

BROOKFIELD ASSET MANAGEMENT INC.

# Q1 2021 Supplemental Information

# 2021 First Quarter Highlights

**\$609B**

TOTAL ASSETS  
UNDER MANAGEMENT

**\$319B**

FEE-BEARING CAPITAL

**\$80B**

DEPLOYABLE CAPITAL

## PERFORMANCE UPDATE

**Assets under management are continuing to grow as we attract more capital into our strategies, driving meaningful increases in fee-related earnings.**

- Fee-bearing capital now stands at \$319 billion, an increase of \$55 billion or 21%, over the last twelve months (“LTM”), while perpetual capital has increased to \$98 billion, a \$35 billion increase over the LTM.
- Inflows to our private fund strategies totaled \$7 billion in the quarter primarily within our flagship distressed debt fund, real estate mezzanine debt fund, and perpetual core infrastructure fund, taking total inflows over the LTM to \$40 billion.
  - During the quarter, we launched the fundraising of our fourth real estate flagship fund and Global Transition fund, and we expect both of these funds to contribute meaningful inflows in the second half of 2021.
- Fee-related earnings were \$413 million during the quarter and \$1.5 billion for the LTM, an increase of 29% and 18% from the prior periods.
- We currently have \$33 billion of additional capital that is committed and will earn annual fees of approximately \$330 million once invested.

**We monetized \$13 billion of assets and crystalized \$6.4 billion of gains – \$1.8 billion of gains for Brookfield and \$4.6 billion for our clients, leading to \$681 million of realized carried interest in the quarter.**

- Asset sales within our private funds crystalized \$681 million of carried interest in the current quarter, taking the total over the LTM to more than \$1.2 billion. At our share, we realized \$223 million of net carried interest in the quarter and \$512 million over the LTM.
- Valuation gains across a number of strategies generated \$1.6 billion of unrealized carried interest in the quarter. Total unrealized carried interest is now \$5.4 billion (\$3.1 billion attributable to Brookfield, net of costs).
- During the quarter, we recognized \$1.8 billion of disposition gains on our invested capital, including approximately \$640 million related to our holdings in West Fraser Timber Co. Ltd. (“West Fraser”), as well as \$750 million from a secondary offering of Brookfield Renewable Corporation (“BEPC”) shares.

**We recorded \$6.1 billion of distributable earnings (“DE”) in the LTM, including \$2.5 billion during the quarter.**

- To align with terminology used within the alternative asset management industry, we have renamed our “cash available for distribution” performance measure as “distributable earnings”, or DE. “DE before realizations” tracks and demonstrates the stability of our core operating results and removes the variability of realizations that are subject to timing and other factors. Our total DE, includes realizations which incorporates realized carried interest and realized gains on principal investments.
- DE before realizations increased 29% over the LTM. The increase is largely driven by the resilient cash flow profile of our growing asset management franchise, as well as increased distributions across our listed affiliates. Including realizations, DE was \$6.1 billion over the LTM, an uplift of 130% over the prior year period.

# 2021 First Quarter Highlights cont'd

## OPERATING RESULTS

**FFO<sup>1</sup> was \$2.8 billion in the quarter and \$7.1 billion over the LTM, 219% and 77% higher than the comparative periods, respectively, driven by strong disposition gains.**

- Asset sales generated significant disposition gains and realized carried interest in both the quarter and LTM periods, leading to record FFO. Excluding realizations, our operating FFO was \$777 million in the quarter and \$3.3 billion in the LTM, driven by strong results in most of our operations, and the ongoing growth in our asset management franchise.
- Growth in FFO from invested capital is strong despite a lagging impact of our real estate results from the shutdowns. Results from the affected assets are improving as global economies normalize.

**Net income in the quarter was \$3.8 billion, or \$1.2 billion attributable to shareholders.**

- Strong results across our businesses and gains driven through monetizations, where sales occurred at values in excess of their IFRS carrying values, led to net income in the quarter of \$3.8 billion. For the LTM, net income was \$4.6 billion.
- Net income to BAM shareholders for the quarter was \$1.2 billion.

## LIQUIDITY

**Deployable capital at March 31, 2021 was \$80 billion, benefiting from high levels of core liquidity and significant capital raised through our private funds.**

- At March 31, 2021, we had \$18 billion of core liquidity which includes \$9 billion at BAM. In addition, we have \$62 billion of uncalled private fund commitments.
- Subsequent to the quarter-end, we issued \$500 million of green notes due 2031, which will bear interest at 2.724% per year. An amount equal to the net proceeds will be used to fund recently completed and future eligible green projects. In addition, we completed the redemption of our C\$600 million notes due 2023. The net result is that we decreased the average interest rate of our corporate borrowings and increased its duration. Our total capitalization ratio remains unchanged.

**Our balance sheet continues to be extremely conservatively capitalized, with a corporate debt to market capitalization ratio of 11% at quarter-end.**

- As of March 31, 2021, our corporate debt totaled \$9 billion, with a weighted-average interest rate of 4.4% and a weighted-average remaining term of 13 years. This was extended to 14 years by the financing initiatives that occurred subsequent to March 31, 2021.
- 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 starting on page 37.

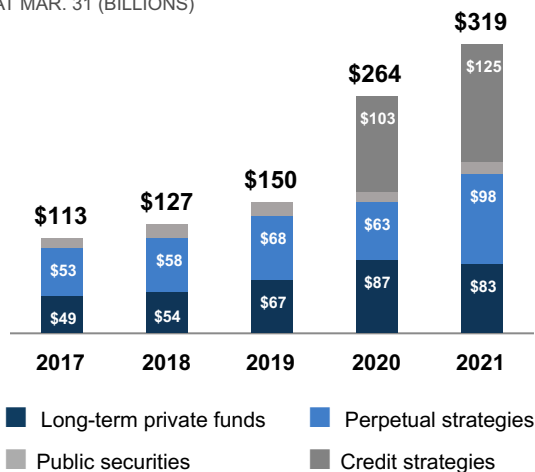
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# Performance Highlights

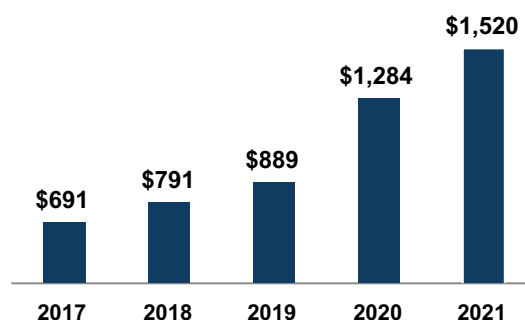
## Fee-Bearing Capital

AS AT MAR. 31 (BILLIONS)



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

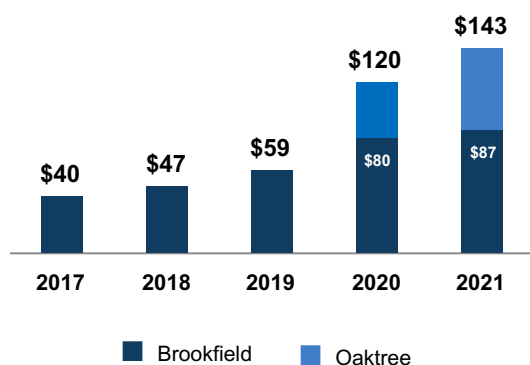
FOR THE LTM ENDED MAR. 31 (MILLIONS)



1. Excludes performance fees.

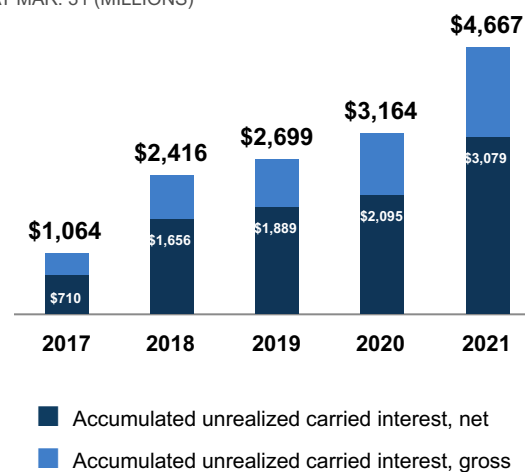
## Carry Eligible Capital

AS AT MAR. 31 (BILLIONS)



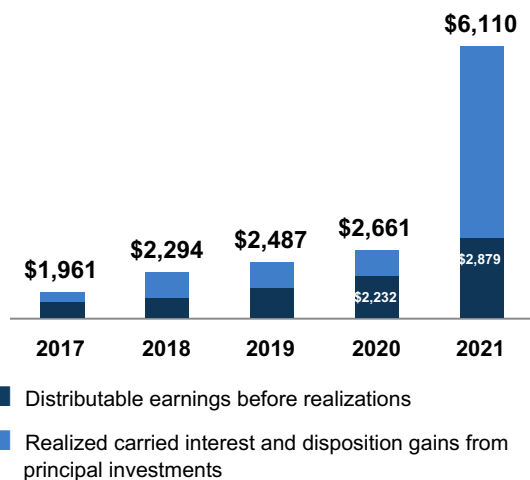
## Accumulated Unrealized Carried Interest

AS AT MAR. 31 (MILLIONS)



## Distributable Earnings<sup>1</sup>

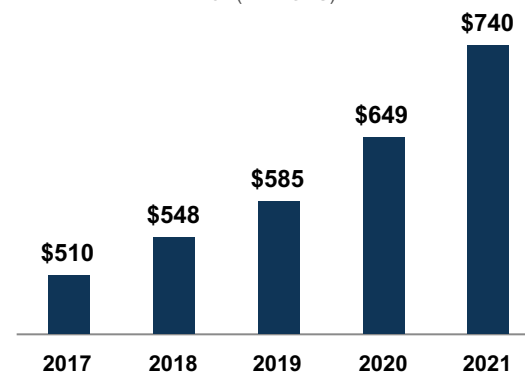
FOR THE LTM ENDED MAR. 31 (MILLIONS)



1. Excludes special dividends.

## Distributions to Common Shareholders<sup>1</sup>

FOR THE LTM ENDED MAR. 31 (MILLIONS)



1. Excludes special dividends.

# Financial Profile

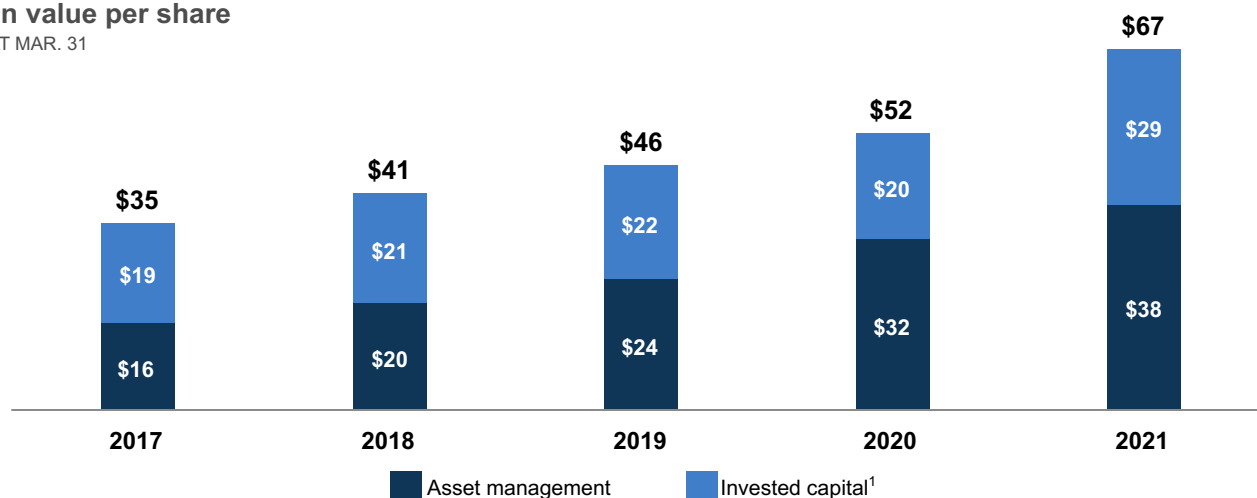
We measure value creation for business planning and performance measurement using a consistent set of metrics as set out in the table below. This analysis is similar to that used by our management team and board of directors when assessing performance and growth in our business. We provide it to you 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 <sup>1</sup>	Plan Value Factor <sup>2</sup>	Mar. 31 2021	Dec. 31 2020	Mar. 31 2020
		(MILLIONS)		(BILLIONS, EXCEPT PER SHARE AMOUNTS)		
<b>Asset management activities</b>						
Annualized fee-related earnings <sup>3</sup>	\$	1,601	25x	\$ 40.0	\$ 39.1	\$ 32.2
Target carried interest, net <sup>3</sup>		1,745	10x	17.5	17.2	15.8
Accumulated unrealized carried interest, net				3.1	2.6	2.1
				<b>60.6</b>	<b>58.9</b>	<b>50.1</b>
<b>Invested capital<sup>4</sup></b>						
Listed investments				47.2	47.0	33.1
Unlisted investments and net working capital				12.0	11.3	9.5
Invested capital				<b>59.2</b>	<b>58.3</b>	<b>42.6</b>
<b>Total asset management activities and invested capital</b>				<b>119.8</b>	117.2	92.7
<b>Debt and preferred capital<sup>5</sup></b>				<b>(13.5)</b>	(13.5)	(11.4)
<b>Total plan value</b>				<b>\$ 106.3</b>	<b>\$ 103.7</b>	<b>\$ 81.3</b>
<b>Total plan value (per share)</b>				<b>\$ 67.41</b>	<b>\$ 65.90</b>	<b>\$ 51.74</b>

1. Base fee-related earnings and carried interest represent our annualized fee revenues and target carried interest, as at March 31, 2021. 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.
5. Includes \$230 million of perpetual subordinated notes issued in November 2020 by a wholly owned subsidiary of Brookfield, included within non-controlling interest.

## Plan value per share

AS AT MAR. 31



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

# Asset Management

**Fee-bearing capital totaled \$319 billion as at March 31, 2021, with approximately \$33 billion of additional committed capital that will become fee bearing when invested**

## LONG-TERM PRIVATE FUNDS (\$83 billion)

- Fee-bearing capital from long-term private funds decreased by \$4 billion during the LTM period as a result of capital returned to clients from monetizations and the investment period ending for a few earlier vintage funds, which resulted in uninvested capital becoming non-fee bearing. This capital is generally held for follow-on investment opportunities and will become fee-bearing again when invested. This was partially offset by capital raised and deployed across other fund strategies and co-investments.

## PERPETUAL STRATEGIES (\$98 billion)

- Fee-bearing capital from perpetual strategies increased by \$35 billion over the LTM as a result of higher market valuations, 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.

## CREDIT STRATEGIES (\$125 billion)

- Oaktree fee-bearing capital increased by \$22 billion over the LTM as a result of fundraising and deployment activity. We acquired our interest in Oaktree on September 30, 2019, and therefore the 2020 LTM results include six months of activity.

## PUBLIC SECURITIES (\$13 billion)

- Public securities fee-bearing capital increased by \$2 billion over the LTM due to market value appreciation across the funds.

AS AT AND FOR THE LTM ENDED MAR. 31 (MILLIONS)	Fee-Bearing Capital <sup>1</sup>		Actual		Annualized	
	2021	2020	2021	2020	2021	2020
Fee-related earnings <sup>2</sup>						
Base management fees						
Long-term private funds	\$ 83,469	\$ 87,383	\$ 736	\$ 740	\$ 759	\$ 769
– Catch-up fees	—	—	6	39	—	—
Perpetual strategies	97,866	63,048	874	665	1,048	596
Credit strategies <sup>3</sup>	124,895	102,642	937	410	1,021	888
Public securities	12,940	10,787	81	110	87	93
Incentive distributions	n/a	n/a	314	274	334	298
Performance fees	n/a	n/a	—	—	90	90
Transaction and advisory fees	n/a	n/a	19	50	35	32
	<u>\$ 319,170</u>	<u>\$ 263,860</u>	<u>2,967</u>	<u>2,288</u>	<u>3,374</u>	<u>2,766</u>
Direct costs <sup>4</sup>			(1,319)	(961)	(1,656)	(1,373)
			<u>1,648</u>	<u>1,327</u>	<u>1,718</u>	<u>1,393</u>
Oaktree earnings not attributable to BAM			(128)	(43)	(117)	(102)
			<u>1,520</u>	<u>1,284</u>	<u>1,601</u>	<u>1,291</u>
Carried interest						
Carried interest <sup>5,6,7</sup>			3,059	152	3,263	2,795
Direct costs <sup>4</sup>			(1,240)	6	(1,254)	(1,031)
			<u>1,819</u>	<u>158</u>	<u>2,009</u>	<u>1,764</u>
Oaktree carried interest not attributable to BAM			(325)	23	(264)	(185)
			<u>1,494</u>	<u>181</u>	<u>1,745</u>	<u>1,579</u>
<b>Total fee-related earnings and carried interest, net</b>			<u><b>\$ 3,014</b></u>	<u><b>\$ 1,465</b></u>	<u><b>\$ 3,346</b></u>	<u><b>\$ 2,870</b></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. Includes fee revenues from Oaktree shown on a 100% basis.

4. Direct costs related to annualized fee revenues and annualized carried interest include \$715 million and \$688 million related to Oaktree (2020 – \$622 million and \$482 million), respectively.

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

6. Annualized carried interest includes \$1.4 billion of target carried interest related to Oaktree (2020 – \$964 million), shown on a 100% basis.

7. 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 \$59.2 billion on a blended basis as at March 31, 2021 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 \$1.9 billion in distributions from our investments over the last twelve months (March 31, 2020 – \$1.5 billion). The balance of the earnings was retained for reinvesting in our investments.

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 March 31, 2021 and December 31, 2020. 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 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 MAR. 31, 2021 AND DEC. 31, 2020  
(MILLIONS)

	No. of Units	Quoted <sup>1</sup>		IFRS		Blended <sup>2</sup>		Cash Flow
		2021	2020	2021	2020	2021	2020	Current <sup>3</sup>
BPY	577.9	\$ 10,297	\$ 8,378	\$ 15,557	\$ 15,538	\$ 15,557	\$ 15,538	\$ 769
BEP	312.0	13,481	15,015	3,956	4,573	13,481	15,015	381
BIP	132.5	7,255	6,743	1,874	1,920	7,255	6,743	270
BBU	94.5	3,796	3,546	2,562	2,175	3,796	3,546	24
Other listed	Various	856	1,657	856	1,481	856	1,657	10
		<b>35,685</b>	<b>35,339</b>	<b>24,805</b>	<b>25,687</b>	<b>40,945</b>	<b>42,499</b>	<b>1,454</b>
Corporate cash and financial assets <sup>5</sup>	Various	6,234	4,456	6,234	4,456	6,234	4,456	352
Total listed investments		<u>\$ 41,919</u>	<u>\$ 39,795</u>	<u>31,039</u>	30,143	<u>47,179</u>	46,955	<u>1,806</u>
Unlisted investments <sup>6</sup>				9,538	9,313	11,175	10,581	56
Working capital, net				829	742	829	742	n/a
<b>Invested capital</b>				<b>41,406</b>	40,198	<b>59,183</b>	58,278	<b>\$ 1,862</b>
Debt and preferred capital <sup>7</sup>				<u>(13,477)</u>	(13,452)	<u>(13,477)</u>	(13,452)	
<b>Invested capital, net</b>				<b>\$ 27,929</b>	<b>\$ 26,746</b>	<b>\$ 45,706</b>	<b>\$ 44,826</b>	

1. Quoted based on March 31, 2021 and December 31, 2020 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 March 31, 2021 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 February 16, 2021, we completed the sale of 15 million class A shares of BEPC. Total net proceeds were approximately \$750 million. As at March 31, 2021, we held approximately 44.8 million of BEPC class A shares (December 31, 2020 – 59.8 million) and 267.2 million of BEP units (December 31, 2020 – 267.2 million).

5. Corporate cash and financial assets is inclusive of \$4.8 billion of cash and cash equivalents (December 31, 2020 – \$3.2 billion).

6. Includes \$778 million of investments related to our share of Oaktree (December 31, 2020 – \$747 million).

7. Includes \$230 million of perpetual subordinated notes issued in November 2020 by a wholly owned subsidiary of Brookfield, included within non-controlling interest.

# Summary of Results – Funds from Operations

**We generated \$7.1 billion in FFO over the last twelve months, including \$2.8 billion in the current quarter**

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

	Three Months		LTM		Page Ref.
	2021	2020	2021	2020	
<b>Operating FFO</b>					
<b>Fee-related earnings</b>					
Long-term private funds	\$ 180	\$ 189	\$ 736	\$ 740	page 16
– Catch-up fees	—	16	6	39	page 16
Perpetual strategies	262	149	874	665	page 16
Credit strategies	253	213	937	410	page 17
Public securities	22	25	81	110	page 17
Base management fees	717	592	2,634	1,964	
Incentive distributions (“IDRs”)	84	76	314	274	
Transaction and advisory fees	—	6	19	50	
<b>Total fee revenues</b>	<b>801</b>	<b>674</b>	<b>2,967</b>	<b>2,288</b>	
Direct costs	(354)	(331)	(1,319)	(961)	
<b>Fee-related earnings</b>	<b>447</b>	<b>343</b>	<b>1,648</b>	<b>1,327</b>	
Fee-related earnings not attributable to BAM	(34)	(22)	(128)	(43)	
	<b>413</b>	<b>321</b>	<b>1,520</b>	<b>1,284</b>	page 15
<b>Invested capital</b>					
Listed affiliates					
BPY	61	160	314	702	page 28
BEP	89	123	363	423	page 28
BIP	103	88	373	350	page 28
BBU	137	96	539	451	page 28
	<b>390</b>	<b>467</b>	<b>1,589</b>	<b>1,926</b>	
Other listed investments	2	37	252	79	page 29
Corporate cash and financial assets	73	55	395	80	page 29
	<b>465</b>	<b>559</b>	<b>2,236</b>	<b>2,085</b>	
Unlisted investments					
Residential development	23	(9)	98	138	
Energy contracts	(35)	(64)	(97)	(210)	
Other	63	37	147	74	
	<b>51</b>	<b>(36)</b>	<b>148</b>	<b>2</b>	page 29
Corporate activities					
Corporate interest expense	(108)	(89)	(407)	(350)	
Corporate costs and taxes	(44)	(37)	(158)	(135)	
	<b>(152)</b>	<b>(126)</b>	<b>(565)</b>	<b>(485)</b>	page 26
	<b>364</b>	<b>397</b>	<b>1,819</b>	<b>1,602</b>	
<b>Total operating FFO</b>	<b>777</b>	<b>718</b>	<b>3,339</b>	<b>2,886</b>	
<b>Realized carried interest, net</b>					
Realized carried interest	681	132	1,233	613	
Direct costs	(343)	(57)	(559)	(220)	
	<b>338</b>	<b>75</b>	<b>674</b>	<b>393</b>	page 19
Realized carried interest, net, not attributable to BAM	(115)	(16)	(162)	(23)	
	<b>223</b>	<b>59</b>	<b>512</b>	<b>370</b>	
<b>Disposition gains</b>	<b>1,821</b>	<b>107</b>	<b>3,266</b>	<b>766</b>	page 27
<b>Total funds from operations<sup>1,2</sup></b>	<b>\$ 2,821</b>	<b>\$ 884</b>	<b>\$ 7,117</b>	<b>\$ 4,022</b>	
<b>Per share</b>					
Total operating FFO	\$ 0.48	\$ 0.44	\$ 2.07	\$ 1.82	
Total FFO	<b>1.80</b>	<b>0.55</b>	<b>4.53</b>	<b>2.57</b>	

1. FFO excludes preferred share distributions of \$39 million (2020 – \$35 million) for the three months ended March 31 and \$146 million (2020 – \$150 million) for the LTM, which are included in determining per share results.

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



# Distributable Earnings

Total DE was \$6.1 billion over the LTM, an increase of 130% over the prior period

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

Fee-related earnings, excluding Oaktree<sup>2</sup>

Our share of Oaktree's distributed earnings<sup>3</sup>, excluding carried interest

Distributions from investments

Listed affiliates<sup>4</sup>

Corporate cash and financial assets<sup>5</sup>

Other investments<sup>6</sup>

Norbord / West Fraser

Other

Other invested capital earnings

Corporate activities

Other wholly owned investments

Preferred share dividends<sup>7</sup>

Add back: equity-based compensation costs

**Distributable earnings before realizations**

Realized carried interest, net<sup>8</sup>

Disposition gains from principal investments

**Distributable earnings<sup>9</sup>**

**Distributable earnings per share**

	Three Months		LTM		Annualized <sup>1</sup>
	2021	2020	2021	2020	
Fee-related earnings, excluding Oaktree <sup>2</sup>	\$ 359	\$ 286	\$ 1,315	\$ 1,217	\$ 1,412
Our share of Oaktree's distributed earnings <sup>3</sup> , excluding carried interest	76	30	215	63	154
Distributions from investments					
Listed affiliates <sup>4</sup>	365	349	1,406	1,362	1,444
Corporate cash and financial assets <sup>5</sup>	73	55	395	80	352
Other investments <sup>6</sup>					
Norbord / West Fraser	1	5	27	31	6
Other	15	15	60	66	60
	454	424	1,888	1,539	1,862
Other invested capital earnings					
Corporate activities	(152)	(126)	(565)	(485)	(590)
Other wholly owned investments	12	(46)	74	(43)	74
	(140)	(172)	(491)	(528)	(516)
Preferred share dividends <sup>7</sup>	(39)	(35)	(146)	(150)	(156)
Add back: equity-based compensation costs	29	25	98	91	116
<b>Distributable earnings before realizations</b>	<b>739</b>	<b>558</b>	<b>2,879</b>	<b>2,232</b>	<b>\$ 2,872</b>
Realized carried interest, net <sup>8</sup>	223	55	502	365	
Disposition gains from principal investments	1,544	—	2,729	64	
<b>Distributable earnings<sup>9</sup></b>	<b>\$ 2,506</b>	<b>\$ 613</b>	<b>\$ 6,110</b>	<b>\$ 2,661</b>	
<b>Distributable earnings per share</b>	<b>\$ 1.62</b>	<b>\$ 0.40</b>	<b>\$ 3.97</b>	<b>\$ 1.77</b>	

1. Current distributions are calculated by multiplying units held as at March 31, 2021 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 (2020 – nominal amounts) for the three months ended March 31 and nominal amounts (2020 – \$2 million) for the LTM. We redeemed substantially all our BPY preferred shares in Q2-19.

5. 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. On February 1, 2021, Norbord Inc. ("Norbord") was acquired by West Fraser Timber Co. Ltd. ("West Fraser"). As part of the transaction, the company's investment in Norbord was converted into a 19% interest in West Fraser's outstanding common shares. As at March 31, 2021, we held approximately 8% of West Fraser. See definitions of our publicly listed investments in the Invested Capital – Overview section on page 25.

7. Includes \$2 million (2020 – \$ nil) and \$3 million (2020 – \$ nil) of dividends paid on perpetual subordinated notes for the three and twelve months ended March 31, 2021, respectively.

8. Includes our share of Oaktree's distributable earnings attributable to realized carried interest.

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

- DE (formerly called "cash available for distribution and/or reinvestment") 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, including disposition gains from our principal investments. We have changed the name to DE to better align with terminology used more broadly within the alternative asset management industry.
- 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.

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

**Distributable earnings**

Add: proxy for BBU distribution payout, at our share

Add: proxy for payout of disposition gains at BBU, at our share

Less: distributions from BBU currently within DE

**Distributable earnings with proxy for BBU**

**Distributable earnings with proxy for BBU, per share**

	Three Months		LTM	
	2021	2020	2021	2020
<b>Distributable earnings</b>	\$ 2,506	\$ 613	\$ 6,110	\$ 2,661
Add: proxy for BBU distribution payout, at our share	96	68	377	316
Add: proxy for payout of disposition gains at BBU, at our share	147	18	165	178
Less: distributions from BBU currently within DE	(6)	(6)	(24)	(24)
<b>Distributable earnings with proxy for BBU</b>	<b>\$ 2,743</b>	<b>\$ 693</b>	<b>\$ 6,628</b>	<b>\$ 3,131</b>
<b>Distributable earnings with proxy for BBU, per share</b>	<b>\$ 1.77</b>	<b>\$ 0.45</b>	<b>\$ 4.30</b>	<b>\$ 2.08</b>

# Funds from Operations and Net Income

	Three Months				LTM			
	FFO <sup>1</sup>		Net Income <sup>1</sup>		FFO <sup>1</sup>		Net Income <sup>1</sup>	
	2021	2020	2021	2020	2021	2020	2021	2020
FOR THE PERIODS ENDED MAR. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)								
Operating activities								
Fee-related earnings	\$ 413	\$ 321	\$ 413	\$ 321	\$ 1,520	\$ 1,284	\$ 1,520	\$ 1,284
Invested capital	364	397	364	397	1,819	1,602	1,819	1,602
	777	718	777	718	3,339	2,886	3,339	2,886
Realized carried interest, net	223	59	223	59	512	370	512	370
Realized disposition gains <sup>2</sup>	1,821	107	120	9	3,266	766	80	358
Fair value changes <sup>3</sup>	—	—	617	(607)	—	—	(799)	(565)
Depreciation and amortization <sup>3</sup>	—	—	(454)	(436)	—	—	(1,747)	(1,556)
Deferred income taxes <sup>3</sup>	—	—	(48)	(36)	—	—	9	406
	<u>\$ 2,821</u>	<u>\$ 884</u>	<u>\$ 1,235</u>	<u>\$ (293)</u>	<u>\$ 7,117</u>	<u>\$ 4,022</u>	<u>\$ 1,394</u>	<u>\$ 1,899</u>
Per share	<u>\$ 1.80</u>	<u>\$ 0.55</u>	<u>\$ 0.77</u>	<u>\$ (0.20)</u>	<u>\$ 4.53</u>	<u>\$ 2.57</u>	<u>\$ 0.85</u>	<u>\$ 1.13</u>

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 Corporation<sup>1</sup>;
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 (\$9 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 March 31, we had approximately \$80 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 MAR. 31, 2021 AND DEC. 31, 2020 (MILLIONS)	Corporate Liquidity		Group Liquidity	
	2021	2020	2021	2020
Cash and financial assets, net	\$ 6,234	\$ 4,456	\$ 8,547	\$ 6,823
Undrawn committed credit facilities	2,526	2,526	8,955	9,194
<b>Core liquidity</b>	<b>8,760</b>	6,982	<b>17,502</b>	16,017
Third-party uncalled private fund commitments	—	—	62,065	60,594
<b>Total liquidity</b>	<b>\$ 8,760</b>	<b>\$ 6,982</b>	<b>\$ 79,567</b>	<b>\$ 76,611</b>

## 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 \$52 billion as at March 31, 2021, with a debt to capitalization level of approximately 18% 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 11%.

- Corporate borrowings totaled \$9 billion, with a weighted-average term of 13 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 MAR. 31, 2021 (MILLIONS)	Average Term (Years)	Total	Maturity					
			2021	2022	2023	2024	2025	2026+
Corporate borrowings								
Term debt <sup>2,3</sup>	13	\$ 9,102	\$ —	\$ —	\$ 478	\$ 1,148	\$ 500	\$ 6,976
Revolving facilities <sup>4</sup>	5	—	—	—	—	—	—	—
		9,102	—	—	478	1,148	500	6,976
Perpetual preferred shares <sup>5</sup>	perp.	4,375	—	—	—	—	—	n/a
		<b>\$ 13,477</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 478</b>	<b>\$ 1,148</b>	<b>\$ 500</b>	<b>\$ 6,976</b>

1. Refer to the Glossary of Terms starting on page 37.

2. On April 7, 2021, BAM issued 2.724% \$500 million bonds due 2031.

3. On May 13, 2021, BAM redeemed 4.54% C\$600 million (US\$478 million) bonds due March 31, 2023.

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

5. Includes \$230 million of perpetual subordinated notes issued in November 2020 by a wholly owned subsidiary of Brookfield, included within non-controlling interest.

# Liquidity Profile

## CORE AND TOTAL LIQUIDITY

AS AT MAR. 31, 2021 AND DEC. 31, 2020 (MILLIONS)	Corporate <sup>1</sup>	Real Estate <sup>1</sup>	Renewable Power	Infrastructure	Private Equity <sup>1</sup>	Oaktree	Total 2021	Dec. 2020
Cash and financial assets, net	\$ 6,234	\$ 36	\$ 414	\$ 500	\$ 389	\$ 974	\$ 8,547	\$ 6,823
Undrawn committed credit facilities	2,526	1,082	1,538	1,599	1,560	650	8,955	9,194
<b>Core liquidity</b>	<b>8,760</b>	<b>1,118</b>	<b>1,952</b>	<b>2,099</b>	<b>1,949</b>	<b>1,624</b>	<b>17,502</b>	<b>16,017</b>
Uncalled private fund commitments <sup>2</sup>	—	12,268	4,722	11,481	5,728	27,866	62,065	60,594
<b>Total liquidity</b>	<b>\$ 8,760</b>	<b>\$ 13,386</b>	<b>\$ 6,674</b>	<b>\$ 13,580</b>	<b>\$ 7,677</b>	<b>\$ 29,490</b>	<b>\$ 79,567</b>	<b>\$ 76,611</b>

1. Our \$1 billion two-year credit facility which was secured in April 2020 to support growth initiatives was cancelled by us in March 2021.

2. Third-party private fund uncalled commitments.

- Corporate credit facilities totaled \$2.5 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 March 31, 2021.
- Core liquidity represents our principal sources of short-term liquidity (consists of our cash and financial assets, net of deposits and other associated liabilities, and undrawn committed credit facilities).

## UNCALLED FUND COMMITMENTS – EXPIRY PROFILE

AS AT MAR. 31, 2021 AND DEC. 31, 2020 (MILLIONS)	2021	2022	2023	2024	2025+	Total 2021 <sup>1</sup>	Dec. 2020
Real estate	\$ —	\$ —	\$ 486	\$ 268	\$ 11,514	\$ 12,268	\$ 11,270
Infrastructure and renewable power	6	248	—	—	15,949	16,203	16,276
Private equity	37	—	5	—	5,686	5,728	6,171
Oaktree	98	581	112	1,076	25,999	27,866	26,877
	<u>\$ 141</u>	<u>\$ 829</u>	<u>\$ 603</u>	<u>\$ 1,344</u>	<u>\$ 59,148</u>	<u>\$ 62,065</u>	<u>\$ 60,594</u>

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 March 31, 2021, \$10.3 billion of uncalled fund commitments related to funds outside of their investment period.

- Approximately \$22.4 billion of the uncalled fund commitments are currently earning fees. The remainder will become fee bearing once the capital is invested.
  - During the LTM, approximately \$6.3 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 \$6.9 billion of third-party fund capital (including private funds and co-investments) during the quarter and \$29.1 billion during the last twelve months.
- \$6.9 billion of third-party capital is committed to investments not yet funded as at March 31, 2021 (real estate – \$2.1 billion; infrastructure and renewable power – \$1.5 billion; private equity – \$0.6 billion; and Oaktree – \$2.7 billion).

# Detailed — Analysis

# Asset Management Operating Results

## FEE-BEARING CAPITAL

AS AT AND FOR THE PERIODS ENDED MAR 31, 2021 (MILLIONS)	Three Months				LTM				Total
	Long-Term Private Funds <sup>1</sup>	Perpetual Strategies <sup>1</sup>	Public Securities	Credit Strategies	Long-Term Private Funds <sup>1</sup>	Perpetual Strategies <sup>1</sup>	Public Securities	Credit Strategies	
<b>Opening</b>	\$ 83,723	\$ 94,049	\$ 12,822	\$ 121,026	\$ 87,383	\$ 63,048	\$ 10,787	\$ 102,642	\$ 263,860
Inflows	966	694	962	5,765	4,526	4,418	3,185	20,276	32,405
Outflows	—	(8)	(1,540)	(1,412)	—	(91)	(4,288)	(5,600)	(9,979)
Distributions	(1,212)	(894)	—	(94)	(1,568)	(4,099)	—	(1,407)	(7,074)
Market valuation	3	4,083	706	901	(32)	35,778	3,272	9,467	48,485
Other	(11)	(58)	(10)	(1,291)	(6,840)	(1,188)	(16)	(483)	(8,527)
Change	(254)	3,817	118	3,869	(3,914)	34,818	2,153	22,253	55,310
<b>End of period<sup>2</sup></b>	<b>\$ 83,469</b>	<b>\$ 97,866</b>	<b>\$ 12,940</b>	<b>\$ 124,895</b>	<b>\$ 83,469</b>	<b>\$ 97,866</b>	<b>\$ 12,940</b>	<b>\$ 124,895</b>	<b>\$ 319,170</b>

1. Long-term private funds and perpetual strategies include \$22.0 billion of co-investment capital (Dec. 31, 2020 – \$22.1 billion, Mar. 31, 2020 – \$20.5 billion), which earns minimal or no base fees.
2. Fee-bearing capital includes Brookfield capital of \$42.4 billion (Dec. 31, 2020 – \$41.3 billion, Mar. 31, 2020 – \$25.4 billion) in perpetual strategies and \$0.1 billion (Dec. 31, 2020 – \$0.2 billion, Mar. 31, 2020 – \$0.3 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 \$33 billion of committed capital not currently within fee-bearing capital, that will earn approximately \$330 million of fees once invested.

**Long-term private funds:** Inflows in the first quarter primarily relate to \$0.5 billion of third-party capital being managed within our India real estate trust that completed its initial public offering in the current quarter, and \$0.3 billion of other capital within our real estate strategies.

Over the LTM period, we had inflows that totaled \$4.5 billion, which included \$2.2 billion of co-investment capital, \$0.6 billion from the renewable power sleeve in our latest flagship infrastructure fund, \$0.5 billion related to the aforementioned India real estate trust, \$0.3 billion within our renewable energy strategies, \$0.2 billion from our second infrastructure debt fund and \$0.7 billion of capital across numerous other strategies.

The decrease in other of \$6.8 billion during the LTM period primarily relates to uninvested capital in three flagship funds that ended their investment periods. This capital will become fee-earning again once it is invested.

**Perpetual strategies:** Price appreciation at our listed affiliates increased fee-bearing capital by \$4.1 billion and \$35.8 billion over the quarter and LTM period, respectively. Inflows of \$0.7 billion and \$4.4 billion during the quarter and over the LTM period, respectively, were primarily from capital market transactions at BEP, BIP and BPY, as well as capital deployed across our core and core plus perpetual funds.

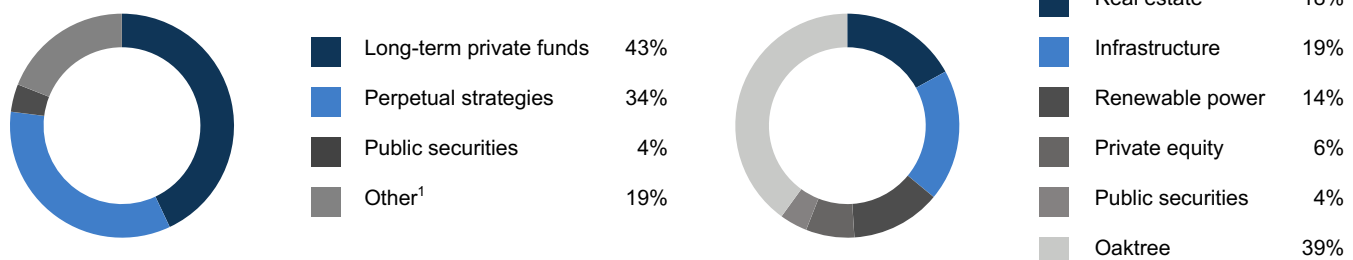
The increase was partially offset by the decrease in third-party capital as a result of the TERP privatization in the third quarter of 2020 and quarterly distributions from our listed affiliates. For further details on listed affiliate fee-bearing capital in the period, refer to page 16.

**Public securities:** Fee-bearing capital slightly increased due to inflows of \$1.0 billion and higher market valuations of \$0.7 billion, partially offset by \$1.5 billion of distributions. Fee-bearing capital increased by \$2.2 billion over the LTM period due to market valuation impacts.

**Credit strategies:** Fee-bearing capital growth during the quarter reflects inflows and capital deployed across various strategies of \$5.8 billion, as well as \$0.9 billion of increases in market valuation since the prior quarter, partially offset by outflows and distributions. Over the LTM, inflows of \$20.3 billion relate to fundraising and deployment.

## Fee-Bearing Capital Diversification

AS AT MAR. 31, 2021



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 MAR. 31  
(MILLIONS)

	Three Months			LTM		
	2021	2020	Variance	2021	2020	Variance
<b>Base management fees</b>						
Long-term private funds	\$ 180	\$ 189	\$ (9)	\$ 736	\$ 740	\$ (4)
– Catch-up fees	—	16	(16)	6	39	(33)
Perpetual strategies	262	149	113	874	665	209
Credit strategies	253	213	40	937	410	527
Public securities	22	25	(3)	81	110	(29)
Incentive distributions	84	76	8	314	274	40
Transaction and advisory fees	—	6	(6)	19	50	(31)
	<b>801</b>	<b>674</b>	<b>127</b>	<b>2,967</b>	<b>2,288</b>	<b>679</b>
<b>Direct costs</b>						
Compensation and benefits	(276)	(252)	(24)	(1,016)	(716)	(300)
Other expenses	(78)	(79)	1	(303)	(245)	(58)
	<b>(354)</b>	<b>(331)</b>	<b>(23)</b>	<b>(1,319)</b>	<b>(961)</b>	<b>(358)</b>
<b>Fee-related earnings<sup>1</sup></b>	<b>\$ 447</b>	<b>\$ 343</b>	<b>\$ 104</b>	<b>\$ 1,648</b>	<b>\$ 1,327</b>	<b>\$ 321</b>
<i>Margin</i>	<b>56%</b>	<b>51%</b>		<b>56%</b>	<b>58%</b>	
<b>Fee-related earnings attributable to:</b>						
Brookfield	\$ 413	\$ 321	\$ 92	\$ 1,520	\$ 1,284	\$ 236
Non-Brookfield shareholders <sup>2</sup>	34	22	12	128	43	85
<b>Total fee-related earnings</b>	<b>\$ 447</b>	<b>\$ 343</b>	<b>\$ 104</b>	<b>\$ 1,648</b>	<b>\$ 1,327</b>	<b>\$ 321</b>
<i>Margin – at our share<sup>3</sup></i>	<b>59%</b>	<b>54%</b>		<b>58%</b>	<b>60%</b>	

1. Oaktree contributed fee revenues of \$253 million (2020 – \$213 million) for the three months ended March 31, 2021 and \$937 million (2020 – \$410 million) over the LTM. Included in the fee-related earnings are Oaktree's compensation and benefits of \$127 million (2020 – \$116 million) and \$463 million (2020 – \$219 million) for the three months and LTM period, respectively, and other direct costs of \$38 million (2020 – \$40 million) and \$141 million (2020 – \$81 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 66% for the three months ended March 31, 2021 (2020 – 62%) and 65% for the LTM ended March 31, 2021 (2020 – 65%).

**Long-term private funds:** Fee revenues decreased due to lower fee-bearing capital in the current quarter compared to the prior year period. See page 16 for further details.

**Perpetual strategies:** Higher fee revenues as a result of increased market capitalization from higher prices at BPY, BIP and BEP, 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 increased in the current quarter due to the commencement of the investment period for several funds as well as capital deployed.

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

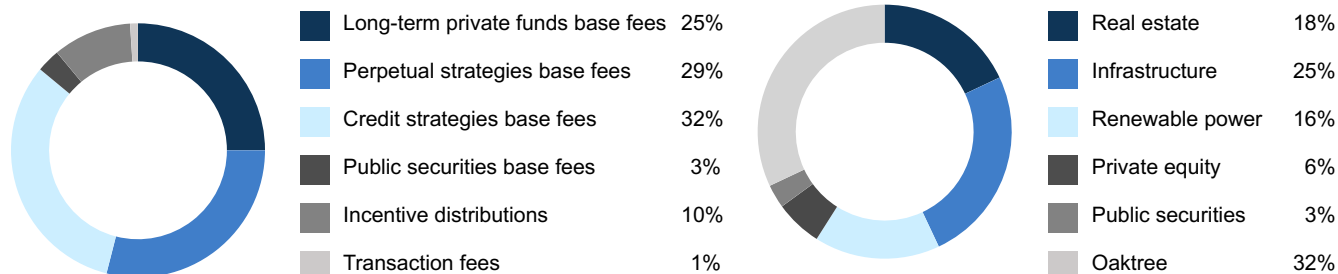
**Incentive distributions:** Reflects increased distribution levels at BIP and BEP. See page 18 for further details.

**Transaction and advisory fees:** There were no transaction and advisory fees in the current quarter. Fees earned in the LTM period mainly relate to co-investments within our infrastructure and renewable funds.

**Direct costs:** Direct costs increased to support the next round of flagship funds, the enhancement of our 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 MAR. 31, 2021



# Fee Revenues

## LONG-TERM PRIVATE FUNDS

AS AT AND FOR THE PERIODS ENDED MAR. 31  
(MILLIONS)

	Three Months		LTM		Annualized <sup>1</sup>	
	2021	2020	2021	2020	2021	2020
Base management fees						
Flagship funds						
Real estate	\$ 52	\$ 57	\$ 215	\$ 231	\$ 224	\$ 226
Infrastructure	78	79	313	284	320	321
Private equity	26	32	115	124	111	125
	<u>156</u>	<u>168</u>	<u>643</u>	<u>639</u>	<u>655</u>	<u>672</u>
Co-investments and other funds	24	21	93	101	104	97
Total base management fees	<u>180</u>	<u>189</u>	<u>736</u>	<u>740</u>	<u>759</u>	<u>769</u>
Catch-up fees	—	16	6	39	—	—
Transaction and advisory fees	—	6	19	50	35	32
	<u>\$ 180</u>	<u>\$ 211</u>	<u>\$ 761</u>	<u>\$ 829</u>	<u>\$ 794</u>	<u>\$ 801</u>

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

- Flagship fee revenues were lower than the prior year quarter mainly as a result of capital returned to investors. Over the LTM period, flagship fee revenues remained relatively consistent.
- Co-investments and other fund fees increased due to capital deployed in our credit funds. On an LTM basis, the revenues were impacted by lower fees earned in the quarter on our sustainable resources funds, partially offset by new co-investment capital.
- Annualized fees were impacted by the end of the investment period of some of our flagship funds. The impact is temporary and will be reversed when the uninvested capital for our flagship funds is invested or deployed.

## PERPETUAL STRATEGIES

AS AT AND FOR THE PERIODS ENDED MAR. 31  
(MILLIONS)

	Three Months		LTM		Annualized <sup>1</sup>	
	2021	2020	2021	2020	2021	2020
Base management fees						
Listed affiliates						
BPY	\$ 53	\$ 19	\$ 148	\$ 143	\$ 211	\$ 74
BEP	81	31	261	117	324	125
BIP	92	59	334	267	368	234
BBU	18	16	65	63	72	64
Other	—	10	14	32	—	38
	<u>244</u>	<u>135</u>	<u>822</u>	<u>622</u>	<u>975</u>	<u>535</u>
Core and core plus funds	18	14	52	43	73	61
Total base management fees	<u>262</u>	<u>149</u>	<u>874</u>	<u>665</u>	<u>1,048</u>	<u>596</u>
Incentive distributions	84	76	314	274	334	298
Performance fees	—	—	—	—	90	90
	<u>\$ 346</u>	<u>\$ 225</u>	<u>\$ 1,188</u>	<u>\$ 939</u>	<u>\$ 1,472</u>	<u>\$ 984</u>

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

- Listed affiliate base management fees increased by \$109 million from the prior year quarter as a result of price increases at BPY, BEP and BIP, as well as capital market activity across the listed affiliates. Fee revenues increased by \$200 million over the LTM as a result of the strong price performance over the period.
- Core and core plus funds were consistent from the prior year quarter. Over the LTM period, fee revenues increased by \$9 million due to fundraising and deployment across our perpetual real estate and infrastructure funds.
- Base management fee revenues from listed affiliates include \$110 million (2020 – \$62 million) and \$368 million (2020 – \$284 million) earned 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 MAR. 31 (MILLIONS)	Three Months		LTM		Annualized <sup>1</sup>	
	2021	2020	2021	2020	2021	2020
Long-term private funds	\$ 164	\$ 141	\$ 603	\$ 259	\$ 678	\$ 589
Perpetual strategies	38	25	139	55	141	104
Other <sup>2</sup>	51	47	195	96	202	195
	<u>\$ 253</u>	<u>\$ 213</u>	<u>\$ 937</u>	<u>\$ 410</u>	<u>\$ 1,021</u>	<u>\$ 888</u>
Fee revenues attributable to:						
Brookfield	\$ 156	\$ 132	\$ 577	\$ 253	\$ 630	\$ 547
Non-Brookfield shareholders <sup>3</sup>	97	81	360	157	391	341
	<u>\$ 253</u>	<u>\$ 213</u>	<u>\$ 937</u>	<u>\$ 410</u>	<u>\$ 1,021</u>	<u>\$ 888</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 \$253 million was earned during the quarter, or \$156 million at our share. Annualized fees on Oaktree's fee-bearing capital are \$1.0 billion, or \$630 million at our share.
- As of March 31, 2021, we own an approximate 62% interest in Oaktree.

## PUBLIC SECURITIES

AS AT AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Three Months		LTM		Annualized <sup>1</sup>	
	2021	2020	2021	2020	2021	2020
Mutual funds	\$ 10	\$ 13	\$ 37	\$ 62	\$ 39	\$ 45
Separately managed accounts	10	11	38	42	41	43
Other	2	1	6	6	7	5
	<u>\$ 22</u>	<u>\$ 25</u>	<u>\$ 81</u>	<u>\$ 110</u>	<u>\$ 87</u>	<u>\$ 93</u>

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

- Fee revenues decreased as a result of lower average 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 MAR. 31, 2021 (MILLIONS, EXCEPT PER UNIT)	Per Unit			Units Outstanding	Annualized Incentive Distributions
	Annualized Distributions	Distribution Hurdles	Incentive Distributions <sup>1</sup>		
Brookfield Infrastructure (BIP) <sup>2</sup>	\$ 2.04	\$ 0.73 / \$0.79	15% / 25%	465.1	\$ 197
Brookfield Renewable (BEP) <sup>3</sup>	1.22	0.80 / 0.90	15% / 25%	645.6	80
Brookfield Property (BPY) <sup>4</sup>	1.33	1.10 / 1.20	15% / 25%	935.6	57
					<u>\$ 334</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%
2021 <sup>1</sup>	\$ 1.33	\$ 1.22	\$ 2.04
2020	1.33	1.16	1.94
2019	1.32	1.10	1.81
2018	1.26	1.00	1.69
2017	1.18	0.95	1.57

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

## BPY/BEP/BIP

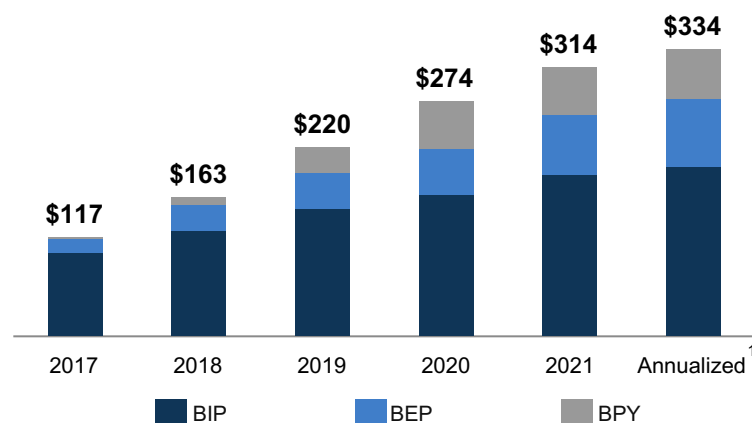
- Distribution policies target a distribution level that is sustainable on a long-term basis while retaining sufficient liquidity for capital expenditures and general purposes.

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

## Incentive Distributions (LTM)

MAR. 31 (MILLIONS)



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

# Carried Interest

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

We generated carried interest of \$3.1 billion during the LTM based on investment returns. Cumulative gross unrealized carried interest now stands at \$5.4 billion

## UNREALIZED CARRIED INTEREST CONTINUITY<sup>1,2</sup>

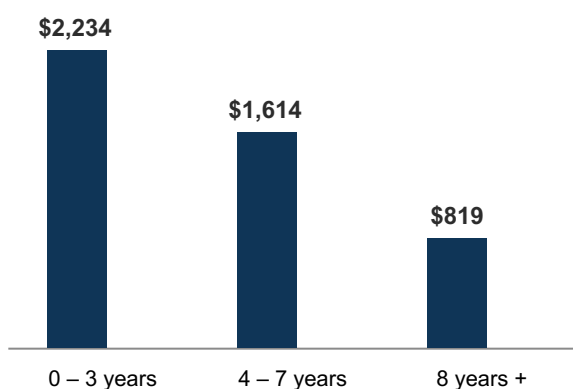
AS AT AND FOR THE PERIODS ENDED MAR. 31, 2021 (MILLIONS)	Three Months			LTM		
	Unrealized Carried Interest	Direct Costs	Net	Unrealized Carried Interest	Direct Costs	Net
Accumulated unrealized, beginning of period	\$ 4,695	\$ (1,774)	\$ 2,921	\$ 3,584	\$ (1,288)	\$ 2,296
In period change						
Generated in period	1,565	(583)	982	3,069	(1,244)	1,825
Foreign currency revaluation	(169)	45	(124)	(10)	4	(6)
	1,396	(538)	858	3,059	(1,240)	1,819
Less: realized	(681)	343	(338)	(1,233)	559	(674)
	715	(195)	520	1,826	(681)	1,145
<b>Accumulated unrealized, end of period</b>	<b>5,410</b>	<b>(1,969)</b>	<b>3,441</b>	<b>5,410</b>	<b>(1,969)</b>	<b>3,441</b>
Oaktree carried interest not attributable to BAM shareholders	(743)	381	(362)	(743)	381	(362)
<b>Accumulated unrealized, end of period, net</b>	<b>\$ 4,667</b>	<b>\$ (1,588)</b>	<b>\$ 3,079</b>	<b>\$ 4,667</b>	<b>\$ (1,588)</b>	<b>\$ 3,079</b>

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

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

## Unrealized Carried Interest – Expected Realization Timeline

AS AT MAR. 31, 2021 (MILLIONS)



- Of the \$2.2 billion of carried interest expected to be recognized within the next three years, \$1.3 billion relates to carried interest from our flagship real estate, infrastructure and private equity funds, and \$0.9 billion relates to Oaktree's funds, at our share.

## THREE MONTHS

- Unrealized carried interest before foreign exchange and associated costs increased \$1.6 billion during the current quarter, primarily related to higher valuations in our credit funds, as well as our flagship infrastructure, real estate and private equity funds during the quarter.
- We realized \$681 million of carried interest in the quarter, primarily from strong returns from realizations in our credit, private equity and real estate strategies.

## 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 our credit platform.

# Target Carried Interest

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

AS AT MAR. 31, 2021 (MILLIONS)	Carry Eligible Capital <sup>1</sup>	Gross Target Return <sup>2,3</sup>	Average Carried Interest	Annualized Target Carried Interest <sup>4</sup>
Opportunistic	\$ 22,281	18% – 23%	~20%	\$ 755
Value add	21,322	10% – 15%	~20%	435
Credit, core plus and other	15,538	10% – 15%	~15%	182
Oaktree	34,542	10% – 20%	~20%	877
	93,683			2,249
Uncalled fund commitments <sup>5,6</sup>				
Brookfield	27,388			516
Oaktree	22,251			498
<b>Total carry eligible capital/target carried interest</b>	<b>\$ 143,322</b>			<b>3,263</b>
Target carried interest not attributable to BAM shareholders <sup>7</sup>				(527)
				<b>\$ 2,736</b>

- As at March 31, 2021, \$93.7 billion of carry eligible capital has been invested and an additional \$49.6 billion of committed capital will become carry eligible once invested.
- Carried interest is generated once a private fund exceeds its preferred return typically ranging from 5% – 9%. It will typically go through a catch-up period until the manager and limited partner (LP) are earning carry at their respective allocation.
- Gross target return is before annual fund management fees ranging from 90 bps for core plus funds to 200 bps for certain opportunistic funds.
- Based on carry eligible capital.
- Uncalled fund commitments from carry eligible funds.
- Target carry on uncalled fund commitments is discounted for two years at 10%, reflecting gross target return and average carried interest rate for uncalled fund commitments.
- Represents Oaktree target carried interest attributable to the 38% of Oaktree not held by Brookfield.

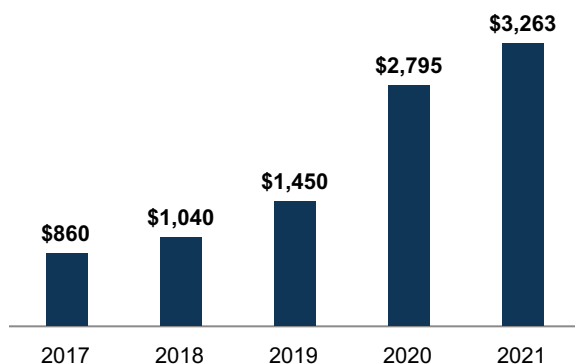
## ANNUALIZED TARGET CARRIED INTEREST

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 \$2.2 billion per annum, and \$1.0 billion on capital not yet invested. Total target carried interest is \$2.7 billion at our share, or \$1.7 billion net of costs.

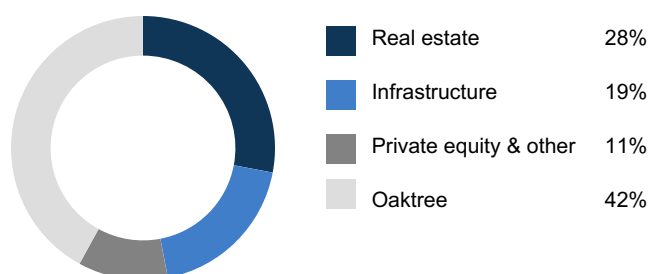
### Target Carried Interest

AS AT MAR. 31 (MILLIONS)



### Target Carry Diversification

AS AT MAR. 31, 2021



# 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 MAR. 31, 2021 (MILLIONS)	Strategy	Vintage <sup>1</sup>	Target Gross IRR <sup>2,3</sup>	Gross Actual IRR <sup>4</sup>	Uncalled Fund Commitments <sup>5</sup>	Invested < 3 years	Invested > 3 years	Total	Accumulated Unrealized Carried Interest
<b>Real estate</b>	Opportunistic – BSREP	2013 – 2019	20%	18%	\$ 5,441	\$ 7,431	\$ 5,635	\$ 18,507	\$ 916
	Credit – BREF	2005 – 2017	12% – 15%	10%	997	965	819	2,781	60
	Other <sup>6</sup>	2008 – 2018			2,226	8,476	3,336	14,038	35
<b>Infrastructure</b>	Value add – BIF	2010 – 2020	13% – 15%	15%	8,308	11,798	8,569	28,675	1,707
	Other <sup>6</sup>	2008 – 2018			5,323	2,905	902	9,130	25
<b>Private equity</b>	Opportunistic – BCP	2007 – 2019	20%	28%	3,505	2,831	2,131	8,467	686
	Other <sup>6</sup>	2015 – 2018			1,588	1,388	1,955	4,931	28
<b>Oaktree</b>					22,251	21,637	12,905	56,793	1,210
<b>Total private fund carry eligible capital</b>					49,639	\$ 57,431	\$ 36,252	143,322	\$ 4,667
<b>Non-carry eligible capital<sup>7</sup></b>					12,426			72,722	
					\$ 62,065			\$ 216,044	

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 \$12.4 billion of uncalled fund commitments relate to funds not eligible to earn carry.

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

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

# Annualized Fees and Target Carried Interest

## ANNUALIZED FEES AND TARGET CARRY

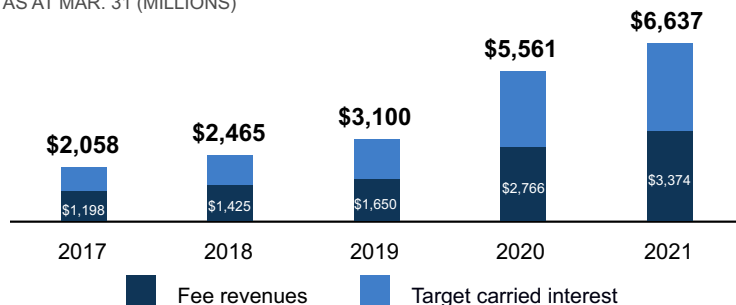
AS AT (MILLIONS)	Mar. 31, 2021	Dec. 31, 2020	Mar. 31, 2020
<b>Base management fees</b>			
Long-term private funds	\$ 759	\$ 785	\$ 769
Perpetual strategies <sup>1,2</sup>	1,048	981	596
Credit strategies	1,021	974	888
Public securities	87	84	93
Incentive distributions <sup>3</sup>	334	334	298
	<b>3,249</b>	<b>3,158</b>	<b>2,644</b>
Performance fee <sup>4</sup>	90	90	90
Transaction and advisory <sup>5</sup>	35	35	32
Fee revenues	<b>3,374</b>	<b>3,283</b>	<b>2,766</b>
<b>Target carried interest<sup>6</sup></b>			
Brookfield funds	1,888	1,881	1,831
Oaktree funds	1,375	1,308	964
	<b>3,263</b>	<b>3,189</b>	<b>2,795</b>
	<b>6,637</b>	<b>6,472</b>	<b>5,561</b>
<b>Oaktree revenues not attributable to BAM shareholders</b>			
Management fees	(391)	(374)	(341)
Target carried interest	(527)	(502)	(370)
	<b>\$ 5,719</b>	<b>\$ 5,596</b>	<b>\$ 4,850</b>

- Perpetual strategies base management fees include \$438 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 \$33 billion of additional capital not in fee-bearing capital today that will earn approximately \$330 million of fees and \$210 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 148.4 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.

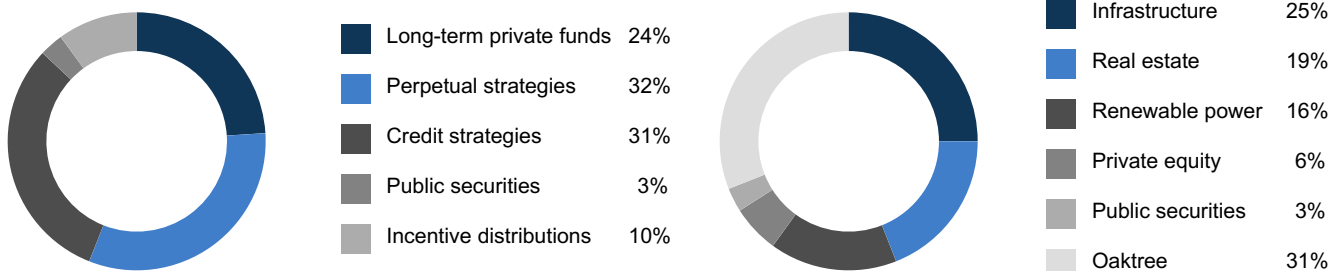
## Annualized Fees and Target Carry

AS AT MAR. 31 (MILLIONS)



## Fee Revenue Diversification<sup>1</sup>

AS AT MAR. 31, 2021



1. Fee revenues based on annualized fees as at March 31, 2021, excluding transaction fees, performance fees and target carried interest.

# Private Fund Listing<sup>1</sup>

AS AT MAR. 31, 2021  
(MILLIONS, USD UNLESS OTHERWISE NOTED)

	Committed Capital <sup>2</sup>	Brookfield Participation <sup>2</sup>	Year <sup>3</sup>
<b>BROOKFIELD REAL ESTATE FUNDS</b>			
<b>Opportunistic</b>			
Real Estate Turnaround	\$ 5,570	18%	2010
Strategic Real Estate Partners I <sup>4</sup>	4,350	31%	2013
Strategic Real Estate Partners II <sup>4</sup>	9,000	26%	2016
Strategic Real Estate Partners III <sup>4</sup>	15,000	25%	2019
Thayer VI	306	48%	2014
Opportunity Zone	1,011	—%	2019
<b>Value Add</b>			
U.S. Multifamily Value Add II	\$ 805	37%	2014
U.S. Multifamily Value Add III	1,005	30%	2018
<b>Core Plus</b>			
U.S. Office	\$ 2,200	83%	2006
DTLA	1,100	45%	2013
Premier Real Estate Partners <sup>5</sup>	3,397	12%	2016
Premier Real Estate Partners Australia <sup>5</sup>	A \$ 725	36%	2018
European Real Estate Partnership	€ 1,198	17%	2020
Single Family Rental	€ 300	26%	2020
<b>BROOKFIELD INFRASTRUCTURE FUNDS</b>			
<b>Value Add</b>			
Global Infrastructure I <sup>4</sup>	\$ 2,660	25%	2010
Global Infrastructure II <sup>4</sup>	7,000	40%	2013
Global Infrastructure III <sup>4</sup>	14,000	29%	2016
Global Infrastructure IV <sup>4</sup>	20,000	25%	2020
Global Infrastructure IV Renewable <sup>4</sup>	748	25%	2020
<b>Core</b>			
Super-Core Infrastructure Partners <sup>5</sup>	\$ 4,748	1%	2018
<b>Sustainable Resources</b>			
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
<b>BROOKFIELD PRIVATE EQUITY FUNDS</b>			
<b>Opportunistic</b>			
Capital Partners II <sup>4</sup>	C \$ 1,000	40%	2007
Capital Partners III <sup>4</sup>	1,000	25%	2012
Capital Partners IV <sup>4</sup>	4,000	26%	2016
Capital Partners V <sup>4</sup>	9,000	33%	2019
<b>BROOKFIELD CREDIT FUNDS</b>			
<b>Credit Funds</b>			
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 <sup>5</sup>	1,249	1%	2017
Infrastructure Debt	884	17%	2017
Infrastructure Debt – Euro	€ 202	30%	2018
Infrastructure Debt II	2,701	13%	2020
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 \$43 billion of capital during the LTM, including \$9 billion in the quarter

## CAPITAL INVESTED OR COMMITTED (FUNDING SOURCE)

FOR THE LTM ENDED MAR. 31 (MILLIONS)	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Oaktree	Total
Perpetual strategies <sup>1</sup>	\$ 3,545	\$ 1,561	\$ 2,759	\$ 915	\$ 4,971	\$ 13,751
Long-term private funds <sup>2</sup>	3,155	2,995	1,411	823	16,044	24,428
Co-investments <sup>2</sup>	337	1,624	—	577	1,104	3,642
Direct <sup>3</sup>	—	—	—	1,411	—	1,411
Total invested	7,037	6,180	4,170	3,726	22,119	43,232
Committed – new <sup>4</sup>	6,873	4,112	253	1,789	2,399	15,426
Committed – invested <sup>4</sup>	(2,135)	(3,888)	(1,779)	(661)	(386)	(8,849)
Total <sup>4</sup>	\$ 11,775	\$ 6,404	\$ 2,644	\$ 4,854	\$ 24,132	\$ 49,809

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.

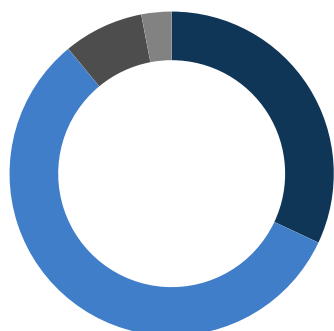
4. New commitments represent those commitments entered into during the period. Invested commitments represent the amounts invested during the period for commitments which were entered into during the prior period (shown as an outflow to commitments and an inflow to invested). Where capital was both committed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

## CAPITAL INVESTED (GEOGRAPHY)

FOR THE LTM ENDED MAR. 31 (MILLIONS)	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Oaktree	Total
North America	\$ 5,065	\$ 2,187	\$ 1,713	\$ 2,539	\$ 16,254	\$ 27,758
South America	45	242	199	101	774	1,361
Europe	1,123	78	1,986	10	3,125	6,322
Asia and other	804	3,673	272	1,076	1,966	7,791
Total invested	\$ 7,037	\$ 6,180	\$ 4,170	\$ 3,726	\$ 22,119	\$ 43,232

## Capital Invested (by capital type)

FOR THE LTM ENDED MAR. 31, 2021



Perpetual Strategies	32%	Long-term private funds	57%
Co-investments	8%	Direct	3%

## SIGNIFICANT INVESTMENTS

- Indian Telecom Towers (\$3.4 billion)
- TerraForm privatization (\$1.8 billion)
- Cheniere Energy (\$1.4 billion)
- Distressed debt investments (\$1.3 billion)
- BPY repurchases (\$1.0 billion)
- Shephard's Flat (\$0.6 billion)
- Indian office portfolio (\$0.6 billion)
- Everise (\$0.3 billion)

## SIGNIFICANT COMMITMENTS

- Inter Pipeline (\$3.9 billion)
- BPY privatization (\$3.5 billion)
- Distressed debt portfolios (\$3.1 billion)
- Sagen (formerly "Genworth Canada") (\$1.2 billion)
- American Equity Investment Life (\$0.4 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 62% (57% 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 48% of **Brookfield Renewable Partners (BEP)**, one of the world's largest publicly traded renewable power platforms with generating facilities in North America, South America, Europe and Asia.
- We own 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 64% 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. On February 1, 2021, Norbord was acquired by West Fraser. As part of the transaction, our investment in Norbord was converted into a 19% interest in West Fraser's outstanding common shares. As at March 31, 2021, we owned approximately 8% of the company which is treated as a financial asset on our balance sheet.
- **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

	Funds from Operations <sup>1</sup>					
	Invested Capital		Three Months		LTM	
	2021	2020	2021	2020	2021	2020
AS AT MAR.31, 2021 AND DEC. 31, 2020 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)						
<b>Listed investments</b>						
<b>Listed affiliates</b>						
BPY	\$ 15,541	\$ 15,522	\$ 61	\$ 160	\$ 314	\$ 700
BPY preferred shares	16	16	—	—	—	2
BEP	3,956	4,573	89	123	363	423
BIP	1,874	1,920	103	88	373	350
BBU	2,562	2,175	137	96	539	451
<b>Other listed investments</b>						
Norbord / West Fraser <sup>2</sup>	712	1,327	1	36	251	68
Other	144	154	1	1	1	11
<b>Corporate cash and financial assets<sup>3</sup></b>	<b>6,234</b>	<b>4,456</b>	<b>73</b>	<b>55</b>	<b>395</b>	<b>80</b>
	<b>31,039</b>	<b>30,143</b>	<b>465</b>	<b>559</b>	<b>2,236</b>	<b>2,085</b>
<b>Unlisted investments</b>						
Residential	2,355	2,730	23	(9)	98	138
Energy contracts	609	581	(35)	(64)	(97)	(210)
Other	6,574	6,002	63	37	147	74
	<b>9,538</b>	<b>9,313</b>	<b>51</b>	<b>(36)</b>	<b>148</b>	<b>2</b>
<b>Corporate activities</b>						
Corporate borrowings / Interest expense	(9,102)	(9,077)	(108)	(89)	(407)	(350)
Working capital / Corporate costs and taxes <sup>4</sup>	829	742	(44)	(37)	(158)	(135)
Perpetual preferred shares <sup>5</sup>	(4,375)	(4,375)	—	—	—	—
	<b>(12,648)</b>	<b>(12,710)</b>	<b>(152)</b>	<b>(126)</b>	<b>(565)</b>	<b>(485)</b>
<b>Invested capital, net / FFO</b>	<b>\$ 27,929</b>	<b>\$ 26,746</b>	<b>\$ 364</b>	<b>\$ 397</b>	<b>\$ 1,819</b>	<b>\$ 1,602</b>
Per share	<b>\$ 17.71</b>	<b>\$ 17.00</b>	<b>\$ 0.21</b>	<b>\$ 0.23</b>	<b>\$ 1.09</b>	<b>\$ 0.96</b>

1. Excludes realized disposition gains.

2. Norbord was acquired by West Fraser on February 1, 2021.

3. Corporate cash and financial assets is inclusive of \$4.8 billion of cash and cash equivalents (December 31, 2020 – \$3.2 billion).

4. Invested capital includes net deferred income tax asset of \$1.7 billion (December 31, 2020 – \$1.7 billion); FFO includes current tax expense of \$15 million (2020 – \$13 million) for the three months ended March 31, 2021 and current tax expense of \$52 million (2020 – \$37 million) for the LTM.

5. Includes \$230 million of perpetual subordinated notes issued in November 2020 by a wholly owned subsidiary of Brookfield, included within non-controlling interest. FFO excludes preferred shares distributions of \$39 million (2020 – \$35 million) for the three months ended March 31, 2021 and \$146 million (2020 – \$150 million) for the LTM.

# Disposition Gains

FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Three Months				LTM			
	FFO <sup>1,2</sup>		Net Income <sup>2</sup>		FFO <sup>1,2</sup>		Net Income <sup>2</sup>	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Real estate</b>								
Core office	\$ 30	\$ 17	\$ (7)	\$ (3)	\$ 128	\$ 215	\$ (11)	\$ 17
Core retail portfolio	(83)	4	(2)	4	(91)	47	(2)	17
LP investments	79	8	42	7	130	54	27	(39)
Directly held								
Fairfield housing	46	—	(11)	—	267	4	(84)	51
Forest City	91	—	(31)	—	91	2	(31)	(3)
Other directly held	2	(2)	—	(24)	6	49	2	42
	<b>165</b>	<b>27</b>	<b>(9)</b>	<b>(16)</b>	<b>531</b>	<b>371</b>	<b>(99)</b>	<b>85</b>
<b>Infrastructure</b>								
BIPC secondary offering	—	—	—	—	140	—	—	—
NGPL	23	—	23	—	23	—	23	—
EBSA	—	19	—	1	—	19	—	1
AVN (Chilean toll road)	—	28	—	—	—	28	—	—
Other infrastructure	—	—	—	—	14	(3)	7	14
	<b>23</b>	<b>47</b>	<b>23</b>	<b>1</b>	<b>177</b>	<b>44</b>	<b>30</b>	<b>15</b>
<b>Private equity</b>								
Norbord / West Fraser	637	—	—	—	637	—	—	—
Toehold investments	85	—	(22)	—	101	—	(6)	—
Nova Cold	—	26	—	26	—	26	—	26
GrafTech	125	—	125	—	187	55	125	—
Other private equity	—	—	—	—	10	238	10	235
	<b>847</b>	<b>26</b>	<b>103</b>	<b>26</b>	<b>935</b>	<b>319</b>	<b>129</b>	<b>261</b>
<b>Renewable power</b>								
BEP / BEPC secondary offering	751	—	—	—	1,500	—	—	—
Other renewable power	18	7	—	(2)	35	32	17	(3)
	<b>769</b>	<b>7</b>	<b>—</b>	<b>(2)</b>	<b>1,535</b>	<b>32</b>	<b>17</b>	<b>(3)</b>
<b>Corporate</b>								
Other corporate	17	—	3	—	88	—	3	—
	<b>17</b>	<b>—</b>	<b>3</b>	<b>—</b>	<b>88</b>	<b>—</b>	<b>3</b>	<b>—</b>
	<b>\$ 1,821</b>	<b>\$ 107</b>	<b>\$ 120</b>	<b>\$ 9</b>	<b>\$ 3,266</b>	<b>\$ 766</b>	<b>\$ 80</b>	<b>\$ 358</b>

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) – 62% (57% fully diluted) ownership interest

AS AT MAR. 31, 2021 AND DEC. 31, 2020 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2021	2020	2021	2020	2021	2020
Core office	\$ 14,668	\$ 14,246	\$ 140	\$ 135	\$ 545	\$ 657
Core retail	12,221	12,500	108	195	463	783
LP investments	5,246	5,262	2	62	35	285
Corporate	(7,021)	(6,871)	(125)	(83)	(412)	(378)
Attributable to unitholders	25,114	25,137	125	309	631	1,347
Non-controlling interests	(9,573)	(9,615)	(48)	(136)	(256)	(606)
Segment reallocation and other <sup>1</sup>	—	—	(16)	(13)	(61)	(41)
Brookfield's interest	15,541	15,522	61	160	314	700
Preferred shares	16	16	—	—	—	2
	<b>\$ 15,557</b>	<b>\$ 15,538</b>	<b>\$ 61</b>	<b>\$ 160</b>	<b>\$ 314</b>	<b>\$ 702</b>

## BEP (NYSE: BEP, TSX: BEP.UN) – 48% ownership interest

AS AT MAR. 31, 2021 AND DEC. 31, 2020 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2021	2020	2021	2020	2021	2020
Proportionate generation (GWh)						
Actual	n/a	n/a	7,375	7,164	26,263	25,956
Long-term average (LTA)	n/a	n/a	7,602	6,717	28,883	26,130
Hydroelectric generation	\$ 9,328	\$ 9,278	\$ 170	\$ 221	\$ 611	\$ 713
Wind energy	1,819	1,860	128	44	321	166
Solar	831	1,339	30	8	161	66
Transition	1,013	1,125	33	17	119	74
Corporate	(4,806)	(4,573)	(119)	(73)	(380)	(268)
Attributable to unitholders	8,185	9,029	242	217	832	751
Incentive distributions	—	—	(20)	(16)	(69)	(52)
Non-controlling interests	(4,229)	(4,456)	(115)	(78)	(358)	(276)
Segment reallocation and other <sup>2</sup>	—	—	(18)	—	(42)	—
Brookfield's interest	\$ 3,956	\$ 4,573	\$ 89	\$ 123	\$ 363	\$ 423

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

AS AT MAR. 31, 2021 AND DEC. 31, 2020 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2021	2020	2021	2020	2021	2020
Utilities	\$ 2,902	\$ 2,896	\$ 166	\$ 165	\$ 660	\$ 692
Transport	4,081	4,209	162	139	613	585
Midstream	1,989	2,245	146	77	358	240
Data Infrastructure	1,924	1,995	60	42	214	150
Corporate and other	(4,472)	(4,756)	(103)	(65)	(318)	(276)
Attributable to unitholders	6,424	6,589	431	358	1,527	1,391
Incentive distributions	—	—	(50)	(46)	(187)	(166)
Non-controlling interests	(4,550)	(4,669)	(274)	(221)	(953)	(866)
Segment reallocation and other <sup>2</sup>	—	—	(4)	(3)	(14)	(9)
Brookfield's interest	\$ 1,874	\$ 1,920	\$ 103	\$ 88	\$ 373	\$ 350

## BBU (NYSE: BBU, TSX: BBU.UN) – 64% ownership interest

AS AT MAR. 31, 2021 AND DEC. 31, 2020 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2021	2020	2021	2020	2021	2020
Business services	\$ 2,398	\$ 2,225	\$ 70	\$ 42	\$ 257	\$ 442
Infrastructure services	663	628	73	104	333	316
Industrials	1,421	1,218	421	57	700	369
Corporate and other	(428)	(579)	(19)	(9)	(69)	(36)
Attributable to unitholders	4,054	3,492	545	194	1,221	1,091
Non-controlling interests	(1,492)	(1,317)	(198)	(72)	(446)	(385)
Segment reallocation and other <sup>2</sup>	—	—	(210)	(26)	(236)	(255)
Brookfield's interest	\$ 2,562	\$ 2,175	\$ 137	\$ 96	\$ 539	\$ 451

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 MAR. 31, 2021 AND DEC. 31, 2020 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)		Segment	Invested Capital		Funds from Operations			
					Three Months		LTM	
			2021	2020	2021	2020	2021	2020
Other listed								
	Norbord / West Fraser <sup>1</sup>	Private Equity	\$ 712	\$ 1,327	\$ 1	\$ 36	\$ 251	\$ 68
	Other listed	Private Equity	144	154	1	1	1	11
			856	1,481	2	37	252	79
Corporate cash and financial assets		Corporate	6,234	4,456	73	55	395	80
			<u>\$ 7,090</u>	<u>\$ 5,937</u>	<u>\$ 75</u>	<u>\$ 92</u>	<u>\$ 647</u>	<u>\$ 159</u>

1. Norbord was acquired by West Fraser on February 1, 2021.

## UNLISTED INVESTMENTS

AS AT MAR. 31, 2021 AND DEC. 31, 2020 AND FOR THE PERIODS ENDED MAR. 31 (MILLIONS)		Segment	Invested Capital		Funds from Operations			
					Three Months		LTM	
			2021	2020	2021	2020	2021	2020
Residential development								
	North America	Residential	\$ 1,750	\$ 2,119	\$ 27	\$ (2)	\$ 105	\$ 143
	Brazil and other	Residential	605	611	(4)	(7)	(7)	(5)
			2,355	2,730	23	(9)	98	138
	Energy contracts	Renewable Power	609	581	(35)	(64)	(97)	(210)
	Sustainable resources and other	Infrastructure	575	632	4	2	12	11
	Other corporate	Corporate	1,536	1,268	29	(3)	37	(5)
	Other unlisted	Various	4,463	4,102	30	38	98	68
			<u>\$ 9,538</u>	<u>\$ 9,313</u>	<u>\$ 51</u>	<u>\$ (36)</u>	<u>\$ 148</u>	<u>\$ 2</u>

# Capitalization

Our corporate debt has a weighted-average term to maturity of 13 years, while our recourse debt to corporate capitalization remains below 20%

AS AT MAR. 31, 2021 AND DEC. 31, 2020 (MILLIONS)	Average Rate	Average Term (Years)	Leverage	
			2021	2020
Corporate borrowings				
Term debt	4.4%	13	\$ 9,102	\$ 9,077
Revolving facilities <sup>1</sup>	n/a	5	—	—
Total corporate borrowings			9,102	9,077
Perpetual preferred shares <sup>2</sup>	3.9%	perp.	4,375	4,375
<b>Debt and preferred capital</b>			<b>\$ 13,477</b>	<b>\$ 13,452</b>

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

2. Includes \$230 million of perpetual subordinated notes issued in November 2020 by a wholly owned subsidiary of Brookfield, included within non-controlling interest.

## DEBT TO CAPITALIZATION

AS AT MAR. 31, 2021 AND DEC. 31, 2020 (MILLIONS)	Corporate		Consolidated	
	2021	2020	2021	2020
Corporate borrowings	\$ 9,102	\$ 9,077	\$ 9,102	\$ 9,077
Non-recourse borrowings				
Subsidiary borrowings	—	—	9,444	10,768
Property specific borrowings	—	—	130,043	128,556
	9,102	9,077	148,589	148,401
Accounts payable and other	4,980	4,963	48,862	50,682
Deferred income tax liabilities	530	432	15,263	15,913
Subsidiary equity obligations	—	—	3,647	3,699
Liabilities associated with assets held for sale	—	—	2,728	2,359
Equity				
Non-controlling interests	230	230	88,836	86,804
Preferred equity	4,145	4,145	4,145	4,145
Common equity	32,953	31,693	32,953	31,693
	37,328	36,068	125,934	122,642
Total capitalization	\$ 51,940	\$ 50,540	\$ 345,023	\$ 343,696
Debt to capitalization <sup>1</sup>	18%	18%	43%	43%

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

# Sources and Uses of Cash

We continue to source significant cash flows from our operations and principal investments

	Three Months		LTM	
	2021	2020	2021	2020
FOR THE PERIODS ENDED MAR. 31 (MILLIONS)				
<b>Corporate cash and financial assets, beginning of period</b>	<b>\$ 4,456</b>	<b>\$ 2,181</b>	<b>\$ 1,949</b>	<b>\$ 3,894</b>
<b>Sources</b>				
Distributable earnings, before realizations <sup>1</sup>	739	558	2,879	2,232
Proceeds from realized carry <sup>2</sup>	150	14	212	566
Dispositions of principal investments <sup>2</sup>	1,319	—	2,738	702
BPY preferred share redemption	—	—	—	300
	<b>2,208</b>	<b>572</b>	<b>5,829</b>	<b>3,800</b>
<b>Uses</b>				
Acquisition of Oaktree, net of distribution <sup>3</sup>	—	—	—	(2,095)
Share repurchases <sup>4</sup>	(66)	(214)	(271)	(454)
Dividends paid to common shareholders	(196)	(182)	(740)	(649)
Temporary and other investments <sup>5</sup>	(458)	(512)	(1,804)	(2,077)
Listed affiliate unit/share purchases	—	(46)	(663)	(546)
	<b>(720)</b>	<b>(954)</b>	<b>(3,478)</b>	<b>(5,821)</b>
<b>Net financing activities</b>	<b>—</b>	<b>316</b>	<b>1,868</b>	<b>(134)</b>
<b>Other sources / (uses)<sup>6</sup></b>	<b>290</b>	<b>(166)</b>	<b>66</b>	<b>210</b>
<b>In-period change</b>	<b>1,778</b>	<b>(232)</b>	<b>4,285</b>	<b>(1,945)</b>
<b>Corporate cash and financial assets, end of period</b>	<b>\$ 6,234</b>	<b>\$ 1,949</b>	<b>\$ 6,234</b>	<b>\$ 1,949</b>

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

2. Subject to timing differences between period when earned and period when cash is received.

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

4. Includes repurchases of BAM common and preferred shares.

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

6. 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 MAR. 31  
(MILLIONS)

	<u>2021</u>	<u>2020</u>
<b>Net income (loss)</b>	<b>\$ 3,776</b>	<b>\$ (157)</b>
Financial statement components not included in FFO		
Equity accounted fair value changes and other non-FFO items	288	938
Fair value changes	(2,094)	414
Depreciation and amortization	1,510	1,409
Deferred income taxes	189	168
Realized disposition gains in fair value changes or prior periods	1,724	93
Non-controlling interests	(2,572)	(1,981)
<b>Funds from operations</b>	<b>2,821</b>	<b>884</b>
Less: total disposition gains	(1,821)	(107)
Less: net invested capital FFO	(364)	(397)
Less: realized carried interest, net	(223)	(59)
Corporate activities	(152)	(126)
Other wholly owned investments <sup>1</sup>	12	(46)
Distributions from investments	454	424
Our share of Oaktree's fee-related earnings	(54)	(35)
Our share of Oaktree's distributable earnings, excluding realized carried interest	76	30
Equity-based compensation	29	25
Preferred share dividends	(39)	(35)
<b>Distributable earnings before realizations</b>	<b>739</b>	<b>558</b>
Realized carried interest, net <sup>2</sup>	223	55
Disposition gains from principal investments	1,544	—
<b>Distributable earnings<sup>3</sup></b>	<b>\$ 2,506</b>	<b>\$ 613</b>

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

2. Includes our share of Oaktree's distributable earnings attributable to realized carried interest.

3. 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 MAR. 31 (MILLIONS)	Three Months		LTM	
	2021	2020	2021	2020
Outstanding at beginning of period	1,510.7	1,509.3	1,513.1	1,433.0
Issued (repurchased)				
Issuances	—	—	—	79.1
Repurchases	(2.5)	(2.9)	(8.5)	(12.2)
Long-term share ownership plans	1.8	6.6	5.3	13.0
Dividend reinvestment plan	—	0.1	0.1	0.2
Outstanding at end of period	1,510.0	1,513.1	1,510.0	1,513.1
Unexercised options and other share-based plans	67.0	58.1	67.0	58.1
Total diluted shares at end of period	1,577.0	1,571.2	1,577.0	1,571.2

- The company holds 65.8 million common shares for management share ownership plans, which have been deducted from the total number of shares outstanding.
  - 16.9 million shares would be issued in respect of these plans if exercised based on current market prices and the balance would be canceled.
- Cash value of unexercised options as at March 31, 2021 was \$1.3 billion (March 31, 2020 – \$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 MAR. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Funds from Operations		Net Income	
	2021	2020	2021	2020
FFO / Net income (loss)	\$ 2,821	\$ 884	\$ 1,235	\$ (293)
Preferred share dividends	(37)	(35)	(37)	(35)
Subordinated preferred note dividends	(2)	—	—	—
Dilutive effect of conversion of subsidiary preferred shares	—	—	(11)	19
FFO / Net income (loss) available for shareholders	\$ 2,782	\$ 849	\$ 1,187	\$ (309)
Weighted average shares	1,510.5	1,511.6	1,510.5	1,511.6
Dilutive effect of the conversion of options and other share-based plans using treasury stock method	34.9	37.8	34.9	—
Shares and share equivalents	1,545.4	1,549.4	1,545.4	1,511.6
Per share	\$ 1.80	\$ 0.55	\$ 0.77	\$ (0.20)

# Entity Basis – Reconciliation to Reportable Segments – Invested Capital

AS AT MAR. 31, 2021 (MILLIONS)	Reportable Segments						Total
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	
<b>Asset management</b>	\$ 5,024	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,024
<b>Invested capital</b>							
Listed investments							
Brookfield Property Partners <sup>1</sup>	—	15,557	—	—	—	—	15,557
Brookfield Renewable Partners	—	—	3,956	—	—	—	3,956
Brookfield Infrastructure Partners	—	—	—	1,874	—	—	1,874
Brookfield Business Partners	—	—	—	—	2,562	—	2,562
Other listed investments							
Norbord / West Fraser <sup>2</sup>	—	—	—	—	712	—	712
Other listed – private equity	—	—	—	—	144	—	144
	—	15,557	3,956	1,874	3,418	—	24,805
Corporate cash and financial assets	—	—	—	—	—	—	6,234
	—	15,557	3,956	1,874	3,418	—	31,039
Unlisted investments							
Residential development	—	—	—	—	—	2,355	2,355
Energy contracts	—	—	609	—	—	—	609
Other	—	4,101	—	575	362	—	6,574
	—	4,101	609	575	362	2,355	9,538
<b>Net working capital</b>	—	—	—	—	—	—	829
<b>Debt and preferred capital</b>							
Corporate borrowings	—	—	—	—	—	—	(9,102)
Perpetual preferred shares	—	—	—	—	—	—	(4,375)
	—	—	—	—	—	—	(13,477)
	\$ 5,024	\$ 19,658	\$ 4,565	\$ 2,449	\$ 3,780	\$ 2,355	\$ (4,878)
							\$ 32,953

1. Includes \$16 million of BPY preferred shares.

2. Norbord was acquired by West Fraser on February 1, 2021.

# Entity Basis – Reconciliation to Reportable Segments – Three Months FFO

FOR THE THREE MONTHS ENDED MAR. 31, 2021  
(MILLIONS)

	Reportable Segments						Total
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	
<b>Asset management</b>							
Fee-related earnings	\$ 413	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 413
Carried interest, net	223	—	—	—	—	—	223
	<u>636</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>636</u>
<b>Invested capital</b>							
Listed investments							
Brookfield Property Partners <sup>1</sup>	—	61	—	—	—	—	61
Brookfield Renewable Partners	—	—	89	—	—	—	89
Brookfield Infrastructure Partners	—	—	—	103	—	—	103
Brookfield Business Partners	—	—	—	—	137	—	137
Other listed investments							
Norbord / West Fraser <sup>2</sup>	—	—	—	—	1	—	1
Other listed – private equity	—	—	—	—	1	—	1
	<u>—</u>	<u>61</u>	<u>89</u>	<u>103</u>	<u>139</u>	<u>—</u>	<u>392</u>
Corporate cash and financial assets	—	—	—	—	—	—	73
	<u>—</u>	<u>61</u>	<u>89</u>	<u>103</u>	<u>139</u>	<u>—</u>	<u>73</u>
							<u>465</u>
Unlisted investments							
Residential development	—	—	—	—	—	23	—
Energy contracts	—	—	(35)	—	—	—	—
Other	—	24	—	4	6	—	29
	<u>—</u>	<u>24</u>	<u>(35)</u>	<u>4</u>	<u>6</u>	<u>23</u>	<u>29</u>
							<u>51</u>
<b>Disposition gains</b>	—	165	769	23	847	—	17
<b>Corporate activities<sup>3</sup></b>							
Interest expense	—	—	—	—	—	—	(108)
Corporate costs and taxes	—	—	—	—	—	—	(44)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(152)</u>
	<u>\$ 636</u>	<u>\$ 250</u>	<u>\$ 823</u>	<u>\$ 130</u>	<u>\$ 992</u>	<u>\$ 23</u>	<u>\$ (33)</u>
							<u>\$ 2,821</u>

1. Includes nominal amounts of BPY preferred share distributions.

2. Norbord was acquired by West Fraser on February 1, 2021.

3. Excludes \$39 million of preferred share distributions for the three months, which are included in determining per share results.

# Entity Basis – Reconciliation to Reportable Segments – LTM FFO

FOR THE LTM ENDED MAR. 31, 2021 (MILLIONS)	Reportable Segments						Total
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	
<b>Asset management</b>							
Fee-related earnings	\$ 1,520	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,520
Carried interest, net	512	—	—	—	—	—	512
	<u>2,032</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,032</u>
<b>Invested capital</b>							
Listed investments							
Brookfield Property Partners <sup>1</sup>	—	314	—	—	—	—	314
Brookfield Renewable Partners	—	—	363	—	—	—	363
Brookfield Infrastructure Partners	—	—	—	373	—	—	373
Brookfield Business Partners	—	—	—	—	539	—	539
Other listed investments							
Norbord / West Fraser <sup>2</sup>	—	—	—	—	251	—	251
Other listed – private equity	—	—	—	—	1	—	1
	<u>—</u>	<u>314</u>	<u>363</u>	<u>373</u>	<u>791</u>	<u>—</u>	<u>1,841</u>
Corporate cash and financial assets	—	—	—	—	—	—	395
	<u>—</u>	<u>314</u>	<u>363</u>	<u>373</u>	<u>791</u>	<u>—</u>	<u>395</u>
							<u>2,236</u>
Unlisted investments							
Residential development	—	—	—	—	—	98	—
Energy contracts	—	—	(97)	—	—	—	—
Other	—	62	—	12	36	—	37
	<u>—</u>	<u>62</u>	<u>(97)</u>	<u>12</u>	<u>36</u>	<u>98</u>	<u>37</u>
							<u>148</u>
<b>Disposition gains</b>	—	531	1,535	177	935	—	88
<b>Corporate activities<sup>3</sup></b>							
Interest expense	—	—	—	—	—	—	(407)
Corporate costs and taxes	—	—	—	—	—	—	(158)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(565)</u>
	<u>\$ 2,032</u>	<u>\$ 907</u>	<u>\$ 1,801</u>	<u>\$ 562</u>	<u>\$ 1,762</u>	<u>\$ 98</u>	<u>\$ (45)</u>
							<u>\$ 7,117</u>

1. Includes nominal amounts of BPY preferred share distributions.

2. Norbord was acquired by West Fraser on February 1, 2021.

3. Excludes \$146 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, 2020 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.
- **Distributable earnings (“DE” or formerly referred to as “cash available for distribution and/or reinvestment”)** is a non-IFRS measure that provides insight into earnings received by the Corporation that are available for distribution to common shareholders or to be reinvested into the business. It is calculated as the sum of our Asset Management segment FFO (i.e., fee-related earnings and realized carried interest, net); distributions from our listed 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-based compensation costs and net of preferred share dividend payments. As of January 1, 2021, we now include realizations from our principal investments as these are earnings that are directly received by the Corporation and are available for distribution to common shareholders or to be reinvested into the business. Comparative figures have been revised accordingly.
- **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 and BEP include a quarterly fixed fee amount of \$12.5 million and \$5 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 March 31, 2021, was as follows: BPY/BPYU – \$23.8 billion; BEP/BEPC – \$31.9 billion; BIP/BIPC – \$30.0 billion; and BBU – \$5.9 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, 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 other alternatives, including credit; 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](http://www.sedar.com) and EDGAR at [www.sec.gov](http://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. 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 company 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

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## 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"), which include but are not limited to: (i) funds from operations ("FFO"); (ii) unrealized carried interest; (iii) realized disposition gains; and (iv) carry eligible capital. 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.