

BROOKFIELD ASSET MANAGEMENT INC.

**Q3 2020 Supplemental
— Information**

THREE MONTHS ENDED SEPTEMBER 30, 2020

2020 Third Quarter Highlights

\$578B

TOTAL ASSETS
UNDER MANAGEMENT

\$290B

FEE-BEARING CAPITAL

\$76B

DEPLOYABLE CAPITAL

ASSET MANAGEMENT

Fee-bearing capital as at September 30, 2020 was \$290 billion, an increase of \$16 billion over the LTM, driving fee-related earnings growth of 22% over the prior year quarter and 36% over the prior LTM.

- Over the LTM period, we added \$43 billion to fee-bearing capital, including \$22 billion from Oaktree, \$4 billion from our latest infrastructure flagship fund, and additional fundraising and deployment across our perpetual private funds, private credit funds, co-investments and separately managed accounts. During this period, we also returned more than \$18 billion of capital to investors.
 - We raised \$18 billion of private fund capital during the quarter, including \$12 billion of capital raised for the first close of our latest flagship distressed debt fund, as well as \$6 billion of additional fundraising across the other strategies. The majority of the capital raised during the quarter becomes fee bearing when invested. Today, in total we have approximately \$30 billion of additional capital that is committed and will earn annual fees of approximately \$300 million once invested.
- Growth in fee-bearing capital during the quarter included \$10 billion of growth across our listed affiliates, as well as \$4 billion of capital invested across our credit and perpetual private funds.
- Fee-related earnings were \$372 million during the quarter and \$1.4 billion for the LTM, an increase of 22% and 36% from the prior periods, and included contributions from our credit business of \$49 million during the quarter, and \$161 million over the LTM period.

We realized \$42 million (\$27 million, net of costs) of carried interest during the quarter and \$482 million (\$252 million attributable to Brookfield, net of costs) over the LTM. Current unrealized carried interest now totals \$3.5 billion (\$2.3 billion attributable to Brookfield, net of costs).

- We generated unrealized carried interest of \$703 million in the quarter from value enhancements within operating businesses in our private funds and value uplifts on publicly traded securities within our credit strategies.
- Real asset transactions slowed meaningfully over the last six months as a result of the economic shutdown, but we expect asset sale activity to increase in the coming quarters, which will lead to higher levels of carried interest being recognized into income.

We invested a total of \$14 billion in the quarter and \$48 billion over the LTM.

- During the quarter we invested \$9 billion of private fund capital and \$3 billion of co-investment capital, bringing our latest infrastructure, real estate and private equity flagship funds to approximately 60% invested or committed, in aggregate, positioning us to be in the market with our next round of these funds in early 2021.
- Outside of our funds, we deployed approximately \$1 billion of capital, including third-party co-investment capital, into purchasing BPY units through substantial and normal-course issuer bids. We also repurchased approximately \$100 million of BAM shares since quarter-end, and we will remain active with repurchases as long as the shares continue to trade at such a significant discount to their underlying value.
- Since quarter-end, we announced a strategic partnership with American Equity Life, a leading retirement planning annuity provider, in which we will acquire a 19.9% interest and reinsure up to \$10 billion in annuity liabilities. We believe our alternative asset strategies will enable us to earn strong returns on this capital.

2020 Third Quarter Highlights cont'd

OPERATING RESULTS

We generated a record \$2.8 billion of free cash flow in the LTM, including \$747 million during the quarter.

- Cash available for distribution or reinvestment (“CAFDR”)¹ increased by 32% in the quarter and 13% over the LTM, driven by higher earnings from our asset management business and increased distributions from our listed affiliates and directly held investments. Our listed affiliates and private funds continue to contribute stable distributions and fee revenues that are perpetual or long-dated which are resilient through cycles.

FFO¹ was \$1.0 billion in the quarter and \$4.3 billion over the LTM.

- Total FFO for the quarter was 26% higher than the prior year quarter. Included in the quarter was a \$140 million gain on the sale of 5 million shares of Brookfield Infrastructure Corporation.
- Our operating FFO increased by 28%, driven by strong performance across the majority of our businesses, particularly our asset management business and Norbord within our private equity segment.
- For the LTM, our operating FFO increased by 11%, as higher fee-related earnings in our asset management business, contributions from new businesses acquired and same-store growth were partially offset by decreased FFO from invested capital due to the disruption from the economic shutdown in the first half of 2020.

Net income to BAM¹ shareholders was \$172 million in the quarter and \$69 million over the LTM.

- Net income was lower in the quarter and over the LTM, as the prior periods benefited from fair value gains and deferred income tax recoveries.

LIQUIDITY

Deployable capital at September 30, 2020 was \$76 billion, benefiting from strong private fundraising.

- At September 30, 2020, we had \$16 billion of core liquidity which includes \$6 billion at BAM, as well as \$60 billion of uncalled private fund commitments. Subsequent to the quarter-end, we further enhanced our liquidity at BAM by completing a secondary offering of Brookfield Renewable Corporation for proceeds of approximately \$285 million and issuing \$400 million of green subordinated notes, the proceeds of which will be invested in eligible green projects.

Our balance sheet continues to be extremely conservatively capitalized, with a corporate debt to market capitalization ratio of 14% at quarter-end.

- As of September 30, 2020, our corporate debt totaled \$9 billion, with a weighted-average interest rate of 4.4% and a weighted-average remaining term of 12 years, which was extended to 14 years with the issuance of the green subordinated notes subsequent to the quarter-end.
- Our corporate debt is supplemented with \$4 billion of perpetual preferred shares, which carry an average cost of 3.9%.

1. Refer to the Glossary of Terms.

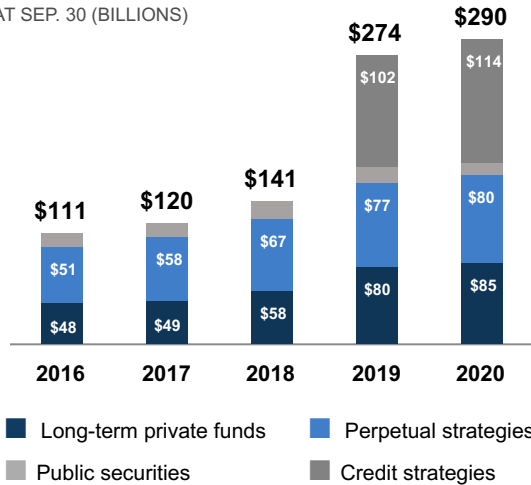
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Performance Highlights

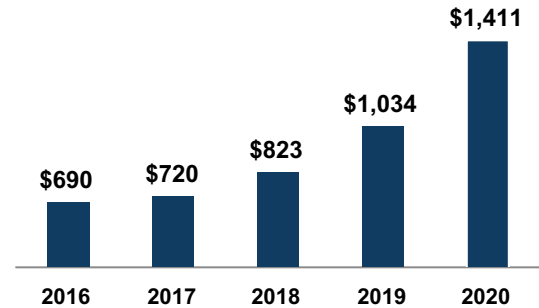
Fee-Bearing Capital

AS AT SEP. 30 (BILLIONS)



Fee-Related Earnings¹

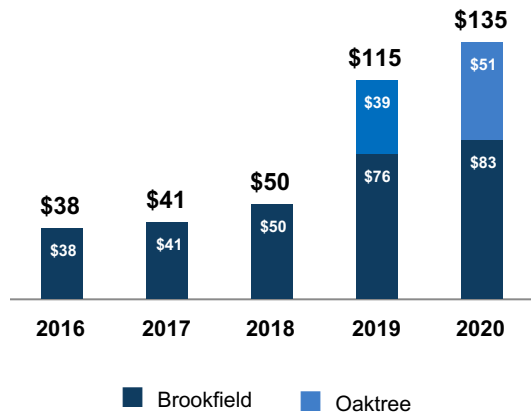
FOR THE LTM ENDED SEP. 30 (MILLIONS)



1. Excludes performance fees.

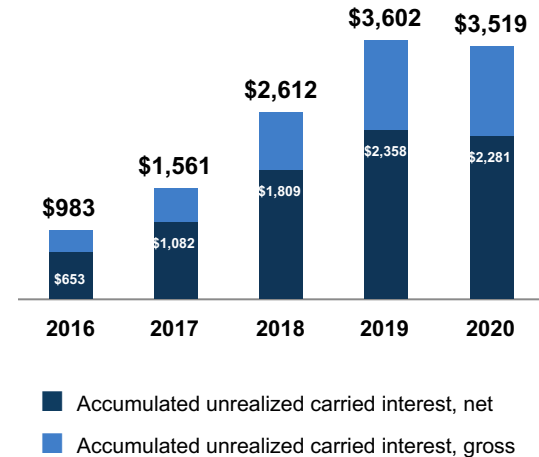
Carry Eligible Capital

AS AT SEP. 30 (BILLIONS)



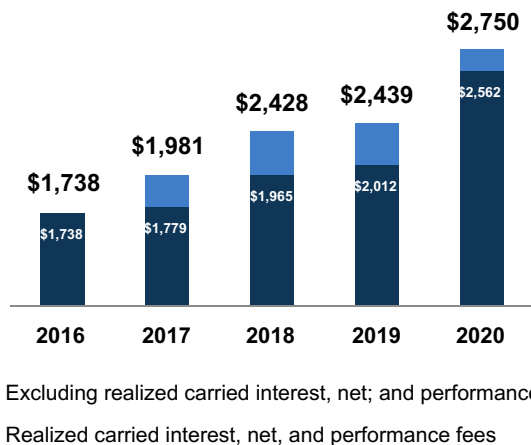
Accumulated Unrealized Carried Interest

AS AT SEP. 30 (MILLIONS)



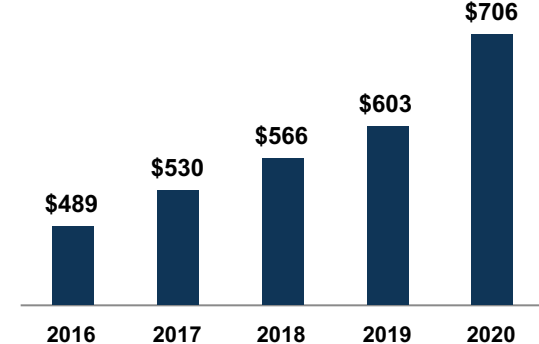
Cash Available for Distribution and/or Reinvestment¹

FOR THE LTM ENDED SEP. 30 (MILLIONS)



Distributions to Common Shareholders¹

FOR THE LTM ENDED SEP. 30 (MILLIONS)



1. Excludes special dividends.

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Financial Profile

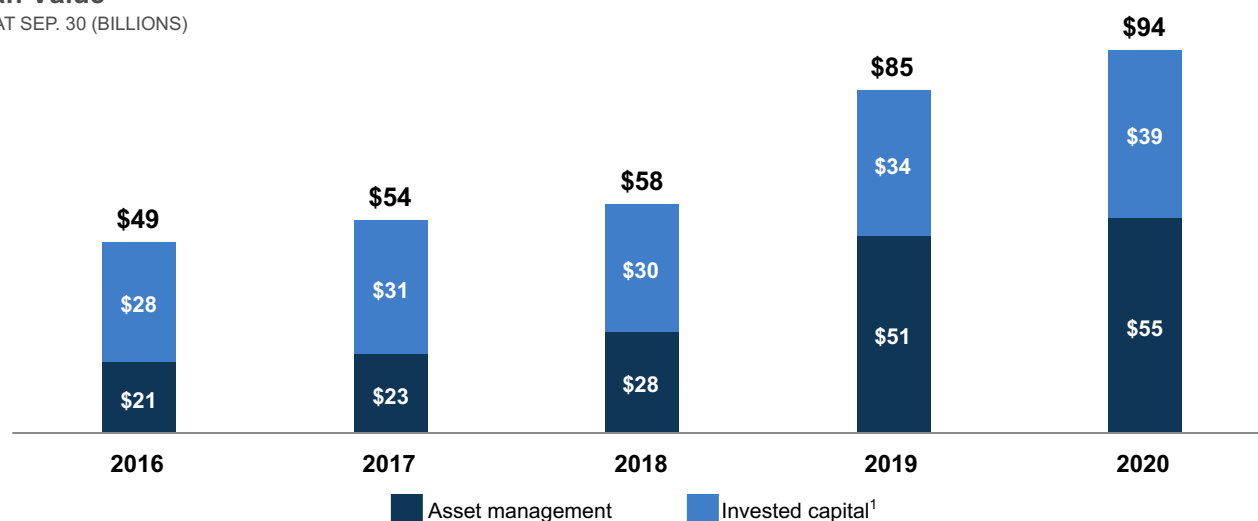
We measure value creation for business planning and performance measurement using a consistent set of metrics as set out in the table below. This analysis is similar to that used by our management team and board of directors when assessing performance and growth in our business. We provide it to you 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 measure intrinsic value.

	+	+	=				
FEE-RELATED EARNINGS VALUE		CARRIED INTEREST VALUE		INVESTED CAPITAL VALUE	BROOKFIELD ASSET MANAGEMENT VALUE		
	Base ¹	Plan Value Factor ²		Sep. 30 2020	Dec. 31 2019	Sep. 30 2019	
	(MILLIONS)			(BILLIONS, EXCEPT PER SHARE AMOUNTS)			
Asset management activities							
Annualized fee-related earnings ³	\$ 1,419	25x		\$ 35.5	\$ 35.9	\$ 33.4	
Target carried interest, net ³	1,684	10x		16.8	15.5	14.9	
Accumulated unrealized carried interest, net				2.3	2.4	2.4	
				<u>54.6</u>	<u>53.8</u>	<u>50.7</u>	
Invested capital⁴							
Listed investments				41.2	37.8	35.8	
Unlisted investments and net working capital				10.6	9.2	9.2	
Invested capital				<u>51.8</u>	<u>47.0</u>	<u>45.0</u>	
Total asset management activities and invested capital				106.4	100.8	95.7	
Debt and preferred capital				(12.7)	(11.2)	(11.2)	
Total plan value				\$ 93.7	\$ 89.6	\$ 84.5	
Total plan value (per share)				\$ 59.65	\$ 56.73	\$ 53.43	

1. Base fee-related earnings and carried interest represent our annualized fee revenues and target carried interest, as at September 30, 2020. We assume a fee-related earnings margin of 60% and 30% for Brookfield and Oaktree, respectively. We assume a 70% and a 50% margin on gross target carried interest for Brookfield and Oaktree, respectively. See further details on annualized fees and target carry details on page 6.
2. Reflects our estimates of appropriate multiples applied to fee-related earnings and carried interest in the alternative asset management industry based on, among other things, current 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 37.
4. See Invested Capital details on page 7.

Plan Value

AS AT SEP. 30 (BILLIONS)



1. Invested capital is presented net of total debt and preferred capital.

Asset Management

Fee-bearing capital totaled \$290 billion as at September 30, 2020, with approximately \$30 billion additional capital committed that will become fee bearing when invested

LONG-TERM PRIVATE FUNDS (\$85 billion)

- Long-term private funds fee-bearing capital increased by \$5 billion during the LTM with growth coming from our latest round of flagship funds, as well as other fund strategies and co-investments. This was partially offset by the investment period ending for three flagship funds which resulted in capital becoming non-fee bearing until it is invested.

PERPETUAL STRATEGIES (\$80 billion)

- Perpetual strategies fee-bearing capital increased by \$2 billion over the LTM as a result of higher market valuation, inflows relating to capital market issuances across our listed affiliates and capital raised across our core real estate and infrastructure private fund strategies, partially offset by distributions to unitholders/shareholders and higher working capital balances in the listed affiliates.

CREDIT STRATEGIES (\$114 billion)

- Oaktree fee-bearing capital increased by \$12 billion over the LTM as a result of fundraising and deployment activity.

PUBLIC SECURITIES (\$11 billion)

- Public securities fee-bearing capital decreased due to market valuation impacts across the funds.

AS AT AND FOR THE LTM ENDED SEP. 30 (MILLIONS)	Fee-Bearing Capital ¹		Actual		Annualized	
	2020	2019	2020	2019	2020	2019
Fee revenues ²						
Base management fees						
Long-term private funds ³	\$ 84,766	\$ 79,527	\$ 794	\$ 685	\$ 766	\$ 770
Perpetual strategies	79,520	77,248	707	593	807	750
Credit Strategies ⁴	113,897	102,061	860	—	911	805
Public securities	11,430	15,257	90	113	79	115
Incentive distributions	n/a	n/a	296	249	305	264
Performance fees	n/a	n/a	—	—	90	65
Transaction and advisory fees	n/a	n/a	48	26	37	18
	<u>\$ 289,613</u>	<u>\$ 274,093</u>	<u>2,795</u>	<u>1,666</u>	<u>2,995</u>	<u>2,787</u>
Direct costs ⁵			(1,282)	(632)	(1,471)	(1,357)
			<u>1,513</u>	<u>1,034</u>	<u>1,524</u>	<u>1,430</u>
Oaktree earnings not attributable to BAM			(102)	—	(105)	(94)
			<u>1,411</u>	<u>1,034</u>	<u>1,419</u>	<u>1,336</u>
Carried interest						
Carried interest ^{6,7,8}			353	761	3,097	2,640
Direct costs ⁵			(163)	(178)	(1,176)	(975)
			<u>190</u>	<u>583</u>	<u>1,921</u>	<u>1,665</u>
Oaktree carried interest not attributable to BAM			(16)	—	(237)	(178)
			<u>174</u>	<u>583</u>	<u>1,684</u>	<u>1,487</u>
Total fee-related earnings and carried interest, net			<u>\$ 1,585</u>	<u>\$ 1,617</u>	<u>\$ 3,103</u>	<u>\$ 2,823</u>

1. Fee-bearing capital from Oaktree is shown on a 100% basis.

2. We use a 55% – 65% range for margin on Brookfield fee revenue and a range of 25% – 35% on Oaktree fee revenue for planning purposes. We have assumed a mid-point fee-related earnings margin of 60% and 30% for Brookfield and Oaktree, respectively. Refer to pages 16, 17 and 18 for details on the determination of annualized fees.

3. Long-term private fund fees included \$34 million of catch-up fees related to funds that held their first closes in the prior year period.

4. Includes fee revenues from Oaktree shown on a 100% basis.

5. Direct costs related to annualized fee revenues and annualized carried interest include \$638 million and \$617 million related to Oaktree, respectively.

6. Actual carried interest is unrealized carried interest generated in the period (refer to page 19). Annualized carried interest is target carried interest.

7. Annualized carried interest includes \$1.2 billion of target carried interest related to Oaktree, shown on a 100% basis.

8. We use a margin range of 65% – 75% on Brookfield carried interest and a range of 45% – 55% on Oaktree carried interest for planning purposes. We have assumed a mid-point target carried interest margin of 70% and 50% for Brookfield and Oaktree funds, respectively. Refer to page 20.

Invested Capital

Invested capital was \$51.8 billion on a blended basis as at September 30, 2020 with 80% invested in our public affiliates (BPY, BIP, BEP, BBU) and other publicly traded investments, in which we earn diversified, long-term, stable cash flows via dividends. We received \$1.7 billion in distributions from our investments over the last twelve months (September 30, 2019 – \$1.5 billion) representing an approximate 4% yield on invested capital. The balance of the cash flow was retained for reinvestment.

Unlisted investments include a commercial office portfolio in New York, residential development operations in North America and Brazil, opportunistic real estate, energy contracts, timber and agricultural assets and other corporate investments.

The following table provides a breakdown of our invested capital as at September 30, 2020 and December 31, 2019. We provide three methods for you to review: quoted prices, our IFRS values, and the blended values. We recommend you focus on the blended values as we do have control over these assets and believe we could liquidate for IFRS values. 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.

AS AT SEP. 30, 2020 AND DEC. 31, 2019
(MILLIONS)

	No. of Units	Quoted ¹		IFRS		Blended ²		Cash Flow
		2020	2019	2020	2019	2020	2019	Current ³
BPY	560.4	\$ 6,742	\$ 9,564	\$ 15,193	\$ 15,786	\$ 15,193	\$ 15,786	\$ 745
BEP ⁴	222.7	11,971	8,784	3,856	4,810	11,971	8,784	387
BIP ⁵	132.5	6,376	6,189	1,674	2,141	6,376	6,189	257
BBU	94.5	2,847	3,901	1,891	2,389	2,847	3,901	24
Other listed	Various	1,177	930	1,390	1,368	1,177	930	67
		29,113	29,368	24,004	26,494	37,564	35,590	1,480
Corporate cash and financial assets ⁶	Various	3,675	2,181	3,675	2,181	3,675	2,181	221
Total listed investments		<u>\$ 32,788</u>	<u>\$ 31,549</u>	<u>27,679</u>	28,675	<u>41,239</u>	37,771	<u>1,701</u>
Unlisted investments ⁷				8,250	8,024	9,654	8,740	56
Working capital, net				895	470	895	470	n/a
Invested capital				36,824	37,169	51,788	46,981	\$ 1,757
Debt and preferred capital				(12,732)	(11,228)	(12,732)	(11,228)	
Invested capital, net				\$ 24,092	\$ 25,941	\$ 39,056	\$ 35,753	

1. Quoted based on September 30, 2020 and December 31, 2019 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 adjust Brookfield Residential values to approximate public pricing using industry comparables.

3. Distributed cash flow (current) from our listed investments is calculated by multiplying units held as at September 30, 2020 by the current distribution rates per unit. Corporate cash and financial asset distribution is calculated by applying an 8% total return on the average balance over the last four quarters. Distributions on our unlisted investments is four times the current quarter's distribution.

4. On July 30, 2020, we completed the creation of BEPC in which the holders of BEP's LP units received one class A share of BEPC for every four BEP units held. As at September 30, 2020, we held approximately 44.5 million of BEPC class A shares (December 31, 2019 – nil) and 178.1 million of BEP units (December 31, 2019 – 188.4 million).

5. On March 31, 2020, we completed the creation of BIPC in which the holders of BIP's LP units received one class A share of BIPC for every nine BIP units held. On July 29, 2020, we completed the sale of approximately 5.1 million class A shares of BIPC for gross proceeds of approximately C\$316 million (or \$237 million). As at September 30, 2020, we held approximately 8.7 million of BIPC class A shares (December 31, 2019 – nil) and 123.8 million of BIP units (December 31, 2019 – 123.8 million).

6. Corporate cash and financial assets is inclusive of \$2.3 billion of cash and cash equivalents (December 31, 2019 – \$789 million).

7. Includes \$654 million of investments related to our share of Oaktree.

Summary of Results – Funds from Operations

We generated \$4.3 billion in FFO over the last twelve months, including \$1.0 billion in the current quarter

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

	Three Months		LTM		Page Ref.
	2020	2019	2020	2019	
Operating FFO					
Fee-related earnings					
Long-term private funds	\$ 180	\$ 183	\$ 760	\$ 651	page 16
– Catch-up fees	—	1	34	34	page 16
Perpetual strategies	202	174	707	593	page 16
Credit strategies	232	—	860	—	page 17
Public securities	20	29	90	113	page 17
Base management fees	634	387	2,451	1,391	
Incentive distributions (“IDRs”)	77	67	296	249	
Transaction and advisory fees	17	14	48	26	
Total fee revenues	728	468	2,795	1,666	
Direct costs	(325)	(162)	(1,282)	(632)	
Fee-related earnings	403	306	1,513	1,034	
Fee-related earnings not attributable to BAM	(31)	—	(102)	—	
	372	306	1,411	1,034	page 15
Invested capital					
Listed affiliates					
BPY	79	168	522	740	page 28
BEP	72	72	409	449	page 28
BIP	90	84	349	351	page 28
BBU	132	132	466	479	page 28
	373	456	1,746	2,019	
Other listed investments	106	19	170	100	page 29
Corporate cash and financial assets	80	(32)	236	57	page 29
	559	443	2,152	2,176	
Unlisted investments					
Residential	37	42	104	90	
Energy contracts	(11)	(31)	(158)	(185)	
Other	28	(2)	90	119	
	54	9	36	24	page 29
Corporate activities					
Corporate interest expense	(98)	(87)	(370)	(342)	
Corporate costs and taxes	(37)	(9)	(166)	(139)	
	(135)	(96)	(536)	(481)	page 26
	478	356	1,652	1,719	
Total operating FFO	850	662	3,063	2,753	
Realized carried interest, net					
Realized carried interest	42	59	482	595	
Direct costs	(13)	(20)	(191)	(168)	
	29	39	291	427	page 19
Realized carried interest, net, not attributable to BAM	(2)	—	(39)	—	
	27	39	252	427	
Disposition gains	162	125	973	1,161	page 27
Total funds from operations^{1,2}	\$ 1,039	\$ 826	\$ 4,288	\$ 4,341	
Per share					
Total operating FFO	\$ 0.53	\$ 0.42	\$ 1.90	\$ 1.78	
Total FFO	0.65	0.54	2.70	2.86	

1. FFO excludes preferred share distributions of \$34 million (2019 – \$38 million) for the three months ended September 30 and \$144 million (2019 – \$150 million) for the LTM.

2. Refer to page 32 for reconciliations of IFRS to non-IFRS measures.

Cash Available for Distribution and/or Reinvestment

We generated \$2.6 billion in CAFDR before carried interest, an increase of 27% over the last twelve months

	Three Months		LTM		Annualized ¹
	2020	2019	2020	2019	
FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)					
Fee-related earnings, excluding Oaktree ²	\$ 323	\$ 306	\$ 1,250	\$ 1,034	\$ 1,250
Our share of Oaktree's distributed earnings ³	41	—	196	—	164
Distributions from investments					
Listed affiliates ⁴	342	337	1,377	1,349	1,413
Corporate cash and financial assets ⁵	94	(32)	250	57	221
Other investments ⁶					
Norbord	8	11	19	48	63
Other	15	17	60	85	60
	<u>459</u>	<u>333</u>	<u>1,706</u>	<u>1,539</u>	<u>1,757</u>
Other invested capital earnings					
Corporate activities	(135)	(96)	(536)	(481)	(576)
Other wholly owned investments	46	1	(3)	(14)	(3)
	<u>(89)</u>	<u>(95)</u>	<u>(539)</u>	<u>(495)</u>	<u>(579)</u>
Preferred share dividends	(34)	(38)	(144)	(150)	(136)
Add back: equity-based compensation costs	23	20	93	84	92
Cash available for distribution and/or reinvestment before carried interest	723	526	2,562	2,012	\$ 2,548
Realized carried interest, net, excluding Oaktree ²	24	39	188	427	
Cash available for distribution and/or reinvestment⁷	\$ 747	\$ 565	\$ 2,750	\$ 2,439	
Cash available for distribution and/or reinvestment per share	\$ 0.49	\$ 0.38	\$ 1.79	\$ 1.66	

1. Current distributions are calculated by multiplying units held as at September 30, 2020 by the current distribution rates per unit.
2. Excludes our share of Oaktree's fee-related earnings and carried interest. See page 15 and page 19 for details.
3. Oaktree's policy is to distribute 85% of distributable earnings each period. Oaktree annualized distributable earnings is based on 85% of the last twelve month distributable earnings, at our share.
4. Inclusive of distributions received from BPY preferred shares, which distributed nominal amounts (2019 – nominal amounts) for the three months ended September 30 and nominal amounts (2019 – \$21 million) for the LTM. We redeemed substantially all our BPY preferred shares in Q2-19.
5. FFO for the three months ended September 30, 2020 includes realized disposition gains of \$14 million. Annualized 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.
6. Includes cash distributions from our other listed investments and BAM-sponsored real estate venture that owns operating and development properties in New York. See definitions of our publicly listed investments in the Invested Capital – Overview section on page 25.
7. Refer to page 32 for reconciliations of IFRS to non-IFRS measures.

- CAFDR represents the deconsolidated earnings of the corporation. It is predominantly made up of the asset manager earnings as well as the cash flow we receive from the investments on our balance sheet.
- Cash flow from invested capital primarily relates to distributions from the listed affiliates that target annual distribution growth rates of 5% – 9% and payout ratios of approximately 70% (BPY, BIP, and BEP) of FFO.
- Unlike BPY, BIP and BEP which pay out a meaningful portion of their FFO, BBU pays a modest distribution as the majority of its FFO is reinvested within the business. For comparability across these entities and industry metrics, below we have provided a proxy distribution for BBU as an indication of the cash flows attributable to BAM based on its ownership in BBU that, for simplicity, is calculated using an assumed payout ratio of 70% of BBU's FFO and disposition gains that is aligned to the payout ratios of the other listed affiliates.

	Three Months		LTM	
	2020	2019	2020	2019
FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)				
Cash available for distribution and/or reinvestment	\$ 747	\$ 565	\$ 2,750	\$ 2,439
Add: proxy for BBU distribution payout, at our share	92	93	325	336
Add: proxy for payout of disposition gains at BBU, at our share	—	4	73	188
Less: distributions from BBU currently within CAFDR	(6)	(6)	(24)	(22)
Distributable earnings	\$ 833	\$ 656	\$ 3,124	\$ 2,941
Distributable earnings per share	\$ 0.54	\$ 0.45	\$ 2.04	\$ 2.01

Funds from Operations and Net Income

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM			
	FFO ¹		Net Income ¹		FFO ¹		Net Income ¹	
	2020	2019	2020	2019	2020	2019	2020	2019
Operating activities								
Fee-related earnings	\$ 372	\$ 306	\$ 372	\$ 306	\$ 1,411	\$ 1,034	\$ 1,411	\$ 1,034
Invested capital	478	356	478	356	1,652	1,719	1,652	1,719
	850	662	850	662	3,063	2,753	3,063	2,753
Realized carried interest, net	27	39	27	39	252	427	252	427
Realized disposition gains ²	162	125	13	(46)	973	1,161	102	296
Fair value changes ³	—	—	(340)	114	—	—	(1,693)	339
Depreciation and amortization ³	—	—	(446)	(347)	—	—	(1,694)	(1,289)
Deferred income taxes ³	—	—	68	525	—	—	39	1,319
	\$ 1,039	\$ 826	\$ 172	\$ 947	\$ 4,288	\$ 4,341	\$ 69	\$ 3,845
Per share	\$ 0.65	\$ 0.54	\$ 0.10	\$ 0.61	\$ 2.70	\$ 2.86	\$ (0.02)	\$ 2.48

1. Net of non-controlling interests. Refer to page 32 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.

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 affiliates (BPY, BEP, BIP and BBU); and
3. Managed funds or investments, either held directly or within listed affiliates.

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 very low leveraged corporate balance sheet.

On a group basis, as at September 30, we had approximately \$76 billion of group liquidity, which included corporate liquidity, listed affiliate liquidity, and uncalled private fund commitments. Uncalled fund commitments include third-party commitments available for drawdown in our private funds.

AS AT SEP. 30, 2020 AND DEC. 31, 2019 (MILLIONS)	Corporate Liquidity		Group Liquidity	
	2020	2019	2020	2019
Cash and financial assets, net	\$ 3,675	\$ 2,181	\$ 5,637	\$ 3,575
Undrawn committed credit facilities	2,525	2,524	10,212	9,808
Core liquidity	6,200	4,705	15,849	13,383
Third-party uncalled private fund commitments	—	—	59,864	50,735
Total liquidity	\$ 6,200	\$ 4,705	\$ 75,713	\$ 64,118

CAPITAL STRUCTURE

Virtually all of the debt within our business is issued by entities within the funds or other investing entities that we manage, which are predominantly at the operating asset level which generally has no recourse to the Corporation. Only 6% of our consolidated debt is issued by, or has recourse to, the Corporation.

Our Corporate capitalization was \$46 billion as at September 30, 2020, with a debt to capitalization level of ~19% at the corporate level based on book values, which excludes virtually all of the value of our asset management operations (see page 30 for details). Based on our market capitalization the corporate debt to capitalization level was 14%.

- Corporate borrowings totaled \$9 billion, with a weighted-average term of 12 years, and a weighted-average interest rate of 4.4%.
- Our corporate borrowings are supplemented by \$4 billion of perpetual preferred shares with a weighted-average cost of 3.9%.

AS AT SEP. 30, 2020 (MILLIONS)	Average Term (Years)	Total	Maturity					
			2020	2021	2022	2023	2024	2025+
Corporate borrowings								
Term debt	12	\$ 8,587	\$ —	\$ —	\$ —	\$ 450	\$ 1,125	\$ 7,012
Revolving facilities ²	4	—	—	—	—	—	—	—
		8,587	—	—	—	450	1,125	7,012
Perpetual preferred shares	perp.	4,145	—	—	—	—	—	n/a
		\$ 12,732	\$ —	\$ —	\$ —	\$ 450	\$ 1,125	\$ 7,012

1. Refer to the Glossary of Terms.

2. Revolving credit facilities of \$2.6 billion support commercial paper issuances.

Liquidity Profile

CORE AND TOTAL LIQUIDITY

AS AT SEP. 30, 2020 AND DEC. 31, 2019 (MILLIONS)	Corporate ¹	Real Estate ¹	Renewable Power	Infrastructure	Private Equity ¹	Oaktree	Total 2020	Dec. 2019
Cash and financial assets, net	\$ 3,675	\$ 17	\$ 512	\$ 435	\$ 348	\$ 650	\$ 5,637	\$ 3,575
Undrawn committed credit facilities	2,525	2,246	1,892	1,162	1,737	650	10,212	9,808
Core liquidity	6,200	2,263	2,404	1,597	2,085	1,300	15,849	13,383
Uncalled private fund commitments ²	—	12,702	3,531	10,860	6,204	26,567	59,864	50,735
Total liquidity	\$ 6,200	\$ 14,965	\$ 5,935	\$ 12,457	\$ 8,289	\$ 27,867	\$ 75,713	\$ 64,118

1. We secured an incremental \$1 billion two-year credit facility in April 2020 to support growth initiatives; BBU and BPY can each draw up to \$500 million or BAM can draw up to \$1 billion. Undrawn commitments of \$500 million are reported within each Real Estate and Private Equity, respectively.

2. Third-party private fund uncalled commitments.

- Corporate credit facilities totaled \$2.6 billion, of which \$nil was utilized for short-term bank or commercial paper borrowings and \$65 million was drawn and utilized for letters of credit as at September 30, 2020.
- Core liquidity represents our principal sources of short-term liquidity (consists of our cash and financial assets, net of deposits and other associated liabilities, and undrawn committed credit facilities).

UNCALLED FUND COMMITMENTS – EXPIRY PROFILE

AS AT SEP. 30, 2020 AND DEC. 31, 2019 (MILLIONS)	2020	2021	2022	2023	2024+	Total 2020 ¹	Dec. 2019
Real estate	\$ —	\$ —	\$ —	\$ 379	\$ 12,323	\$ 12,702	\$ 13,113
Infrastructure and renewable power	—	6	304	—	14,081	14,391	14,119
Private equity	—	—	37	—	6,167	6,204	7,597
Oaktree	—	236	601	111	25,619	26,567	15,906
	\$ —	\$ 242	\$ 942	\$ 490	\$ 58,190	\$ 59,864	\$ 50,735

1. Total uncalled fund commitments includes capital callable from fund investors, including funds outside of their investment period, for which capital is callable for follow-on investments. As at September 30, 2020, \$10.1 billion of uncalled fund commitments related to funds outside of their investment period.

- Approximately \$22 billion of the uncalled fund commitments are currently earning fees. The remainder will become fee bearing once the capital is invested.
 - During the quarter, approximately \$2.5 billion of uncalled commitments became no longer fee earning as a result of the end of the investment period of our third infrastructure flagship fund. The majority of this capital was reserved for expected follow-on investments and will become fee bearing once invested.
- We invested approximately \$9.3 billion of third-party fund capital (including private funds and co-investments) during the quarter and \$32.7 billion during the last twelve months.
- \$4.3 billion of third-party capital is committed to investments not yet funded as at September 30, 2020 (real estate – \$2.4 billion; infrastructure and renewable power – \$0.5 billion; private equity – \$0.4 billion; and Oaktree – \$1.0 billion).

Detailed — Analysis

Asset Management Operating Results

FEE-BEARING CAPITAL

AS AT AND FOR THE PERIODS ENDED SEP 30, 2020 (MILLIONS)	Three Months				LTM				Total
	Long-Term Private Funds ¹	Perpetual Strategies ¹	Public Securities	Credit Strategies	Long-Term Private Funds ¹	Perpetual Strategies ¹	Public Securities	Credit Strategies	
Opening	\$ 84,620	\$ 69,201	\$ 11,693	\$ 111,688	\$ 79,527	\$ 77,248	\$ 15,257	\$ 102,061	\$ 274,093
Inflows	2,350	2,963	586	2,050	11,592	5,456	3,961	21,579	42,588
Outflows	—	—	(843)	(1,326)	—	—	(4,309)	(6,593)	(10,902)
Distributions	(110)	(1,082)	—	(783)	(1,035)	(4,443)	—	(2,086)	(7,564)
Market valuation	(16)	10,656	(4)	1,432	2	3,243	(3,461)	1,360	1,144
Other	(2,078)	(2,218)	(2)	836	(5,320)	(1,984)	(18)	(2,424)	(9,746)
Change	146	10,319	(263)	2,209	5,239	2,272	(3,827)	11,836	15,520
End of period²	\$ 84,766	\$ 79,520	\$ 11,430	\$ 113,897	\$ 84,766	\$ 79,520	\$ 11,430	\$ 113,897	\$ 289,613

1. Long-term private funds and perpetual strategies include \$22.3 billion of co-investment capital (Jun. 30, 2020 – \$20.4 billion, Sep. 30, 2019 – \$16.5 billion), which earns minimal or no base fees.
2. Fee-bearing capital includes Brookfield capital of \$34 billion (Jun. 30, 2020 – \$28 billion, Sep. 30, 2019 – \$33 billion) in perpetual strategies and \$0.2 billion (Jun. 30, 2020 – \$0.2 billion, Sep. 30, 2019 – \$0.2 billion) in long-term private funds.

Inflows to fee-bearing capital represent additional capital which began earning fees in the period. Today, we have an additional \$30 billion of committed capital not currently within fee-bearing capital, that will earn approximately \$300 million of fees once invested.

Long-term private funds: Inflows in the third quarter relate to \$2.0 billion of co-investment capital for new investments, primarily from our investment in the Indian Telecom Tower Business, \$0.3 billion of capital invested within separately managed accounts, as well as \$0.1 billion invested in our second infrastructure debt fund.

Over the LTM period, we had inflows that totaled \$11.6 billion, which included \$4.1 billion from our latest flagship infrastructure fund, \$6.2 billion of co-investment capital, and \$1.3 billion of capital across numerous other strategies.

The decrease in other of \$5.3 billion primarily relates to uninvested capital in three flagship funds that ended their investment periods during the LTM. This capital will become fee-earning again once it is invested.

Perpetual strategies: Price appreciation at our listed affiliates increased fee-bearing capital by \$10.7 billion and \$3.2 billion over the quarter and LTM, respectively. Inflows of \$3.0 billion and \$5.5 billion during the quarter and over the LTM, respectively, were primarily from capital market transactions at BIP, BPY and BEP, as well as capital deployed across our core and core plus perpetual funds.

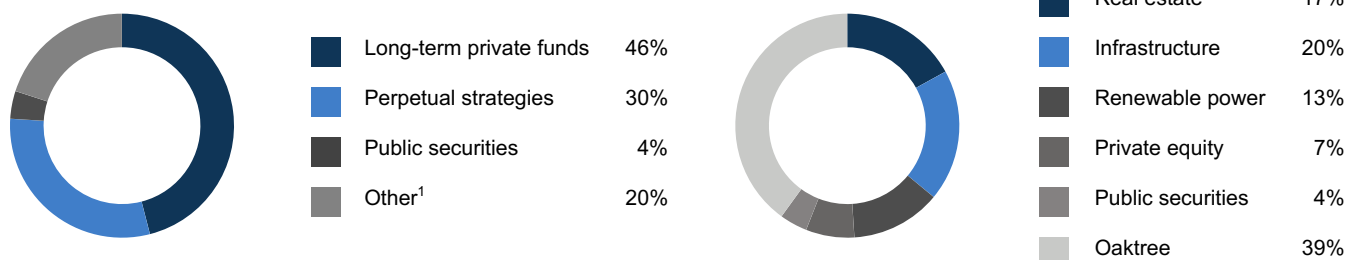
This was partially offset by the decrease in third-party fee-bearing capital as a result of the TERP privatization in the quarter and quarterly distributions from our listed affiliates, as well as redemptions made by investors in our core and core plus perpetual funds over the LTM. For further details on listed affiliate fee-bearing capital in the period, refer to page 16.

Public securities: Fee-bearing capital decrease in the quarter is primarily due to net outflows of \$0.3 billion. Decrease in LTM fee-bearing capital of \$3.8 billion is mainly due to market valuation impacts and \$0.3 billion of net outflows.

Credit strategies: Fee-bearing capital growth during the quarter reflects inflows and capital deployed across various strategies of \$2.1 billion, as well as \$1.4 billion of increases in market valuation since June 2020, partially offset by outflows and distributions. Over the LTM, inflows of \$21.6 billion relate to fundraising and deployment, including \$7 billion from the previous distressed debt fund, which became fee earning on committed capital in the period.

Fee-Bearing Capital Diversification

AS AT SEP. 30, 2020



1. Other represents Oaktree's open-end funds and Oaktree's share of its investment in DoubleLine's fee-bearing capital.

Asset Management Operating Results cont'd

FEE-RELATED EARNINGS

FOR THE PERIODS ENDED SEP. 30
(MILLIONS)

	Three Months			LTM		
	2020	2019	Variance	2020	2019	Variance
Base management fees						
Long-term private funds	\$ 180	\$ 183	\$ (3)	\$ 760	\$ 651	\$ 109
– Catch-up fees	—	1	(1)	34	34	—
Perpetual strategies	202	174	28	707	593	114
Credit strategies	232	—	232	860	—	860
Public securities	20	29	(9)	90	113	(23)
Incentive distributions	77	67	10	296	249	47
Transaction and advisory fees	17	14	3	48	26	22
	728	468	260	2,795	1,666	1,129
Direct costs						
Compensation and benefits	(251)	(121)	(130)	(980)	(453)	(527)
Other expenses	(74)	(41)	(33)	(302)	(179)	(123)
	(325)	(162)	(163)	(1,282)	(632)	(650)
Fee-related earnings¹	\$ 403	\$ 306	\$ 97	\$ 1,513	\$ 1,034	\$ 479
<i>Margin</i>	55%	65%		54%	62%	
Fee-related earnings attributable to:						
Brookfield	\$ 372	\$ 306	\$ 66	\$ 1,411	\$ 1,034	\$ 377
Non-Brookfield shareholders ²	31	—	31	102	—	102
Total fee-related earnings	\$ 403	\$ 306	\$ 97	\$ 1,513	\$ 1,034	\$ 479
<i>Margin – at our share³</i>	58%	65%		57%	62%	

1. Oaktree contributed fee revenues of \$232 million for the three months ended September 30, 2020 and \$860 million over the LTM. Included in the fee-related earnings are Oaktree's compensation and benefits of \$119 million and \$452 million for the three months and LTM period, respectively, and other direct costs of \$33 million and \$145 million for the three months and LTM period, respectively.

2. Represents Oaktree fee-related earnings attributable to the 38% of Oaktree not held by Brookfield.

3. Margin at our share is calculated using our 62% share of Oaktree's fee revenues and costs. Brookfield margin on a standalone basis was 65% for the three months ended September 30, 2020 (2019 – 65%) and 65% for the LTM ended September 30, 2020 (2019 – 62%).

Long-term private funds: Growth in fee revenues over the LTM is attributable to capital raised within our latest series of flagship funds. See page 16 for further details.

Perpetual strategies: Higher fee revenues as a result of increased capitalization from higher prices at BEP and BIP, capital market transactions within the listed affiliates, and new capital raised and deployed in our perpetual private fund strategies. See page 16 for further details.

Credit strategies: Fee revenues are attributable to the inclusion of Oaktree's management fees, following the acquisition on September 30, 2019.

Public securities: Fee revenues decreased due to lower fee-bearing capital compared to the prior year periods. See page 17 for further details.

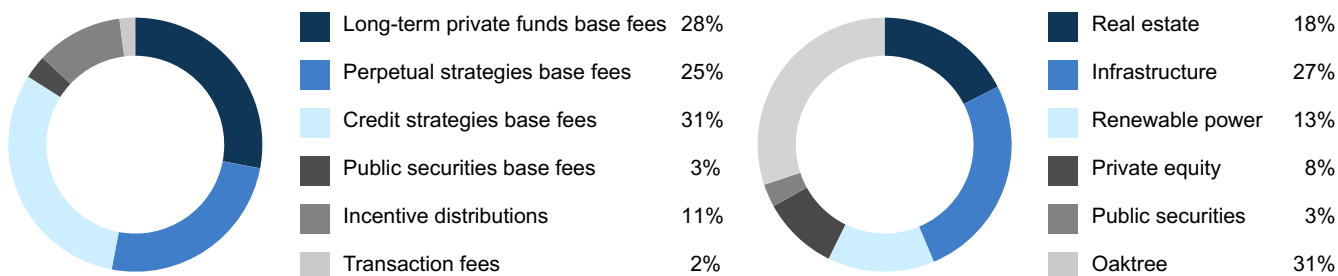
Incentive distributions: Reflects increased distribution levels at BIP, BEP and BPY. See page 18 for further details.

Transaction and advisory fees: Transaction fees in the quarter relate to the close of a co-investment in our latest infrastructure flagship fund.

Direct costs: Direct costs increased as we continue to grow our asset management franchise, both in fundraising, client service and new product development. Our investment in Oaktree also contributed to additional increases in direct costs.

Fee Revenue Diversification

FOR THE LTM ENDED SEP. 30, 2020



Fee Revenues

LONG-TERM PRIVATE FUNDS

AS AT AND FOR THE PERIODS ENDED SEP. 30
(MILLIONS)

	Three Months		LTM		Annualized ¹	
	2020	2019	2020	2019	2020	2019
Base management fees						
Flagship funds						
Real estate	\$ 53	\$ 59	\$ 224	\$ 233	\$ 215	\$ 232
Infrastructure	76	68	320	208	313	318
Private equity	29	30	125	112	128	135
	158	157	669	553	656	685
Co-investments and other funds	22	26	91	98	110	85
Total base management fees	180	183	760	651	766	770
Catch-up fees	—	1	34	34	—	—
Transaction and advisory fees	17	14	48	26	37	18
	<u>\$ 197</u>	<u>\$ 198</u>	<u>\$ 842</u>	<u>\$ 711</u>	<u>\$ 803</u>	<u>\$ 788</u>

1. Refer to details on annualized fees on page 22.

- Flagship fee revenues were in line with the prior year quarter. Additional capital raised over the LTM was offset as a result of three flagship funds ending their investment periods during the LTM. This capital will become fee-generating again once invested. Over the LTM, our flagship funds generated \$116 million of additional fees from third-party commitments raised within our latest flagship infrastructure and private equity funds.
- Co-investments and other fund fees were relatively stable on a quarterly and LTM basis, primarily due to lower fees earned on our sustainable resources funds, partially offset by new co-investment capital raised.
- Annualized fees increased due to co-investment and separately managed account capital raised in the current quarter, as well as higher transaction fees.

PERPETUAL STRATEGIES

AS AT AND FOR THE PERIODS ENDED SEP. 30
(MILLIONS)

	Three Months		LTM		Annualized ¹	
	2020	2019	2020	2019	2020	2019
Base management fees						
Listed affiliates						
BPY	\$ 30	\$ 43	\$ 117	\$ 152	\$ 126	\$ 215
BEP	59	30	159	87	239	120
BIP	83	73	284	242	335	290
BBU	15	14	66	55	61	55
Other	4	6	33	24	—	30
	191	166	659	560	761	710
Core and core plus funds	11	8	48	33	46	40
Total base management fees	202	174	707	593	807	750
Incentive distributions	77	67	296	249	305	264
Performance fees	—	—	—	—	90	65
	<u>\$ 279</u>	<u>\$ 241</u>	<u>\$ 1,003</u>	<u>\$ 842</u>	<u>\$ 1,202</u>	<u>\$ 1,079</u>

1. Refer to details on annualized fees on page 22.

- Listed affiliate base management fees increased by \$25 million from the prior year quarter as a result of price increases at BEP and BIP and capital markets activity across the affiliates. Fee revenues increased by \$99 million over the LTM as a result of the strong price performance over the period.
- Other listed affiliate fees decreased by \$2 million from the prior year quarter as a result of the TERP privatization in the quarter which decreased third-party fee-bearing capital. This was offset by increased fees from equity issued by BEP to fund the privatization.
- Core and core plus funds increased by \$3 million and \$15 million over the prior year quarter and LTM, respectively, as a result of fees earned from fundraising and deployment across our perpetual private real estate and infrastructure funds.
- Base management fee revenues from listed affiliates include \$84 million (2019 – \$76 million) and \$297 million (2019 – \$262 million) from Brookfield capital for the three months and LTM period, respectively.
- The increase in incentive distributions reflects higher distributions per unit at BIP, BEP and BPY.

Fee Revenues

CREDIT STRATEGIES

AS AT AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months		LTM		Annualized ¹	
	2020	2019	2020	2019	2020	2019
Long-term private funds	\$ 147	\$ —	\$ 547	\$ —	\$ 584	\$ 488
Perpetual strategies	35	—	124	—	129	124
Other ²	50	—	189	—	198	193
	<u>\$ 232</u>	<u>\$ —</u>	<u>\$ 860</u>	<u>\$ —</u>	<u>\$ 911</u>	<u>\$ 805</u>
Fee revenues attributable to:						
Brookfield	\$ 143	\$ —	\$ 530	\$ —	\$ 561	\$ 492
Non-Brookfield shareholders ³	89	—	330	—	350	313
	<u>\$ 232</u>	<u>\$ —</u>	<u>\$ 860</u>	<u>\$ —</u>	<u>\$ 911</u>	<u>\$ 805</u>

1. Refer to details on annualized fees on page 22.

2. Represents Oaktree's open-end funds and its share of DoubleLine's net fee revenues.

3. Represents Oaktree fee revenues attributable to the 38% of Oaktree not held by Brookfield.

- Base management fee revenue of \$232 million was earned during the quarter, or \$143 million at our share. Annualized fees on Oaktree's fee-bearing capital are \$911 million, or \$561 million at our share.
- As of September 30, 2020, we own an approximate 62% interest in Oaktree.

PUBLIC SECURITIES

AS AT AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months		LTM		Annualized ¹	
	2020	2019	2020	2019	2020	2019
Mutual funds	\$ 9	\$ 16	\$ 46	\$ 69	\$ 33	\$ 65
Separately managed accounts	10	11	40	38	41	45
Other	1	2	4	6	5	5
	<u>\$ 20</u>	<u>\$ 29</u>	<u>\$ 90</u>	<u>\$ 113</u>	<u>\$ 79</u>	<u>\$ 115</u>

1. Refer to details on annualized fees on page 22.

- Fee revenues decreased as a result of lower fee-bearing capital over the LTM period, predominantly in our mutual fund strategies.

Incentive Distributions

We receive a portion of increases in the distributions by BIP, BEP and BPY as an incentive to increase FFO per unit, which should lead to increased unitholder distributions over time. The following table provides the current distribution levels of BIP, BEP and BPY:

ANNUALIZED INCENTIVE DISTRIBUTIONS

AS AT SEP. 30, 2020 (MILLIONS, EXCEPT PER UNIT)	Per Unit			Units Outstanding	Annualized Incentive Distributions
	Annualized Distributions	Distribution Hurdles	Incentive Distributions ¹		
Brookfield Infrastructure (BIP) ²	\$ 1.94	\$ 0.73 / \$0.79	15% / 25%	465.0	\$ 181
Brookfield Renewable (BEP) ³	1.74	1.20 / 1.35	15% / 25%	430.3	67
Brookfield Property (BPY) ⁴	1.33	1.10 / 1.20	15% / 25%	935.8	57
					<u>\$ 305</u>

1. Incentive distributions equate to 18% and 33% of limited partner distribution increases over the first and second hurdles, respectively.
2. Incentive distributions from Brookfield Infrastructure are earned on distributions made by BIP and BIPC.
3. Incentive distributions from Brookfield Renewable are earned on distributions made by BEP and BEPC.
4. Incentive distributions from Brookfield Property are earned on distributions made by BPY and BPYU.

LISTED AFFILIATE DISTRIBUTIONS (PER UNIT)

	BPY	BEP	BIP
Long-term target:			
FFO payout	80%	70%	60% to 70%
Distribution growth	5% to 8%	5% to 9%	5% to 9%
2020 ¹	\$ 1.33	\$ 1.74	\$ 1.94
2019	1.32	1.65	1.81
2018	1.26	1.57	1.69
2017	1.18	1.50	1.57
2016	1.12	1.42	1.40

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

BPY/BEP/BIP

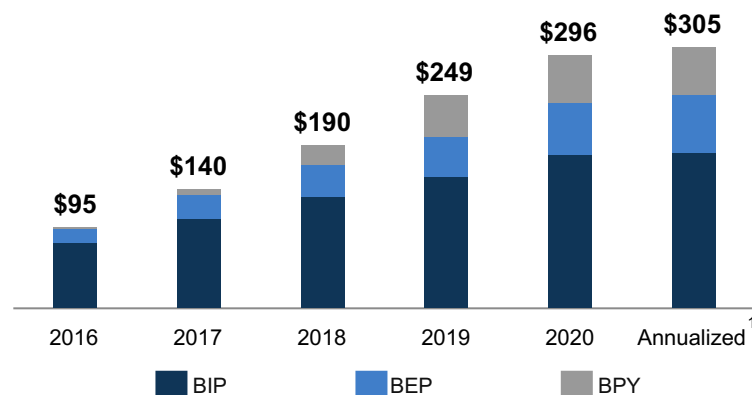
- Distribution policies target a distribution level that is sustainable on a long-term basis while retaining sufficient liquidity for capital expenditures and general purposes.

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 149.6 million BBU units outstanding and the current threshold is \$41.96.

Incentive Distributions (LTM)

SEP. 30 (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 \$502 million during the LTM based on investment returns. Cumulative gross unrealized carried interest now stands at \$4.0 billion

UNREALIZED CARRIED INTEREST CONTINUITY^{1,2}

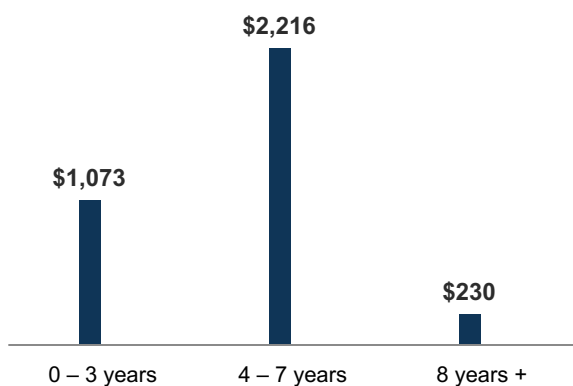
AS AT AND FOR THE PERIODS ENDED SEP. 30, 2020 (MILLIONS)	Three Months			LTM		
	Unrealized Carried Interest	Direct Costs	Net	Unrealized Carried Interest	Direct Costs	Net
Accumulated unrealized, beginning of period	\$ 3,334	\$ (1,244)	\$ 2,090	\$ 4,124	\$ (1,517)	\$ 2,607
In period change						
Generated in period	679	(254)	425	502	(208)	294
Foreign currency revaluation	24	(4)	20	(149)	45	(104)
	703	(258)	445	353	(163)	190
Less: realized	(42)	13	(29)	(482)	191	(291)
	661	(245)	416	(129)	28	(101)
Accumulated unrealized, end of period	3,995	(1,489)	2,506	3,995	(1,489)	2,506
Oaktree carried interest not attributable to BAM shareholders	(476)	251	(225)	(476)	251	(225)
Accumulated unrealized, end of period, net	\$ 3,519	\$ (1,238)	\$ 2,281	\$ 3,519	\$ (1,238)	\$ 2,281

1. Amounts dependent on future investment performance are deferred. Represents management estimate of carried interest if funds were wound up at period end.

2. Carried interest in respect of third-party capital.

Unrealized Carried Interest – Expected Realization Timeline

AS AT SEP. 30, 2020 (MILLIONS)



- Of the \$1.1 billion of carried interest expected to be recognized within the next three years, \$0.9 billion relates to carried interest from our flagship real estate, infrastructure and private equity funds, and \$0.2 billion relates to Oaktree's funds, at our share.

THREE MONTHS

- Unrealized carried interest before foreign exchange and associated costs increased \$679 million during the current quarter. The increase is primarily related to increased valuations in our infrastructure, private equity and credit funds during the quarter.
- We realized \$42 million of carried interest in the quarter, primarily from the sale of shares in one of our private equity businesses.

LTM

- In addition to the realized carried interest noted above, over the LTM we earned carried interest income from the return of capital from our fourth flagship private equity fund and real estate funds, as well as realization within the Oaktree funds.

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 SEP. 30, 2020 (MILLIONS)	Carry Eligible Capital ¹	Gross Target Return ^{2,3}	Average Carried Interest	Annualized Target Carried Interest ⁴
Opportunistic	\$ 21,093	18% – 23%	~20%	\$ 706
Value add	20,641	10% – 15%	~20%	420
Credit, core plus and other	13,763	10% – 15%	~15%	168
Oaktree	30,331	10% – 20%	~20%	779
	<u>85,828</u>			<u>2,073</u>
Uncalled fund commitments ^{5,6}				
Brookfield	27,977			569
Oaktree	20,831			455
Total carry eligible capital/target carried interest	\$ 134,636			3,097
Target carried interest not attributable to BAM shareholders ⁷				(474)
				<u>\$ 2,623</u>

- As at September 30, 2020, \$85.8 billion of carry eligible capital has been invested and an additional \$48.8 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.
- Represents Oaktree target carried interest attributable to the 38% of Oaktree not held by Brookfield.

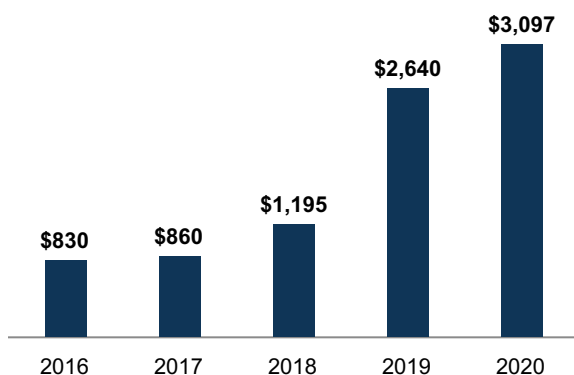
ANNUALIZED TARGET CARRIED INTEREST

For planning purposes, we use current carry eligible capital multiplied by target fund returns and our average carried interest rate to determine annualized carried interest, and then subtract associated direct costs to arrive at a 70% margin for Brookfield, and 50% margin for Oaktree, which is “net target carried interest.”

Target carried interest on capital currently invested is \$2.1 billion per annum, and \$1.0 billion on capital not yet invested. Total target carried interest is \$2.6 billion at our share, or \$1.7 billion net of costs.

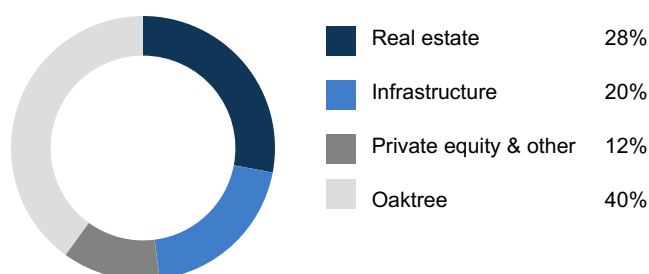
Target Carried Interest

AS AT SEP. 30 (MILLIONS)



Target Carry Diversification

AS AT SEP. 30, 2020



Private Funds Carried Interest

Virtually all of our funds are tracking to meet or exceed target returns

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

AS AT SEP. 30, 2020 (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%	17%	\$ 6,792	\$ 8,051	\$ 3,871	\$ 18,714	\$ 649
	Credit – BREF	2005 – 2017	12% – 15%	9%	1,196	1,573	179	2,948	52
	Other ⁶	2008 – 2018			2,317	6,193	4,163	12,673	49
Infrastructure	Value add – BIF	2010 – 2020	13% – 15%	14%	8,875	10,493	9,133	28,501	1,244
	Other ⁶	2008 – 2018			3,257	2,390	679	6,326	23
Private equity	Opportunistic – BCP	2007 – 2019	20%	28%	3,918	3,347	1,675	8,940	693
	Other ⁶	2015 – 2018			1,622	1,721	2,029	5,372	81
Oaktree					20,831	17,935	12,396	51,162	728
Total private fund carry eligible capital					48,808	\$ 51,703	\$ 34,125	134,636	\$ 3,519
Non-carry eligible capital⁷					11,056			82,265	
					\$ 59,864			\$ 216,901	

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 perpetual funds.

5. Uncalled fund commitments from carry eligible funds. Additional \$11.1 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

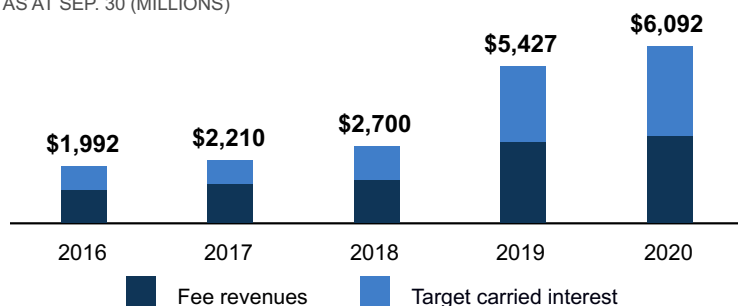
AS AT (MILLIONS)	Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2019
Base management fees			
Long-term private funds	\$ 766	\$ 823	\$ 770
Perpetual strategies ^{1,2}	807	753	750
Credit strategies	911	910	805
Public securities	79	118	115
Incentive distributions ³	305	298	264
	2,868	2,902	2,704
Performance fee ⁴	90	90	65
Transaction and advisory ⁵	37	29	18
Fee revenues	2,995	3,021	2,787
Target carried interest⁶			
Brookfield funds	1,863	1,801	1,720
Oaktree funds	1,234	959	920
	3,097	2,760	2,640
	6,092	5,781	5,427
Oaktree revenues not attributable to			
BAM shareholders			
Management fees	(350)	(353)	(313)
Target carried interest	(474)	(372)	(357)
	\$ 5,268	\$ 5,056	\$ 4,757

- Perpetual strategies base management fees include \$333 million of annualized base fees on Brookfield capital from listed affiliates.
- For details on perpetual strategies base fee calculations, refer to the Glossary of Terms on page 38.
- Based on most recent quarterly distributions declared.
- Annualized BBU performance fees assume 10% annualized unit price appreciation from the \$25.00 initial spin-out value in 2016, adjusted for current BBU units outstanding.
- Annualized transaction and advisory fees based on simple average of the last two years' results.
- Based on prescribed carried interest for private funds and target gross return. Includes only third-party capital.

- We have approximately \$30 billion of additional capital not in fee-bearing capital today that will earn approximately \$300 million of fees and \$200 million of target carried interest once invested.
- 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 149.6 million BBU units outstanding and the current threshold is \$41.96.
- We include base fees on the capital invested by us in our listed affiliates 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 use a margin range of 55% – 65% on Brookfield fee revenue and a range of 25% – 35% on Oaktree fee revenue for planning purposes.
- We use a margin range of 65% – 75% on Brookfield carried interest and a range of 45% – 55% on Oaktree carried interest for planning purposes.

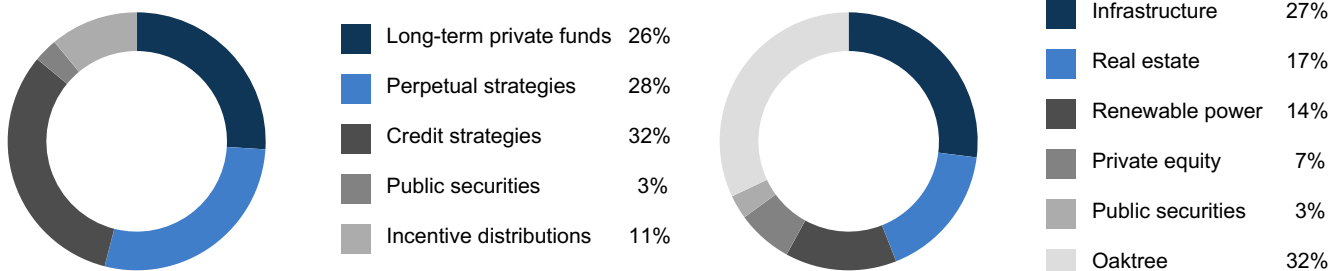
Annualized Fees and Target Carry

AS AT SEP. 30 (MILLIONS)



Fee Revenue Diversification¹

AS AT SEP. 30, 2020



1. Fee revenues based on annualized fees as at September 30, 2020, excluding transaction fees, performance fees and target carried interest.

Private Fund Listing¹

AS AT SEP. 30, 2020
(MILLIONS, USD UNLESS OTHERWISE NOTED)

	Committed Capital ²	Brookfield Participation ²	Year ³
BROOKFIELD REAL ESTATE FUNDS			
Opportunistic			
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
Opportunity Zone	1,011	—%	2019
Value Add			
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	3,363	12%	2016
Premier Real Estate Partners Australia ⁵	A \$ 676	39%	2018
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
Global Infrastructure IV ⁴	20,000	25%	2020
Core			
Super-Core Infrastructure Partners ⁵	\$ 3,288	2%	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
Capital Partners V ⁴	9,000	33%	2019
BROOKFIELD CREDIT FUNDS			
Credit Funds			
Real Estate Finance I	\$ 600	33%	2005
Real Estate Finance IV	1,375	18%	2014
Real Estate Finance V	2,949	14%	2017
Senior Mezzanine Real Estate Finance ⁵	1,193	1%	2017
Infrastructure Debt	884	17%	2017
Infrastructure Debt – Euro	€ 202	30%	2018
Peninsula Brookfield India Real Estate	95	—%	2013

1. Excludes Oaktree funds. 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 affiliates 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 perpetual funds, year of first close.

4. Flagship funds.

5. Perpetual funds.

Capital Invested or Committed

Invested \$48 billion of capital during the LTM including \$14 billion in the quarter

CAPITAL INVESTED OR COMMITTED (FUNDING SOURCE)

FOR THE LTM ENDED SEP. 30 (MILLIONS)	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Oaktree	Total
Perpetual strategies ¹	\$ 3,193	\$ 2,790	\$ 2,166	\$ 2,195	\$ 4,911	\$ 15,255
Long-term private funds ²	3,088	6,131	744	1,142	12,585	23,690
Co-investments ²	324	4,894	—	2,020	710	7,948
Direct ³	—	—	—	1,431	—	1,431
Total invested	6,605	13,815	2,910	6,788	18,206	48,324
Committed – new ⁴	3,696	483	645	999	961	6,784
Committed – invested ⁴	(3,195)	(6,540)	(541)	(2,955)	—	(13,231)
Total ⁴	\$ 7,106	\$ 7,758	\$ 3,014	\$ 4,832	\$ 19,167	\$ 41,877

1. Includes investments made by listed affiliates (BPY, BIP, BEP and BBU) and Oaktree on their balance sheets, or investments in perpetual private funds.

2. Reflects third-party investments in long-term private funds managed by Brookfield and Oaktree.

3. Investments made by Brookfield in financial assets or on balance sheet assets other than the listed affiliates.

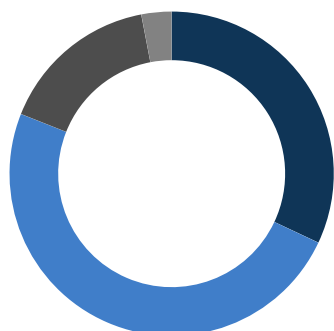
4. New commitments represent those commitments entered into during the period. Invested commitments represent the amounts invested during the period for commitments which were entered into during the prior period (shown as an outflow to commitments and an inflow to invested). Where capital was both committed and invested in the same period, it will be presented as invested only.

CAPITAL INVESTED (GEOGRAPHY)

FOR THE LTM ENDED SEP. 30 (MILLIONS)	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Oaktree	Total
North America	\$ 4,198	\$ 8,150	\$ 204	\$ 5,106	\$ 14,498	\$ 32,156
South America	26	255	58	104	711	1,154
Europe	1,102	798	2,391	2	2,386	6,679
Asia and other	1,279	4,612	257	1,576	611	8,335
Total invested	\$ 6,605	\$ 13,815	\$ 2,910	\$ 6,788	\$ 18,206	\$ 48,324

Capital Invested (by capital type)

FOR THE LTM ENDED SEP. 30, 2020



■ Perpetual Strategies 32%	■ Long-term private funds 49%
■ Co-investments 16%	■ Direct 3%

SIGNIFICANT INVESTMENTS

- Genesee & Wyoming (\$5.3 billion)
- Indian Telecom Towers (\$3.4 billion)
- TerraForm privatization (\$1.9 billion)
- Sagen (formerly “Genworth Canada”) (\$1.7 billion)
- Cheniere Energy (\$1.3 billion)
- BrandSafway (\$1.3 billion)
- BPY repurchases (\$0.7 billion)
- Aveo (\$0.7 billion)

SIGNIFICANT COMMITMENTS

- New York real estate project (\$0.6 billion)
- JC Penney (\$0.2 billion)
- Brazil solar development (\$0.2 billion)

Invested Capital – Overview

LISTED INVESTMENTS

Our **listed affiliates** 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 60% (56% 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 52% 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. During the third quarter of 2020, we completed the privatization of TERP in conjunction with the distribution of BEPC units. As a result, Brookfield's ownership in BEP decreased from 57% to 52%.
- We own 28% 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 63% of **Brookfield Business Partners** (BBU), our flagship private equity perpetual strategy that invests primarily in business 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 Inc. ("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.
- **Vistra**: an integrated power company based in Texas that trades on the NYSE. Together with our institutional partners, we own approximately 4% 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 27.4% interest in a BAM-sponsored venture that owns operating and development properties in New York and investments in assets in the multifamily sector.
- **Sustainable resources and other**: 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**: includes our share of Oaktree's balance sheet investments and 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 SEP.30, 2020 AND DEC. 31, 2019
AND FOR THE PERIODS ENDED SEP. 30
(MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Funds from Operations ¹					
	Invested Capital		Three Months		LTM	
	2020	2019	2020	2019	2020	2019
Listed investments						
Listed affiliates						
BPY	\$ 15,177	\$ 15,770	\$ 79	\$ 168	\$ 522	\$ 719
BPY preferred shares	16	16	—	—	—	21
BEP	3,856	4,810	72	72	409	449
BIP	1,674	2,141	90	84	349	351
BBU	1,891	2,389	132	132	466	479
Other listed investments						
Norbord	1,239	1,185	105	15	166	80
Other	151	183	1	4	4	20
Corporate cash and financial assets²	3,675	2,181	80	(32)	236	57
	27,679	28,675	559	443	2,152	2,176
Unlisted investments						
Residential	2,525	2,859	37	42	104	90
Energy contracts	509	510	(11)	(31)	(158)	(185)
Other	5,216	4,655	28	(2)	90	119
	8,250	8,024	54	9	36	24
Corporate activities						
Corporate borrowings / Interest expense	(8,587)	(7,083)	(98)	(87)	(370)	(342)
Working capital / Corporate costs and taxes ³	895	470	(37)	(9)	(166)	(139)
Perpetual preferred shares ⁴	(4,145)	(4,145)	—	—	—	—
	(11,837)	(10,758)	(135)	(96)	(536)	(481)
Invested capital, net / FFO	\$ 24,092	\$ 25,941	\$ 478	\$ 356	\$ 1,652	\$ 1,719
Per share	\$ 15.34	\$ 16.43	\$ 0.29	\$ 0.22	\$ 0.98	\$ 1.07

1. Excludes realized disposition gains.

2. Corporate cash and financial assets is inclusive of \$2.3 billion of cash and cash equivalents (2019 – \$789 million).

3. Invested capital includes net deferred income tax asset of \$2.0 billion (2019 – \$2.2 billion); FFO includes current tax expense of \$12 million (2019 – tax recovery of \$14 million) for the three months ended September 30, 2020 and current tax expense of \$64 million (2019 – \$39 million) for the LTM.

4. FFO excludes preferred shares distributions of \$34 million (2019 – \$38 million) for the three months ended September 30, 2020 and \$144 million (2019 – \$150 million) for the LTM.

Disposition Gains

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months				LTM			
	FFO ^{1,2}		Net Income ²		FFO ^{1,2}		Net Income ²	
	2020	2019	2020	2019	2020	2019	2020	2019
Real estate								
Core office	\$ —	\$ 143	\$ —	\$ (8)	\$ 60	\$ 338	\$ 12	\$ (21)
Core retail portfolio	1	12	1	12	36	18	6	9
LP investments								
IDI	—	—	—	—	—	135	—	(29)
Other LP investments	(12)	(16)	2	(6)	32	84	(30)	1
Other Directly Held	4	(39)	2	(49)	6	123	43	63
	<u>(7)</u>	<u>100</u>	<u>5</u>	<u>(51)</u>	<u>134</u>	<u>698</u>	<u>31</u>	<u>23</u>
Infrastructure								
BIPC Secondary Offering	140	—	—	—	140	—	—	—
WETT	12	—	5	—	12	—	5	—
EBSA	—	—	—	—	19	—	1	—
AVN (Chilean toll road)	—	—	—	—	28	91	—	—
Other infrastructure	—	16	—	(1)	11	(14)	8	6
	<u>152</u>	<u>16</u>	<u>5</u>	<u>(1)</u>	<u>210</u>	<u>77</u>	<u>14</u>	<u>6</u>
Private equity								
BGIS	—	—	—	—	—	66	—	93
BGRS	—	—	—	—	—	142	—	109
Nova Cold	—	—	—	—	26	—	26	—
GrafTech	—	—	—	—	55	—	—	—
Other Private Equity	—	6	—	6	23	61	27	60
	<u>—</u>	<u>6</u>	<u>—</u>	<u>6</u>	<u>104</u>	<u>269</u>	<u>53</u>	<u>262</u>
Renewable power								
BEP Secondary Offering	—	—	—	—	479	—	—	—
Other Renewable Power	3	3	3	—	32	117	4	5
	<u>3</u>	<u>3</u>	<u>3</u>	<u>—</u>	<u>511</u>	<u>117</u>	<u>4</u>	<u>5</u>
Corporate								
Other Corporate	14	—	—	—	14	—	—	—
	<u>14</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>14</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>\$ 162</u>	<u>\$ 125</u>	<u>\$ 13</u>	<u>\$ (46)</u>	<u>\$ 973</u>	<u>\$ 1,161</u>	<u>\$ 102</u>	<u>\$ 296</u>

1. FFO includes gains (net of losses) 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.

Listed Affiliates Results

BPY (NASDAQ: BPY, TSX: BPY.UN) – 60% (56% fully diluted) ownership interest

AS AT SEP. 30, 2020 AND DEC. 31, 2019
AND FOR THE PERIODS ENDED SEP. 30
(MILLIONS)

	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2020	2019	2020	2019	2020	2019
Core office	\$ 13,867	\$ 14,240	\$ 141	\$ 150	\$ 587	\$ 647
Core retail	12,915	14,138	97	201	649	825
LP investments	4,973	5,126	23	74	147	316
Corporate	(6,466)	(4,974)	(100)	(101)	(356)	(406)
Attributable to unitholders	25,289	28,530	161	324	1,027	1,382
Non-controlling interests	(10,112)	(12,760)	(67)	(146)	(453)	(633)
Segment reallocation and other ¹	—	—	(15)	(10)	(52)	(30)
Brookfield's interest	15,177	15,770	79	168	522	719
Preferred shares	16	16	—	—	—	21
	<u>\$ 15,193</u>	<u>\$ 15,786</u>	<u>\$ 79</u>	<u>\$ 168</u>	<u>\$ 522</u>	<u>\$ 740</u>

BEP (NYSE: BEP, TSX: BEP.UN) – 52% ownership interest

AS AT SEP. 30, 2020 AND DEC. 31, 2019
AND FOR THE PERIODS ENDED SEP. 30
(MILLIONS)

	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2020	2019	2020	2019	2020	2019
Proportionate generation (GWh)						
Actual	n/a	n/a	5,753	5,213	25,446	27,113
Long-term average (LTA)	n/a	n/a	6,618	5,821	27,205	26,308
Hydroelectric generation	\$ 7,971	\$ 8,961	\$ 113	\$ 125	\$ 679	\$ 747
Wind energy	2,011	1,591	50	36	189	184
Solar, storage and other	1,732	1,081	78	42	176	125
Corporate	(4,260)	(3,681)	(84)	(70)	(267)	(260)
Attributable to unitholders	7,454	7,952	157	133	777	796
Incentive distributions	—	—	(17)	(12)	(60)	(46)
Non-controlling interests	(3,598)	(3,142)	(65)	(49)	(294)	(296)
Segment reallocation and other ²	—	—	(3)	—	(14)	(5)
Brookfield's interest	\$ 3,856	\$ 4,810	\$ 72	\$ 72	\$ 409	\$ 449

BIP (NYSE: BIP, TSX: BIP.UN) – 28% ownership interest

AS AT SEP. 30, 2020 AND DEC. 31, 2019
AND FOR THE PERIODS ENDED SEP. 30
(MILLIONS)

	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2020	2019	2020	2019	2020	2019
Utilities	\$ 1,802	\$ 2,178	\$ 139	\$ 145	\$ 567	\$ 563
Transport	3,578	3,991	135	128	491	531
Energy	2,953	3,128	115	100	445	393
Data infrastructure	1,832	1,318	50	36	177	114
Corporate and other	(4,421)	(3,486)	(74)	(71)	(266)	(249)
Attributable to unitholders	5,744	7,129	365	338	1,414	1,352
Incentive distributions	—	—	(46)	(41)	(179)	(151)
Non-controlling interests	(4,070)	(4,988)	(226)	(210)	(874)	(847)
Segment reallocation and other ²	—	—	(3)	(3)	(12)	(3)
Brookfield's interest	\$ 1,674	\$ 2,141	\$ 90	\$ 84	\$ 349	\$ 351

BBU (NYSE: BBU, TSX: BBU.UN) – 63% ownership interest

AS AT SEP. 30, 2020 AND DEC. 31, 2019
AND FOR THE PERIODS ENDED SEP. 30
(MILLIONS)

	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2020	2019	2020	2019	2020	2019
Business services	\$ 2,082	\$ 2,161	\$ 62	\$ 31	\$ 170	\$ 427
Infrastructure services	753	470	78	95	332	322
Industrials	893	947	86	103	368	403
Corporate and other	(642)	214	(18)	(10)	(52)	(45)
Attributable to unitholders	3,086	3,792	208	219	818	1,107
Non-controlling interests	(1,195)	(1,403)	(76)	(82)	(304)	(367)
Segment reallocation and other ²	—	—	—	(5)	(48)	(261)
Brookfield's interest	\$ 1,891	\$ 2,389	\$ 132	\$ 132	\$ 466	\$ 479

1. Reflects fee-related earnings and net carried interest reclassified to asset management segment and asset management expenses not included in operating FFO.
2. Relates to disposition gains, net of NCI, included in operating FFO.

Other Investments

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

OTHER LISTED INVESTMENTS AND CORPORATE CASH AND FINANCIAL ASSETS

AS AT SEP. 30, 2020 AND DEC. 31, 2019 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)		Segment	Invested Capital		Funds from Operations			
					Three Months		LTM	
			2020	2019	2020	2019	2020	2019
Other listed								
	Norbord	Private Equity	\$ 1,239	\$ 1,185	\$ 105	\$ 15	\$ 166	\$ 80
	Other listed	Private Equity	151	183	1	4	4	20
			<u>1,390</u>	<u>1,368</u>	<u>106</u>	<u>19</u>	<u>170</u>	<u>100</u>
Corporate cash and financial assets		Corporate	3,675	2,181	80	(32)	236	57
			<u>\$ 5,065</u>	<u>\$ 3,549</u>	<u>\$ 186</u>	<u>\$ (13)</u>	<u>\$ 406</u>	<u>\$ 157</u>

UNLISTED INVESTMENTS

AS AT SEP. 30, 2020 AND DEC. 31, 2019 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)		Segment	Invested Capital		Funds from Operations			
					Three Months		LTM	
			2020	2019	2020	2019	2020	2019
Residential development								
	North America	Residential	\$ 1,983	\$ 2,083	\$ 36	\$ 41	\$ 109	\$ 137
	Brazil and other	Residential	542	776	1	1	(5)	(47)
			<u>2,525</u>	<u>2,859</u>	<u>37</u>	<u>42</u>	<u>104</u>	<u>90</u>
	Energy contracts	Renewable Power	509	510	(11)	(31)	(158)	(185)
	Sustainable resources and other	Infrastructure	563	651	2	2	11	21
	Other corporate	Corporate	726	680	(3)	(5)	(11)	(2)
	Other unlisted	Various	3,927	3,324	29	1	90	100
			<u>\$ 8,250</u>	<u>\$ 8,024</u>	<u>\$ 54</u>	<u>\$ 9</u>	<u>\$ 36</u>	<u>\$ 24</u>

Capitalization

Our corporate debt has a weighted-average term to maturity of 12 years, while our recourse debt to corporate capitalization remains below 20%

AS AT SEP. 30, 2020 AND DEC. 31, 2019 (MILLIONS)	Average Rate	Average Term (Years)	Leverage	
			2020	2019
Corporate borrowings				
Term debt	4.4%	12	\$ 8,587	\$ 7,083
Revolving facilities ¹	n/a	4	—	—
Total corporate borrowings			8,587	7,083
Perpetual preferred shares	3.9%	perp.	4,145	4,145
Debt and preferred capital			\$ 12,732	\$ 11,228

1. Revolving credit facilities of \$2.6 billion support commercial paper issuances.

DEBT TO CAPITALIZATION

AS AT SEP. 30, 2020 AND DEC. 31, 2019 (MILLIONS)	Corporate		Consolidated	
	2020	2019	2020	2019
Corporate borrowings	\$ 8,587	\$ 7,083	\$ 8,587	\$ 7,083
Non-recourse borrowings				
Subsidiary borrowings	—	—	10,584	8,423
Property specific borrowings	—	—	129,646	127,869
	8,587	7,083	148,817	143,375
Accounts payable and other	4,196	4,708	45,153	43,077
Deferred income tax liabilities	383	279	14,314	14,849
Subsidiary equity obligations	—	—	3,989	4,132
Liabilities associated with assets held for sale	—	—	1,503	1,690
Equity				
Non-controlling interests	—	—	80,156	81,833
Preferred equity	4,145	4,145	4,145	4,145
Common equity	29,006	30,868	29,006	30,868
	33,151	35,013	113,307	116,846
Total capitalization	\$ 46,317	\$ 47,083	\$ 327,083	\$ 323,969
Debt to capitalization ¹	19%	15%	45%	44%

1. Determined as the aggregate of corporate borrowings and non-recourse borrowings divided by total capitalization. Subsequent to September 30, 2020, we issued \$400 million of 4.625% green subordinated notes with a 2080 maturity. Factoring in this issuance, our debt to capitalization at Corporate and Consolidated would be 19% and 46%, respectively.

Sources and Uses of Cash

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

	Three Months		LTM	
	2020	2019	2020	2019
FOR THE PERIODS ENDED SEP. 30 (MILLIONS)				
Corporate cash and financial assets, beginning of period	\$ 3,229	\$ 4,023	\$ 1,641	\$ 2,341
Sources				
Cash available for distribution and/or reinvestment ¹	747	565	2,750	2,439
Secondary offerings of listed affiliates	227	—	706	—
Disposition of investments	117	143	722	497
BPY preferred share redemption	—	—	—	985
	1,091	708	4,178	3,921
Uses				
Acquisition of Oaktree, net of distribution ²	—	(2,095)	—	(2,095)
Share repurchases ³	(17)	(25)	(485)	(336)
Dividends paid to common shareholders	(182)	(153)	(706)	(603)
Temporary and other investments ⁴	(387)	(171)	(2,009)	(1,229)
Listed affiliate unit/share purchases	(433)	(250)	(479)	(668)
	(1,019)	(2,694)	(3,679)	(4,931)
Net financing activities	495	—	1,554	446
Other sources / (uses)⁵	(121)	(396)	(19)	(136)
In-period change	446	(2,382)	2,034	(700)
Corporate cash and financial assets, end of period	\$ 3,675	\$ 1,641	\$ 3,675	\$ 1,641

1. Refer to page 32 for reconciliations of IFRS to non-IFRS measures.

2. Net of a \$306 million dividend received from Oaktree subsequent to our acquisition.

3. Includes repurchases of BAM common and preferred shares.

4. This includes cash used to fund capital calls, seed investments and cash used on various risk management trades.

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

Reconciliation of IFRS to Non-IFRS Measures

FOR THE THREE MONTHS ENDED SEP. 30
(MILLIONS)

	<u>2020</u>	<u>2019</u>
Net income	\$ 542	\$ 1,756
Financial statement components not included in FFO		
Equity accounted fair value changes and other non-FFO items	602	180
Fair value changes	31	(394)
Depreciation and amortization	1,470	1,299
Deferred income taxes	21	(464)
Realized disposition gains in fair value changes or prior periods	161	190
Non-controlling interests	<u>(1,788)</u>	<u>(1,741)</u>
Funds from operations	1,039	826
Less: total disposition gains	(162)	(125)
Less: net invested capital FFO	(478)	(356)
Less: realized carried interest, net	(27)	(39)
Corporate activities	(135)	(96)
Other wholly owned investments ¹	46	1
Distributions from investments	459	333
Our share of Oaktree's fee-related earnings	(49)	—
Our share of Oaktree's distributable earnings	41	—
Equity-based compensation	23	20
Preferred share dividends	<u>(34)</u>	<u>(38)</u>
Cash available for distribution and/or reinvestment before realized carried interest	723	526
Realized carried interest, net, excluding Oaktree	<u>24</u>	<u>39</u>
Cash available for distribution and/or reinvestment²	<u>\$ 747</u>	<u>\$ 565</u>

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 37.

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 SEP. 30 (MILLIONS)	Three Months		LTM	
	2020	2019	2020	2019
Outstanding at beginning of period	1,511.5	1,433.8	1,510.8	1,438.3
Issued (repurchased)				
Issuances	—	79.1	—	79.1
Repurchases	(0.7)	(3.9)	(9.8)	(13.6)
Long-term share ownership plans	1.4	1.8	11.1	6.8
Dividend reinvestment plan	0.1	—	0.2	0.2
Outstanding at end of period	1,512.3	1,510.8	1,512.3	1,510.8
Unexercised options and other share-based plans	58.6	70.7	58.6	70.7
Total diluted shares at end of period	1,570.9	1,581.5	1,570.9	1,581.5

- The company holds 61.5 million common shares for management share ownership plans, which have been deducted from the total number of shares outstanding.
 - 8.7 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 as at September 30, 2020 was \$1.2 billion (September 30, 2019 – \$1.2 billion).
- The company completed the previously announced 3-for-2 stock split on April 1, 2020. All share amounts are presented on a post-split basis.

FFO AND EARNINGS PER SHARE INFORMATION

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Funds from Operations		Net Income	
	2020	2019	2020	2019
FFO / Net income	\$ 1,039	\$ 826	\$ 172	\$ 947
Preferred share dividends	(34)	(38)	(34)	(38)
Dilutive effect of conversion of subsidiary preferred shares	—	—	9	(17)
FFO / Net income available for shareholders	\$ 1,005	\$ 788	\$ 147	\$ 892
Weighted average shares	1,511.7	1,434.1	1,511.7	1,434.1
Dilutive effect of the conversion of options and other share-based plans using treasury stock method	24.7	36.1	24.7	36.1
Shares and share equivalents	1,536.4	1,470.2	1,536.4	1,470.2
Per share	\$ 0.65	\$ 0.54	\$ 0.10	\$ 0.61

Entity Basis – Reconciliation to Reportable Segments – Invested Capital

AS AT SEP. 30, 2020 (MILLIONS)	Reportable Segments						Total
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	
Asset management	\$ 4,914	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,914
Invested capital							
Listed investments							
Brookfield Property Partners ¹	—	15,193	—	—	—	—	15,193
Brookfield Renewable Partners	—	—	3,856	—	—	—	3,856
Brookfield Infrastructure Partners	—	—	—	1,674	—	—	1,674
Brookfield Business Partners	—	—	—	—	1,891	—	1,891
Other listed investments							
Norbord	—	—	—	—	1,239	—	1,239
Other listed – private equity	—	—	—	—	151	—	151
	—	15,193	3,856	1,674	3,281	—	24,004
Financial assets	—	—	—	—	—	—	3,675
	—	15,193	3,856	1,674	3,281	—	27,679
Unlisted investments							
Residential development	—	—	—	—	—	2,525	2,525
Energy contracts	—	—	509	—	—	—	509
Other	—	3,590	—	563	337	—	5,216
	—	3,590	509	563	337	2,525	8,250
Net working capital	—	—	—	—	—	—	895
Debt and preferred capital							
Corporate borrowings	—	—	—	—	—	—	(8,587)
Perpetual preferred shares	—	—	—	—	—	—	(4,145)
	—	—	—	—	—	—	(12,732)
	\$ 4,914	\$ 18,783	\$ 4,365	\$ 2,237	\$ 3,618	\$ 2,525	\$ (7,436)
							\$ 29,006

1. Includes 16 million of BPY preferred shares.

Entity Basis – Reconciliation to Reportable Segments – Three Months FFO

FOR THE THREE MONTHS ENDED SEP. 30, 2020
(MILLIONS)

	Reportable Segments						Total
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	
Asset management							
Fee-related earnings	\$ 372	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 372
Carried interest, net	27	—	—	—	—	—	27
	<u>399</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>399</u>
Invested capital							
Listed investments							
Brookfield Property Partners ¹	—	79	—	—	—	—	79
Brookfield Renewable Partners	—	—	72	—	—	—	72
Brookfield Infrastructure Partners	—	—	—	90	—	—	90
Brookfield Business Partners	—	—	—	—	132	—	132
Other listed investments							
Norbord	—	—	—	—	105	—	105
Other listed – private equity	—	—	—	—	1	—	1
	<u>—</u>	<u>79</u>	<u>72</u>	<u>90</u>	<u>238</u>	<u>—</u>	<u>479</u>
Financial assets	—	—	—	—	—	—	80
	<u>—</u>	<u>79</u>	<u>72</u>	<u>90</u>	<u>238</u>	<u>—</u>	<u>559</u>
Unlisted investments							
Residential development	—	—	—	—	—	37	37
Energy contracts	—	—	(11)	—	—	—	(11)
Other	—	18	—	2	11	—	(3)
	<u>—</u>	<u>18</u>	<u>(11)</u>	<u>2</u>	<u>11</u>	<u>37</u>	<u>(3)</u>
	<u>—</u>	<u>18</u>	<u>(11)</u>	<u>2</u>	<u>11</u>	<u>37</u>	<u>(3)</u>
Disposition gains	—	(7)	3	152	—	—	14
Corporate activities²							
Interest expense	—	—	—	—	—	—	(98)
Corporate costs and taxes	—	—	—	—	—	—	(37)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(135)</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(135)</u>
	<u>\$ 399</u>	<u>\$ 90</u>	<u>\$ 64</u>	<u>\$ 244</u>	<u>\$ 249</u>	<u>\$ 37</u>	<u>\$ 1,039</u>

1. Includes nominal amounts of BPY preferred share distributions.

2. Excludes \$34 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 SEP. 30, 2020
(MILLIONS)

	Reportable Segments						Total
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	
Asset management							
Fee-related earnings	\$ 1,411	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,411
Carried interest, net	252	—	—	—	—	—	252
	<u>1,663</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,663</u>
Invested capital							
Listed investments							
Brookfield Property Partners ¹	—	522	—	—	—	—	522
Brookfield Renewable Partners	—	—	409	—	—	—	409
Brookfield Infrastructure Partners	—	—	—	349	—	—	349
Brookfield Business Partners	—	—	—	—	466	—	466
Other listed investments							
Norbord	—	—	—	—	166	—	166
Other listed – private equity	—	—	—	—	4	—	4
	<u>—</u>	<u>522</u>	<u>409</u>	<u>349</u>	<u>636</u>	<u>—</u>	<u>1,916</u>
Financial assets	—	—	—	—	—	—	236
	<u>—</u>	<u>522</u>	<u>409</u>	<u>349</u>	<u>636</u>	<u>—</u>	<u>2,152</u>
Unlisted investments							
Residential development	—	—	—	—	—	104	104
Energy contracts	—	—	(158)	—	—	—	(158)
Other	—	90	—	11	—	—	90
	<u>—</u>	<u>90</u>	<u>(158)</u>	<u>11</u>	<u>—</u>	<u>104</u>	<u>36</u>
Disposition gains	—	134	511	210	104	—	973
Corporate activities²							
Interest expense	—	—	—	—	—	—	(370)
Corporate costs and taxes	—	—	—	—	—	—	(166)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(536)</u>
	<u>\$ 1,663</u>	<u>\$ 746</u>	<u>\$ 762</u>	<u>\$ 570</u>	<u>\$ 740</u>	<u>\$ 104</u>	<u>\$ 4,288</u>

1. Includes nominal amounts of BPY preferred share distributions.

2. Excludes \$144 million of preferred share distributions for the LTM, which are included in determining per share results.

Glossary of Terms

The “Corporation,” “Brookfield” or “BAM” refers to our asset management business which is comprised of our asset management and corporate business segments.

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 115 through 120 of our December 31, 2019 annual report.

- **Fee-bearing capital** represents the capital committed, pledged or invested in the listed affiliates, 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 affiliates.
 - Outflows represent distributions and redemptions of capital from within the public securities capital.
 - Distributions represent quarterly distributions from listed affiliates as well as returns of committed capital (excluding market valuation adjustments), redemptions and expiry of uncalled commitments within our private funds.
 - Market activity includes gains (losses) on portfolio investments, listed affiliates and public securities based on market prices.
 - Other include changes in net non-recourse debt included in the determination of listed affiliate capitalization and the impact of foreign exchange fluctuations on non-U.S. dollar commitments.
- **Cash available for distribution and/or reinvestment (“CAFDR”)** 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 affiliates, other investments that pay regular cash distributions and FFO from our corporate cash and financial assets; other invested capital earnings, which include FFO from our residential operations, energy contracts, sustainable resources and other real estate, private equity, corporate investments that do not pay regular cash distributions, corporate costs and corporate interest expense, excluding equity compensation; net of 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 affiliates’ 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, 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 32.

- FFO from **operating activities** represents the company’s share of revenues less operating costs and interest expenses: it excludes realized carried interest, disposition gains, fair value changes, depreciation and amortization, deferred income taxes, and includes our proportionate share of similar items recorded by equity accounted investments. We present this measure as we believe it assists in describing our results and reconciling variances within FFO.
- **Realized carried interest** represents our share of investment returns based on realized gains within a private fund. Realized carried interest earned is recognized when an underlying investment is profitably disposed of and the fund’s cumulative returns are in excess of preferred returns, in accordance with the respective terms set out in the fund’s governing agreements, and when the probability of clawback is remote. Realized carried interest is determined on third-party capital that is no longer subject to future investment performance.
- **Performance fees** are paid to us when we exceed predetermined investment returns within BBU. BBU performance fees are accrued quarterly based on the volume-weighted average increase in BBU unit price. Performance fees are not subject to clawback.
- **Realized disposition gains/losses** are included in FFO as the purchase and sale of assets is a normal part of the company’s business. They include gains or losses arising from transactions during the reporting period together with any fair value changes and revaluation surplus recorded in prior periods and are presented net of cash taxes payable or receivable. Realized disposition gains include amounts that are recorded in net income, other comprehensive income and as ownership changes in our consolidated statements of equity, and exclude amounts attributable to non-controlling interests unless otherwise noted.
- **Incentive distributions** are determined by contractual arrangements and are paid to us by BPY, BEP and BIP and represent a portion of distributions paid by listed affiliates above a predetermined hurdle.
- **Base management fees** are determined by contractual arrangements, are typically equal to a percentage of fee-bearing capital and are accrued quarterly.
 - **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 affiliate base fees** are earned on the total capitalization of the listed affiliates, 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 paid an additional fee of 1.25% on the increase above initial unit price at the time of acquisition. As of July 31, 2020, TERP was privatized by BEP and will no longer pay base fees upon the privatization. Base fees for BPYU, BIP and BBU are 1.25% of total capitalization. Listed affiliate capitalization as at September 30, 2020, was as follows: BPY/BPYU – \$16.7 billion; BEP/BEPC – \$25.7 billion; BIP/BIPC – \$26.6 billion; and BBU – \$5.0 billion.
- **Internal rate of return (“IRR”)** is the annualized compounded rate of return of the fund, calculated since initial investment date.

Notice to Readers

Brookfield is not making any offer or invitation of any kind by communication of this Supplemental Information and under no circumstance is it to be construed as a prospectus or an advertisement.

This Supplemental Information contains “forward-looking information” within the meaning of Canadian provincial securities laws and “forward-looking statements,” within the meaning of certain securities laws including Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. We may make such statements in this profile, in other filings with Canadian regulators and the Securities Exchange Commission or in other communications. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions and include statements which reflect management’s expectations regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the corporation and its subsidiaries, capital committed to our funds, our liquidity and ability to access and raise capital, our ability to capitalize on investment opportunities, the potential growth of our asset management business and the related revenue streams therefrom, the prospects for increasing our cash flow from or continued achievement of targeted returns on our investments, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as “expects,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would” and “could.” In particular, the forward-looking statements contained within this Supplemental Information include statements referring to the future state of the economy or the securities market and expected future deployment of capital, dispositions and associated realized carried interest, as well as statements regarding the results of future fundraising efforts.

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control (including the ongoing and developing COVID-19 pandemic), which may cause the actual results, performance or achievements of the company to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information.

Some of the factors, many of which are beyond Brookfield’s control and the effects of which can be difficult to predict, but may cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: (i) investment returns that are lower than target; (ii) the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business, including as a result of COVID-19; (iii) the behavior of financial markets, including fluctuations in interest and foreign exchange rates; (iv) global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; (v) strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; (vi) changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); (vii) the ability to appropriately manage human capital; (viii) the effect of applying future accounting changes; (ix) business competition; (x) operational and reputational risks; (xi) technological change; (xii) changes in government regulation and legislation within the countries in which we operate; (xiii) governmental investigations; (xiv) litigation; (xv) changes in tax laws; (xvi) ability to collect amounts owed; (xvii) catastrophic events, such as earthquakes, hurricanes and epidemics/pandemics; (xviii) the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; (xix) the introduction, withdrawal, success and timing of business initiatives and strategies; (xx) the failure of effective disclosure controls and procedures and internal controls over financial reporting and other risks; (xxi) health, safety and environmental risks; (xxii) the maintenance of adequate insurance coverage; (xxiii) the existence of information barriers between certain businesses within our asset management operations; (xxiv) risks specific to our business segments including our real estate, renewable power, infrastructure, private equity, and residential development activities; and (xxv) factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States, including in “Part 6 – Business Environment and Risks” of our Annual Report available on SEDAR at www.sedar.com and EDGAR at www.sec.gov.

We caution that the foregoing list of important factors that may affect future results is not exhaustive and other factors could also adversely affect its results. Investors and other readers are urged to consider the foregoing risks, as well as other uncertainties, factors and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information. Except as required by law, the 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

STATEMENT REGARDING PAST AND FUTURE PERFORMANCE AND TARGET RETURNS

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

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

STATEMENT REGARDING USE OF NON-IFRS MEASURES

We disclose a number of financial measures in this Supplemental Information that are calculated and presented using methodologies other than in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). We utilize these measures in managing the business, including for performance measurement, capital allocation and valuation purposes and believe that providing these performance measures on a supplemental basis to our IFRS results is helpful to investors in assessing the overall performance of our businesses. These non-IFRS measures have limitations as analytical tools and should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, similar financial measures calculated in accordance with IFRS. We caution readers that these non-IFRS financial measures or other financial metrics may differ from the calculations disclosed by other businesses and, as a result, may not be comparable to similar measures presented by other issuers and entities.