships, strong pricing and cost savings at our renewable power business and improved pricing at our graphite electrode manufacturing business. We also benefited from additions to our directly held real estate asset portfolio as well as improved results at our residential homebuilding businesses.
- The absence of contributions from assets sold, lower returns on our financial asset portfolio, an increase in losses on our energy contracts, higher interest expense on corporate debt and the absence of tax recoveries in the current period partially offset the aforementioned contributions.

Disposition Gains

FOR THE PERIODS ENDED MAR. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM			
	FFO ^{1,2}		Net Income ²		FFO ^{1,2}		Net Income ²	
	2019	2018	2019	2018	2019	2018	2019	2018
Real Estate								
Core Office	\$ —	\$ 234	\$ —	\$ 33	\$ 176	\$ 965	\$ (26)	\$ (11)
Core Retail	4	—	(5)	—	252	(3)	(1)	(1)
LP Investments								
Shanghai retail	28	—	4	—	28	—	4	—
IDI	—	—	—	—	135	—	(29)	—
Other LP Investments	11	—	(9)	—	101	338	25	202
Other real estate	17	—	1	(9)	73	16	16	(11)
	60	234	(9)	24	765	1,316	(11)	179
Infrastructure								
AVN (Chilean toll road)	91	—	—	—	91	—	—	—
Transelec	—	244	—	53	—	244	—	53
Private Equity								
GrafTech	—	—	—	—	209	—	—	—
Quadrant	—	—	—	—	55	—	55	—
Norbord partial sale	—	—	—	—	—	32	—	—
Other Private Equity	—	(5)	—	(5)	36	(17)	36	(17)
Renewable Power								
Hydroelectric and wind assets	72	—	—	—	110	—	5	—
	\$ 223	\$ 473	\$ (9)	\$ 72	\$ 1,266	\$ 1,575	\$ 85	\$ 215
Per share	\$ 0.23	\$ 0.49	\$ (0.01)	\$ 0.07	\$ 1.30	\$ 1.61	\$ 0.09	\$ 0.22

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.

THREE MONTHS:

- 2019: Our interest in a portfolio of opportunistic retail assets in Shanghai, gains of \$28 million; a number of multifamily and other opportunistic properties, gains of \$11 million; directly held multifamily properties, gains of \$17 million; \$91 million gain on the sale of a 33% interest in our Chilean toll road business; \$72 million gain in our renewable power business related to the sales of partial interests in three North American hydroelectric sites.
- 2018: Assets sold include office buildings in Toronto and Denver as well as our investment in Transelec, a Chilean electricity transmission business.

LTM:

- 2019: Core office and retail disposition gains, \$428 million; LP investments and other property disposition gains, \$337 million; the Chilean toll road sale described above, \$91 million; sales of various private equity businesses, including partial interests in our graphite electrode manufacturing business, \$300 million; sales of partial interests in renewable power assets, \$110 million.
- 2018: Core office and retail disposition gains, \$962 million; LP investments and other property disposition gains, \$354 million; sale of our investment in a Chilean electricity transmission business, \$244 million; partial sale of Norbord shares, \$32 million; sale of various other private equity businesses, loss of \$17 million.

Listed Partnership Results

BPY (NASDAQ: BPY, TSX: BPY.UN) – 51% (fully diluted) ownership interest

AS AT MAR. 31, 2019 AND DEC. 31, 2018
AND FOR THE PERIODS ENDED MAR. 31
(MILLIONS)

	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2019	2018	2019	2018	2019	2018
Core office	\$ 14,524	\$ 14,199	\$ 140	\$ 153	\$ 595	\$ 589
Core retail	13,689	14,136	184	116	719	521
LP investments ¹	5,010	5,204	86	96	320	358
Corporate ¹	(5,223)	(5,255)	(103)	(97)	(416)	(420)
Attributable to unitholders	28,000	28,284	307	268	1,218	1,048
Non-controlling interests	(12,711)	(13,124)	(141)	(83)	(502)	(331)
Segment reallocation and other ²	—	—	(7)	6	(12)	(13)
Brookfield's interest	15,289	15,160	159	191	704	704
Preferred shares	166	435	9	19	54	76
	<u>\$ 15,455</u>	<u>\$ 15,595</u>	<u>\$ 168</u>	<u>\$ 210</u>	<u>\$ 758</u>	<u>\$ 780</u>

BEP (NYSE: BEP, TSX: BEP.UN) – 61% ownership interest

AS AT MAR. 31, 2019 AND DEC. 31, 2018
AND FOR THE PERIODS ENDED MAR. 31
(MILLIONS)

	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2019	2018	2019	2018	2019	2018
Proportionate generation (GWh)						
Actual	n/a	n/a	7,246	6,694	26,305	24,501
Long-term average (LTA)	n/a	n/a	6,776	6,351	26,269	23,713
Hydroelectric generation	\$ 8,679	\$ 8,951	\$ 218	\$ 208	\$ 681	\$ 703
Wind energy	1,397	1,357	49	37	172	112
Solar, storage and other	1,135	1,155	25	15	114	36
Corporate	(3,482)	(3,637)	(65)	(67)	(257)	(243)
Attributable to unitholders	7,729	7,826	227	193	710	608
Incentive distributions	—	—	(12)	(10)	(42)	(33)
Non-controlling interests	(3,050)	(3,077)	(85)	(73)	(262)	(226)
Segment reallocation and other ³	—	—	—	—	(5)	—
Brookfield's interest	<u>\$ 4,679</u>	<u>\$ 4,749</u>	<u>\$ 130</u>	<u>\$ 110</u>	<u>\$ 401</u>	<u>\$ 349</u>

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

AS AT MAR. 31, 2019 AND DEC. 31, 2018
AND FOR THE PERIODS ENDED MAR. 31
(MILLIONS)

	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2019	2018	2019	2018	2019	2018
Utilities	\$ 1,806	\$ 1,787	\$ 137	\$ 169	\$ 544	\$ 679
Transport	3,602	3,627	139	137	520	546
Energy	3,083	2,817	107	66	310	213
Data infrastructure	1,691	882	28	19	86	76
Corporate and other	(3,641)	(2,684)	(60)	(58)	(211)	(272)
Attributable to unitholders	6,541	6,429	351	333	1,249	1,242
Incentive distributions	—	—	(38)	(34)	(140)	(119)
Non-controlling interests	(4,583)	(4,513)	(221)	(210)	(779)	(788)
Brookfield's interest	<u>\$ 1,958</u>	<u>\$ 1,916</u>	<u>\$ 92</u>	<u>\$ 89</u>	<u>\$ 330</u>	<u>\$ 335</u>

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

AS AT MAR. 31, 2019 AND DEC. 31, 2018
AND FOR THE PERIODS ENDED MAR. 31
(MILLIONS)

	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2019	2018	2019	2018	2019	2018
Business services ¹	\$ 1,485	\$ 1,493	\$ 32	\$ 17	\$ 146	\$ 108
Infrastructure services ¹	846	977	102	22	273	43
Industrial operations ¹	268	359	81	114	439	178
Corporate and other	434	134	(10)	(15)	(58)	(34)
Attributable to unitholders	3,033	2,963	205	138	800	295
Performance fees	—	—	—	(143)	(135)	(285)
Non-controlling interests	(968)	(946)	(66)	2	(214)	1
Segment reallocation and other ³	—	—	—	5	(91)	17
Brookfield's interest	<u>\$ 2,065</u>	<u>\$ 2,017</u>	<u>\$ 139</u>	<u>\$ 2</u>	<u>\$ 360</u>	<u>\$ 28</u>

1. Segments were realigned in 2018; comparative figures have been restated to reflect the revised segment classifications.

2. Reflects fee related earnings and net carried interest reclassified to asset management segment and asset management expenses not included in operating FFO.

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

Other Investments

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 CORPORATE CASH AND FINANCIAL ASSETS

AS AT MAR. 31, 2019 AND DEC. 31, 2018 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)		Segment	Invested Capital		Funds from Operations			
					Three Months		LTM	
			2019	2018	2019	2018	2019	2018
Other listed								
Acadian Timber	Infrastructure	\$ 87	\$ 86	\$ 2	\$ 2	\$ 6	\$ 5	
Norbord	Private Equity	1,267	1,287	25	52	216	234	
Other listed	Private Equity	657	576	6	—	8	—	
		2,011	1,949	33	54	230	239	
Corporate cash and financial assets ¹								
	Corporate	3,894	2,275	98	22	87	148	
		\$ 5,905	\$ 4,224	\$ 131	\$ 76	\$ 317	\$ 387	

1. FFO includes cash distributions received of \$7 million (2018 – \$46 million) for the three months ended March 31 and \$117 million (2018 – \$112 million) for the LTM.

UNLISTED INVESTMENTS

AS AT MAR. 31, 2019 AND DEC. 31, 2018 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)		Segment	Invested Capital		Funds from Operations			
					Three Months		LTM	
			2019	2018	2019	2018	2019	2018
Residential development								
North America	Residential	\$ 1,790	\$ 1,758	\$ 1	\$ (4)	\$ 166	\$ 154	
Brazil and other	Residential	862	848	(23)	(29)	(106)	(145)	
		2,652	2,606	(22)	(33)	60	9	
Energy contracts	Renewable Power	539	553	(48)	(10)	(129)	(46)	
Sustainable resources and other	Infrastructure	694	885	9	6	28	19	
Other corporate	Corporate	46	43	3	(1)	3	13	
Other unlisted	Various	2,645	2,227	27	—	106	30	
		\$ 6,576	\$ 6,314	\$ (31)	\$ (38)	\$ 68	\$ 25	

- **Residential:** results from our Residential segment were higher compared to the prior year quarter and prior year LTM due to improved margins and the impact of foreign exchange on losses incurred in our Brazilian operations.
- **Energy contracts:** results were lower than the prior period due to lower realized prices on generation sold during the first quarter and the last twelve months as well as the impact of transferring the Ontario contract to BEP during the fourth quarter of 2018.
- **Other unlisted investments:** FFO was higher than the prior year quarter due to the contributions from our investment in a portfolio of New York office properties acquired in July 2018 as well as initial contributions from our direct investment in our third flagship real estate fund. Our direct investment in a service provider to the offshore oil production industry, originally made in the third quarter of 2017, also impacted the current period LTM.

Distributions from Investments

~80% of our invested capital is held in listed securities, which provides enhanced transparency for investors and financial flexibility and liquidity for Brookfield

AS AT MAR. 31, 2019 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	No. of Units	Actual Distributions/Payments				Current Distributions ¹
		Three Months		LTM		2019
		2019	2018	2019	2018	
Listed partnerships						
BPY ²	522	\$ 181	\$ 173	\$ 704	\$ 662	\$ 701
BEP	188	99	94	375	357	388
BIP	118	61	54	229	202	237
BBU	88	5	5	22	21	22
Corporate cash and financial assets³	various	7	46	117	112	238
Other investments						
Norbord	35	11	16	162	64	42
Other	various	19	2	82	7	75
		\$ 383	\$ 390	\$ 1,691	\$ 1,425	\$ 1,703

1. Current distributions are calculated by multiplying units held as at March 31, 2019 by the current distribution rates per unit.

2. Inclusive of distributions received from BPY preferred shares, which distributed \$9 million (2018 – \$19 million) for the three months ended March 31 and \$54 million (2018 – \$76 million) for the LTM period. BPY preferred shares current distributions are \$12 million.

3. Current distributions for corporate cash and financial assets is calculated as an estimated 8% total return on the weighted average balance of the last four quarters.

Capitalization

Our corporate debt has a weighted-average term to maturity of 10 years, while our recourse debt to corporate capitalization remains below 20%

AS AT MAR. 31, 2019 AND DEC. 31, 2018 (MILLIONS)	Average Yield	Average Term (Years)	Invested Capital	
			2019	2018
Corporate borrowings				
Term debt	4.6%	10	\$ 7,459	\$ 6,409
Revolving facilities ¹	n/a	4	—	—
Total corporate borrowings			7,459	6,409
Perpetual preferred shares ²	4.2%	perp.	4,149	4,168
Debt and Preferred Capital			\$ 11,608	\$ 10,577

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

2. FFO excludes preferred share distributions of \$37 million (2018 – \$38 million) for the three months ended March 31 and \$150 million (2018 – \$147 million) for the LTM.

DEBT TO CAPITALIZATION

AS AT MAR. 31, 2019 AND DEC. 31, 2018 (MILLIONS)	Corporate		Consolidated		Our Share ¹	
	2019	2018	2019	2018	2019	2018
Corporate borrowings ²	\$ 7,459	\$ 6,409	\$ 7,459	\$ 6,409	\$ 7,459	\$ 6,409
Non-recourse borrowings						
Subsidiary borrowings	—	—	7,308	8,600	4,228	5,174
Property specific borrowings	—	—	104,242	103,209	38,409	35,943
	7,459	6,409	119,009	118,218	50,096	47,526
Accounts payable and other	2,827	2,299	27,928	23,989	11,890	10,297
Deferred income tax liabilities	233	197	12,511	12,236	4,261	4,425
Subsidiary equity obligations	—	—	3,941	3,876	1,882	1,658
Liabilities associated with assets held for sale	—	—	2,272	812	229	262
Equity						
Non-controlling interests	—	—	68,021	67,335	—	—
Preferred equity	4,149	4,168	4,149	4,168	4,149	4,168
Common equity	26,394	25,647	26,394	25,647	26,394	25,647
	30,543	29,815	98,564	97,150	30,543	29,815
Total capitalization	\$ 41,062	\$ 38,720	\$ 264,225	\$ 256,281	\$ 98,901	\$ 93,983
Debt to capitalization ³	18%	17%	45%	46%	51%	51%

1. Represents our share of debt and other obligations based on our ownership percentage of the related investments.

2. C\$600 million (\$450 million USD equivalent) of corporate borrowings was repaid in April 2019. Had this amount been repaid as at March 31, 2019, corporate debt to capitalization would have been 17%.

3. Determined as the aggregate of corporate borrowings and non-recourse borrowings divided by total capitalization.

Sources and Uses of Cash

We continue to source significant cash flows with few corporate borrowing maturities in the near term

FOR THE PERIODS ENDED MAR. 31
(MILLIONS)

	Three Months		LTM	
	2019	2018	2019	2018
Corporate cash and financial assets, beginning of period	\$ 2,275	\$ 2,255	\$ 2,889	\$ 1,732
Sources				
Cash available for distribution and/or reinvestment ¹	506	562	2,363	2,130
Net financing activities	992	897	1,080	1,331
BPY preferred share redemption	355	—	685	—
Syndication of temporary investments	262	—	262	—
	2,115	1,459	4,390	3,461
Uses				
Repayment of borrowings of other wholly owned investments	(142)	—	(142)	—
Share repurchases ²	(52)	(211)	(508)	(291)
Dividends paid to common shareholders	(153)	(143)	(585)	(650)
Other investments	—	(140)	(60)	(140)
Temporary investments ³	—	—	(1,732)	—
Listed partnership equity offerings	—	—	—	(653)
Other ⁴	(149)	(331)	(358)	(570)
	(496)	(825)	(3,385)	(2,304)
In-period change	1,619	634	1,005	1,157
Corporate cash and financial assets, end of period	\$ 3,894	\$ 2,889	\$ 3,894	\$ 2,889

1. Refer to page 36 for reconciliations of IFRS to non-IFRS measures.

2. Includes repurchases of BAM common and preferred shares and BPY LP units.

3. Includes a 27.5% interest in a BAM-sponsored real estate venture that owns operating and development properties in New York which we acquired from BPY.

4. Includes adjustments for accrued items, carried interest proceeds subject to clawback, financial asset mark-to-market changes and other items.

THREE MONTHS:

We generated \$506 million of cash available for distribution and/or reinvestment and received \$992 million from the issuance of corporate debt this quarter. We also received proceeds for BPY preferred shares that we held, along with accrued interest, and syndicated our interest in a warehoused infrastructure investment to third-party investors in the long-life infrastructure fund.

During the quarter we distributed \$153 million to our shareholders, repaid a loan of a wholly owned subsidiary and purchased shares for various long-term compensation programs.

LTM:

Cash available for distribution and/or reinvestment totaled \$2.4 billion for the LTM and we received ~\$2 billion of additional proceeds through our financing and investing activities.

In addition to the quarterly distribution paid to shareholders, which in the prior LTM includes a \$102 million special dividend relating to the spin-off of Trisura Group Ltd., we have used our funds to temporarily warehouse investments on our balance sheet on behalf of our subsidiaries, seed new investment strategies and strategically repurchase shares of BAM and our listed partnerships.

CORPORATE MATURITY PROFILE

AS AT MAR. 31, 2019 (MILLIONS)	Average Term (Years)	Total	Maturity					
			2019 ¹	2020	2021	2022	2023	2024+
Corporate borrowings								
Term debt	10	\$ 7,459	\$ 450	\$ —	\$ 262	\$ —	\$ 451	\$ 6,296
Revolving facilities ²	4	—	—	—	—	—	—	—
		7,459	450	—	262	—	451	6,296
Perpetual preferred shares	perp.	4,149	—	—	—	—	—	n/a
		\$ 11,608	\$ 450	\$ —	\$ 262	\$ —	\$ 451	\$ 6,296

1. The \$450 million of term debt due in 2019 has been pre-funded with corporate debt issued in January 2019.

2. Revolving credit facilities of \$1.9 billion support commercial paper issuances.

Reconciliation of IFRS to Non-IFRS Measures

FOR THE THREE MONTHS ENDED MAR. 31
(MILLIONS)

	2019	2018
Net income	\$ 1,256	\$ 1,855
Realized disposition gains in fair value changes or prior periods	232	420
Non-controlling interests	(1,602)	(1,462)
Financial statement components not included in FFO		
Equity accounted fair value changes and other non-FFO items	251	333
Fair value changes	(169)	(572)
Depreciation and amortization	1,034	670
Deferred income taxes	49	(74)
Funds from operations	1,051	1,170
Less: total disposition gains	(223)	(473)
Less: net invested capital FFO	(505)	(334)
Less: realized carried interest, net	(85)	(20)
Corporate activities	(124)	(115)
Other wholly owned investments ¹	(39)	(38)
Distributions from investments	383	390
Preferred share dividends	(37)	(38)
Cash available for distribution and/or reinvestment before realized carried interest	421	542
Realized carried interest, net	85	20
Cash available for distribution and/or reinvestment²	\$ 506	\$ 562

1. Relates to FFO from other wholly owned investments used as a proxy for cash generated.

2. Comparative numbers have been revised to reflect new definition. Refer to glossary of terms starting on page 41.

OVERVIEW

We disclose certain non-IFRS financial measures in these supplemental schedules. Reconciliations of these non-IFRS financial measures to the most directly comparable financial measures calculated and presented in accordance with IFRS are presented above. Management assesses the performance of its business based on these non-IFRS financial measures. These non-IFRS financial measures should be considered in addition to, and not as a substitute for or superior to, net income or other financial measures presented in accordance with IFRS.

Common Share Information

COMMON SHARE CONTINUITY

FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Three Months		LTM	
	2019	2018	2019	2018
Outstanding at beginning of period	955.1	958.8	957.0	958.6
Issued (repurchased)				
Repurchases	(1.0)	(5.2)	(5.4)	(6.7)
Long-term share ownership plans	1.2	3.4	3.4	5.0
Dividend reinvestment plan	—	—	0.3	0.1
Outstanding at end of period	955.3	957.0	955.3	957.0
Unexercised options and other share-based plans	49.7	46.5	49.7	46.5
Total diluted shares at end of period	1,005.0	1,003.5	1,005.0	1,003.5

- The company holds 37.8 million common shares for management share ownership plans, which have been deducted from the total number of shares outstanding.
 - 8.1 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 March 31, 2019 was \$1.3 billion (December 31, 2018 – \$1.1 billion).

FFO AND EARNINGS PER SHARE INFORMATION

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Funds from Operations		Net Income	
	2019	2018	2019	2018
FFO/Net income	\$ 1,051	\$ 1,170	\$ 615	\$ 857
Preferred share dividends	(37)	(38)	(37)	(38)
Dilutive effect of conversion of subsidiary preferred shares	—	—	(13)	—
FFO/Net income available for shareholders	\$ 1,014	\$ 1,132	\$ 565	\$ 819
Weighted average shares	955.3	957.9	955.3	957.9
Dilutive effect of the conversion of options and other share-based plans using treasury stock method	19.7	19.1	19.7	19.1
Shares and share equivalents	975.0	977.0	975.0	977.0
Per share	\$ 1.04	\$ 1.16	\$ 0.58	\$ 0.84

Entity Basis – Reconciliation to Reportable Segments – Invested Capital

AS AT MAR. 31, 2019 (MILLIONS)	Reportable Segments							Total
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	
Asset Management								
Fee related earnings	\$ 329	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 329
Carried interest, net	—	—	—	—	—	—	—	—
	<u>329</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>329</u>
Invested Capital								
Listed investments								
Brookfield Property Partners ¹	—	15,455	—	—	—	—	—	15,455
Brookfield Renewable Partners	—	—	4,679	—	—	—	—	4,679
Brookfield Infrastructure Partners	—	—	—	1,958	—	—	—	1,958
Brookfield Business Partners	—	—	—	—	2,065	—	—	2,065
Other listed investments								
Acadian Timber	—	—	—	87	—	—	—	87
Norbord	—	—	—	—	1,267	—	—	1,267
Other listed – private equity	—	—	—	—	657	—	—	657
	—	15,455	4,679	2,045	3,989	—	—	26,168
Financial assets	—	—	—	—	—	—	3,894	3,894
	—	15,455	4,679	2,045	3,989	—	3,894	30,062
Unlisted investments								
Residential development	—	—	—	—	—	2,652	—	2,652
Energy marketing	—	—	539	—	—	—	—	539
Sustainable resources	—	—	—	694	—	—	—	694
Other corporate	—	—	—	—	—	—	46	46
Other	—	2,261	—	—	384	—	—	2,645
	—	2,261	539	694	384	2,652	46	6,576
Net working capital	—	—	—	—	—	—	1,035	1,035
Debt and Preferred Capital								
Corporate borrowings	—	—	—	—	—	—	(7,459)	(7,459)
Perpetual preferred shares	—	—	—	—	—	—	(4,149)	(4,149)
	—	—	—	—	—	—	(11,608)	(11,608)
	<u>\$ 329</u>	<u>\$ 17,716</u>	<u>\$ 5,218</u>	<u>\$ 2,739</u>	<u>\$ 4,373</u>	<u>\$ 2,652</u>	<u>\$ (6,633)</u>	<u>\$ 26,394</u>

1. Includes \$166 million of BPY preferred shares.

Entity Basis – Reconciliation to Reportable Segments – Three Months FFO

FOR THE THREE MONTHS ENDED MAR. 31, 2019 (MILLIONS)	Reportable Segments							Total
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	
Asset Management								
Fee related earnings	\$ 238	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 238
Carried interest, net	85	—	—	—	—	—	—	85
	<u>323</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>323</u>
Invested Capital								
Listed investments								
Brookfield Property Partners ¹	—	168	—	—	—	—	—	168
Brookfield Renewable Partners	—	—	130	—	—	—	—	130
Brookfield Infrastructure Partners	—	—	—	92	—	—	—	92
Brookfield Business Partners	—	—	—	—	139	—	—	139
Other listed investments								
Acadian Timber	—	—	—	2	—	—	—	2
Norbord	—	—	—	—	25	—	—	25
Other listed – private equity	—	—	—	—	6	—	—	6
	—	<u>168</u>	<u>130</u>	<u>94</u>	<u>170</u>	<u>—</u>	<u>—</u>	<u>562</u>
Financial assets	—	—	—	—	—	—	98	98
	—	<u>168</u>	<u>130</u>	<u>94</u>	<u>170</u>	<u>—</u>	<u>98</u>	<u>660</u>
Unlisted investments								
Residential development	—	—	—	—	—	(22)	—	(22)
Energy marketing	—	—	(48)	—	—	—	—	(48)
Sustainable resources	—	—	—	9	—	—	—	9
Other corporate	—	—	—	—	—	—	3	3
Other	—	22	—	—	5	—	—	27
	—	<u>22</u>	<u>(48)</u>	<u>9</u>	<u>5</u>	<u>(22)</u>	<u>3</u>	<u>(31)</u>
Disposition Gains	—	60	72	91	—	—	—	223
Corporate Activities²								
Interest expense	—	—	—	—	—	—	(87)	(87)
Corporate costs and taxes	—	—	—	—	—	—	(37)	(37)
	—	—	—	—	—	—	(124)	(124)
	<u>\$ 323</u>	<u>\$ 250</u>	<u>\$ 154</u>	<u>\$ 194</u>	<u>\$ 175</u>	<u>\$ (22)</u>	<u>\$ (23)</u>	<u>\$ 1,051</u>

1. Includes \$9 million of BPY preferred share distributions.

2. Excludes \$37 million of preferred share distributions for the three months, which are included in determining per share results.

Entity Basis – Reconciliation to Reportable Segments – LTM FFO

FOR THE LTM ENDED MAR. 31, 2019
(MILLIONS)

	Reportable Segments							Total
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	
Asset Management								
Fee related earnings	\$ 1,024	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,024
Carried interest, net	253	—	—	—	—	—	—	253
	<u>1,277</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,277</u>
Invested Capital								
Listed investments								
Brookfield Property Partners ¹	—	758	—	—	—	—	—	758
Brookfield Renewable Partners	—	—	401	—	—	—	—	401
Brookfield Infrastructure Partners	—	—	—	330	—	—	—	330
Brookfield Business Partners	—	—	—	—	360	—	—	360
Other listed investments								
Acadian Timber	—	—	—	6	—	—	—	6
Norbord	—	—	—	—	216	—	—	216
Other listed – private equity	—	—	—	—	8	—	—	8
	<u>—</u>	<u>758</u>	<u>401</u>	<u>336</u>	<u>584</u>	<u>—</u>	<u>—</u>	<u>2,079</u>
Financial assets	—	—	—	—	—	—	87	87
	<u>—</u>	<u>758</u>	<u>401</u>	<u>336</u>	<u>584</u>	<u>—</u>	<u>87</u>	<u>2,166</u>
Unlisted investments								
Residential development	—	—	—	—	—	60	—	60
Energy marketing	—	—	(129)	—	—	—	—	(129)
Sustainable resources	—	—	—	28	—	—	—	28
Other corporate	—	—	—	—	—	—	3	3
Other	—	74	—	—	32	—	—	106
	<u>—</u>	<u>74</u>	<u>(129)</u>	<u>28</u>	<u>32</u>	<u>60</u>	<u>3</u>	<u>68</u>
Disposition Gains	—	765	110	91	300	—	—	1,266
Corporate Activities²								
Interest expense	—	—	—	—	—	—	(332)	(332)
Corporate costs and taxes	—	—	—	—	—	—	(163)	(163)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(495)</u>	<u>(495)</u>
	<u>\$ 1,277</u>	<u>\$ 1,597</u>	<u>\$ 382</u>	<u>\$ 455</u>	<u>\$ 916</u>	<u>\$ 60</u>	<u>\$ (405)</u>	<u>\$ 4,282</u>

1. Includes \$54 million of BPY preferred share distributions.

2. Excludes \$150 million of preferred share distributions for the LTM, which are included in determining per share results.

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 108 through 113 of our December 31, 2018 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 debt 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 and/or reinvestment** is a non-IFRS measure that provides insight into earnings received by the corporation that are available for distribution to common shareholders or to be reinvested into the business. It is calculated as the sum of our Asset Management segment FFO (i.e. fee related earnings and realized carried interest, net); distributions from our listed partnerships, other investments that pay regular cash distributions and distributions from our corporate financial assets; other invested capital earnings, which include FFO from our residential operations, energy contracts, sustainable resources and other real estate, private equity and corporate investments that do not pay regular cash distributions; and preferred share dividend payments.
- **Annualized fees** include annualized base management fees, which are determined by the contractual fee rate multiplied by the current level of fee bearing capital, annualized incentive distributions based on our 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 page 36.

- FFO from **Operating Activities** represents the company’s share of revenues less operating costs and interest expenses: it excludes realized carried interest, disposition gains, fair value changes, depreciation and amortization 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.
 - **Listed partnership base fees** are earned on the total capitalization of the listed partnerships, which includes our investment. Base fees for BPY, BEP and TERP include a quarterly fixed fee amount of \$12.5 million, \$5 million and \$3 million, respectively. BPY and BEP each pay additional fees of 1.25% on the increase in capitalization above their initial capitalization of \$11.5 billion and \$8 billion, respectively. TERP pays an additional fee of 1.25% on the increase above initial per unit price at the time of acquisition. Base fees for BPR, BIP and BBU are 1.25% of total capitalization. BPR capital is subject to a 12-month fee waiver which will expire at the end of August 2019. Listed partnership capitalization as at March 31, 2019, was as follows: BPY/BPR – \$24.5 billion; BEP – \$13.1 billion; BIP – \$19.1 billion; BBU – \$3.9 billion; and TERP – \$2.9 billion.
- **Internal Rate of Return (“IRR”)** is the annualized compounded rate of return of the fund, calculated since fund inception.

Notice to Readers

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.

Notice to Readers cont'd

TARGET RETURNS

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

STATEMENT REGARDING USE OF NON-IFRS MEASURES

We disclose a number of financial measures in this Supplemental Information that are calculated and presented using methodologies other than in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). 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.