

BROOKFIELD ASSET MANAGEMENT INC.

Q3 2017 Supplemental Information

Three Months Ended September 30, 2017

Brookfield

HIGHLIGHTS

- Our fee bearing capital grew to \$120 billion reflecting strong valuation growth in our listed partnerships and private funds inflows over the last twelve months. We are currently fundraising for our next flagship real estate private fund, which we expect to be larger than the predecessor fund, and intend to hold its first close by the end of the year. We also have in the market four additional closed-ended private funds and two perpetual private funds, across various strategies.
- We invested and committed \$11 billion of capital on a last twelve months ("LTM") basis, including the deployment of \$2 billion in the third quarter:
 - Completed our investments in a Canadian fuel marketing business, a marine energy services business, a partial interest in a European pumped storage portfolio and a direct lending investment.
 - Commitments of \$5 billion include capital to acquire global renewable power portfolios, a Canadian gaming operation, a portfolio of toll roads in India, as well as agreeing to acquire an investment manager and retail fund marketer through our public securities group, that is expected to add over \$4 billion of fee bearing capital to our asset management business.
 - Our current vintage of our flagship private funds in real estate (BSREP II), infrastructure (BIF III) and private equity (BCP IV) are approximately 80%, 45% and 70% invested and committed, respectively.
- We agreed to sell a European industrial real estate portfolio held in our first flagship real estate private fund (BSREP I) representing the first significant realization in that fund.
- Dry powder and core liquidity at the end of the quarter was \$26 billion, providing us with significant capital to deploy for current and future investment opportunities.
- Funds from operations ("FFO") for the third quarter of 2017 was \$809 million and \$3.5 billion on an LTM basis. FFO before the impact of disposition gains and realized carried interest was \$564 million, an increase of 15% from the prior year quarter.
 - Higher base fees, from the aforementioned growth in fee bearing capital, and higher incentive distributions resulted in an 8% increase in fee related earnings for the quarter.
 - FFO from invested capital increased by 19% to \$378 million as the contributions from assets acquired, organic growth across our businesses and higher investment income more than offset the absence of FFO from assets sold and lower results in our Brazilian residential business.
 - Disposition gains contributed \$220 million to FFO as we sold office buildings in London and Toronto, as well as a partial interest in Norbord.
- Net income attributable to Brookfield shareholders was \$228 million, or \$0.20 per share, which is after the allocation of income to non-controlling interest and preferred share dividends. Net income in the prior year quarter included a deferred tax recovery of approximately \$600 million at our share recognized upon the reorganization of certain U.S. real estate assets.

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OVERVIEW

Funds from Operations and Net Income

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM			
	Funds from Operations		Net Income ¹		Funds from Operations		Net Income ¹	
	2017	2016	2017	2016	2017	2016	2017	2016
Operating activities								
Fee related earnings	\$ 186	\$ 173	\$ 186	\$ 173	\$ 745	\$ 690	\$ 745	\$ 690
Invested capital	378	318	378	318	1,507	1,366	1,507	1,366
	564	491	564	491	2,252	2,056	2,252	2,056
Realized carried interest	25	—	25	—	177	—	177	—
Realized disposition gains	220	392	35	161	1,094	1,148	149	476
Fair value changes	—	—	(137)	(104)	—	—	(895)	80
Depreciation and amortization	—	—	(221)	(222)	—	—	(884)	(868)
Deferred income taxes	—	—	(38)	710	—	—	(210)	412
	\$ 809	\$ 883	\$ 228	\$ 1,036	\$ 3,523	\$ 3,204	\$ 589	\$ 2,156
Per share	\$ 0.79	\$ 0.87	\$ 0.20	\$ 1.03	\$ 3.47	\$ 3.15	\$ 0.46	\$ 2.07

1. Net of non-controlling interest

- **Fee related earnings:** Fee related earnings were \$186 million, an 8% increase over the prior year quarter, as higher capitalization and distributions in our listed partnerships increased base management fees and incentive distributions earned by 22% and 41%, respectively. These were partially offset by the absence of fees from our Canadian office entity, which was privatized in the prior quarter, as well as increased direct costs from the expansion of our operations. Further details on slide 6.
- FFO from **invested capital** increased by 19% benefiting from the contributions of acquisitions, net of dispositions, across multiple business groups as well as organic growth in our various businesses, higher volumes and pricing at Norbord and higher investment income. These positive variances were partially offset by our Brazilian residential development business which is working through a backlog of legacy projects that are being impacted by the deflated residential market in the country. Further details on slide 15.
- **Realized disposition gains** in the 2017 quarter included the sale of 20 Canada Square and 20 Fenchurch Street, two prime office buildings in London, a building in Toronto and a partial interest in Norbord. Further details on slide 18.
- **Fair value changes** reflect higher appraisal gains in our investment properties that were offset by a decline in the value of our GGP warrants and unrealized losses on foreign exchange contracts.
- **Deferred income taxes** in the prior year included a deferred tax recovery of approximately \$600 million recognized upon the reorganization of certain U.S. real estate assets.

OVERVIEW

Financial Profile

Asset Manager – slide 4

Recurring long-term fees received from managing our funds and carried interests

Invested Capital – slide 14

Capital deployed in managed funds and on a direct basis which generate cash distributions

Conservative long-term capitalization represents 16% LTV⁵ on invested capital

Gains on sale of assets, including current and prior period revaluation gains since acquisition

AS AT AND FOR THE PERIODS ENDED SEP 30, 2017 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Associated Capital	FFO		Cash Flow ⁴ (Annualized)
		Three Months	LTM	
Fee bearing capital				
Fee related earnings ¹	\$ 119,860 ¹	\$ 186	\$ 745	\$ 810
Realized carried interest ²	40,676 ²	25	177	
		<u>211</u>	<u>922</u>	
Invested capital				
Listed investments	\$ 27,567	477	1,848	1,426
Unlisted assets	5,082	(16)	(43)	—
	<u>32,649</u>	<u>461</u>	<u>1,805</u>	<u>1,426</u>
Capitalization/interest expense ³	(9,901)	(66)	(252)	(264)
Working capital/corporate costs & taxes	(97)	(17)	(46)	(68)
	<u>\$ 22,651</u>	<u>378</u>	<u>1,507</u>	<u>\$ 1,904</u>
Realized disposition gains		220	1,094	
FFO		<u>\$ 809</u>	<u>\$ 3,523</u>	
Per share		<u>\$ 0.79</u>	<u>\$ 3.47</u>	

1. Earned on total fee bearing capital

2. Earned on carry eligible capital

3. Capitalization FFO excludes \$35 million (LTM – \$139 million) of preferred share distributions, which are included in the determination of FFO per share

4. Corporate level cash flow available for common dividends and reinvestment. Annualized fee related earnings based on annualized fee revenues at 60% margin. Listed investment cash flow based on current listed investment distribution policies. Interest expense based on current corporate capitalization levels.

5. Loan to value

ASSET MANAGEMENT Summarized Results

\$120 billion
Fee Bearing Capital
(Gross inflows of \$14 billion LTM)

46% increase
in FRE¹ and Generated Carried Interest
over 2016 LTM

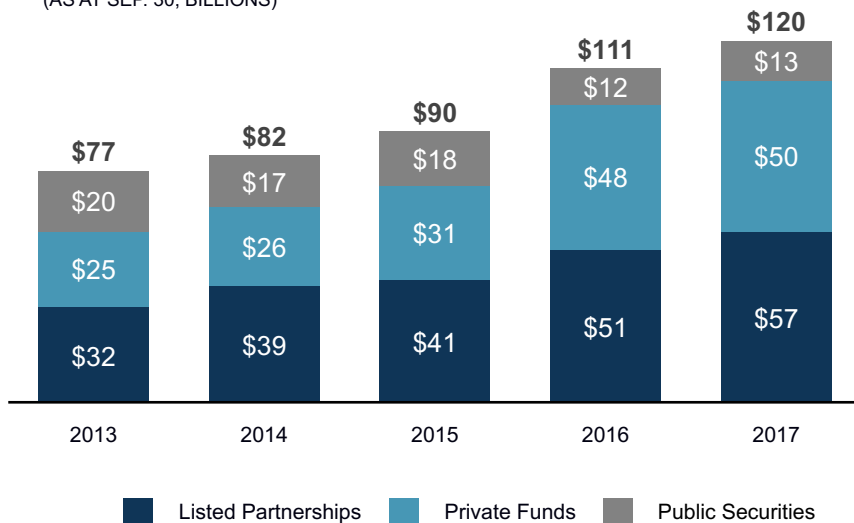
\$2.2 billion
Annualized Fee Base and Carry
(11% increase since Q3 2016)

Fee Bearing Capital – Profile

AS AT (MILLIONS)	Sep. 2017	Dec. 2016	Sep. 2016
Listed partnerships	\$ 57,064	\$ 49,375	\$ 51,107
Private funds	50,262	49,624	47,629
Public securities	12,534	10,577	12,011
	\$ 119,860	\$ 109,576	\$ 110,747

- Diversified client base of 465 global private fund investors, with an average commitment of approximately \$110 million per client. Of these, approximately 45% are invested in multiple funds

Fee Bearing Capital (AS AT SEP. 30, BILLIONS)

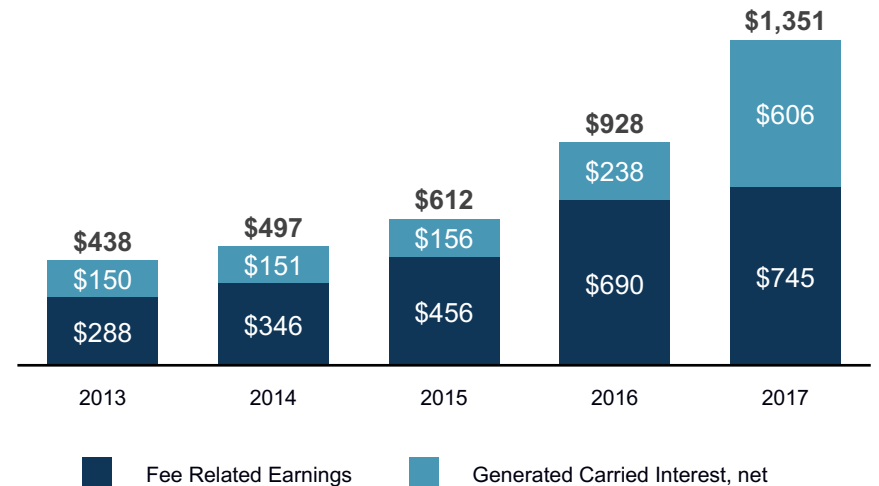


Financial Performance

FOR THE PERIODS ENDED SEP. 30
(MILLIONS)

	Three Months		LTM	
	2017	2016	2017	2016
Fee related earnings	\$ 186	\$ 173	\$ 745	\$ 690
Realized carried interest, net	25	—	177	—
Realized disposition gains	—	5	—	5
Funds from operations	211	178	922	695
Less: Realized carried interest, net	(25)	—	(177)	—
Less: Realized disposition gains	—	(5)	—	(5)
Generated carried interest, net	272	38	606	238
FRE and generated carried interest	\$ 458	\$ 211	\$ 1,351	\$ 928

Fee Related Earnings and Generated Carried Interest (LTM) (SEP. 30, MILLIONS)



1. Fee related earnings

Inflows of \$14 billion contributed to an 8% increase in fee bearing capital during the last twelve months, increasing fee bearing capital to \$120 billion

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months				Last Twelve Months			
	Listed Partnerships	Private Funds ¹	Public Securities	Total	Listed Partnerships	Private Funds ¹	Public Securities	Total
Balance, beginning of period	\$ 54,945	\$ 50,050	\$ 12,259	\$ 117,254	\$ 51,107	\$ 47,629	\$ 12,011	\$ 110,747
Inflows	2,065	483	949	3,497	3,670	7,038	3,464	14,172
Outflows	—	—	(861)	(861)	—	—	(3,373)	(3,373)
Distributions	(601)	(265)	—	(866)	(2,264)	(1,283)	—	(3,547)
Market valuation	1,891	81	187	2,159	7,592	205	432	8,229
Other	(1,236)	(87)	—	(1,323)	(538)	(162)	—	(700)
Change	2,119	212	275	2,606	8,460	5,798	523	14,781
BPY managed capital ²	—	—	—	—	(2,503)	(3,165)	—	(5,668)
Balance, end of period ³	\$ 57,064	\$ 50,262	\$ 12,534	\$ 119,860	\$ 57,064	\$ 50,262	\$ 12,534	\$ 119,860

1. Includes \$9.4 billion of co-investment capital (Jun. 30, 2017 – \$9.3 billion, Sep. 30, 2016 – \$5.1 billion), which earns minimal or no base fees

2. Represents the removal of listed partnership and private fund capital managed by BPY, respectively, following the privatization of our previously listed fund BOX and reclassification of several legacy BPO private funds in order to simplify our reporting

3. Fee bearing capital includes Brookfield capital of \$27 billion in listed partnerships and \$0.4 billion in private funds

Three Months:

- Inflows:** Listed partnership inflows include BIP, BEP and BBU equity issuances of \$1.0 billion, \$0.4 billion and \$0.6 billion, respectively. Private fund inflows were primarily due to additional closings for our fifth real estate credit fund and open-ended core real estate fund. Public securities inflows represents new contributions into our real estate focused mutual funds and managed accounts.
- Distributions and Outflows:** Private funds distributions include return of capital to clients relating to dispositions within our real estate and private equity private funds. Public securities outflows of \$0.9 billion reflect redemptions due to client rebalancing across real estate and infrastructure listed funds.
- Other:** Includes changes in corporate leverage, net of cash, in the determination of listed partnership capitalization. The decrease of \$1.2 billion includes cash received from the BIP, BEP and BBU equity issuances, as cash on hand reduces the fee base until it is deployed.
- The total capitalization values of BPY, BIP, BEP and BBU were \$21.0 billion, \$19.3 billion, \$13.4 billion and \$3.2 billion, respectively, at September 30, 2017.
- Subsequent to quarter end, our public securities group agreed to acquire an investment manager and a retail fund marketer that will add over \$4 billion of fee bearing capital upon close, which we expect to occur in the first half of 2018.

Last Twelve Months:

- Inflows:** Inflows to listed partnerships of \$3.7 billion include \$3.2 billion from BIP, BEP and BBU equity issuances, as well as preferred unit issuances in the various entities. Private fund inflows of \$7.0 billion include our real estate credit fund (\$1.5 billion) and our open-ended core real estate fund (\$1.3 billion), as well as co-investments (\$3.9 billion).
- Distributions:** Listed partnership distributions represent total equity distributions paid. Private funds distributions include return of capital to clients relating to dispositions across several private funds.
- Market valuation:** Listed partnership market valuation increase of \$7.6 billion represents the stock market price increases across the listed partnerships.
- We removed \$5.7 billion of listed partnership and private fund capital managed by BPY following the privatization of our previously listed fund BOX and reclassification of several legacy BPO private funds to BPY in order to simplify our reporting.

ASSET MANAGEMENT

Fee Related Earnings

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months			LTM		
	2017	2016	Variance	2017	2016	Variance
Base management fees						
Listed partnerships	\$ 135	\$ 111	\$ 24	\$ 493	\$ 400	\$ 93
Private funds	105	117	(12)	446	407	39
– catch-up fees	—	2	(2)	2	68	(66)
Public securities	22	23	(1)	84	98	(14)
Incentive distributions (IDRs)	38	27	11	140	95	45
	300	280	20	1,165	1,068	97
Performance fees	—	—	—	25	—	25
Transaction and advisory fees ¹	2	3	(1)	29	41	(12)
Fee revenues²	302	283	19	1,219	1,109	110
Direct costs^{1,3}						
Compensation and benefits	(83)	(82)	(1)	(341)	(315)	(26)
Other expenses	(33)	(28)	(5)	(133)	(104)	(29)
Fee related earnings^{1,2}	\$ 186	\$ 173	\$ 13	\$ 745	\$ 690	\$ 55

1. Advisory fees and associated direct costs for the prior LTM period have been reclassified to reflect advisory fee earnings earned by BBU following the spin-off on June 20, 2016 for the periods prior to the spin-off where the advisory fee earnings were previously reported in the asset management segment

2. Includes \$36 million of fee revenues and \$16 million of fee related earnings generated by capital managed by BPY on an LTM basis

3. Direct costs include non-controlling interest of \$4 million for the three months ended September 30, 2016 and \$9 million for the LTM ended September 30, 2017 (2016 – \$15 million)

Current Quarter:

- Listed partnership fees increased by \$24 million as market valuation and capital deployment led to higher levels of fee bearing capital.
- Private fund base fees in the quarter decreased to \$105 million as a result of the reclassification of several legacy BPO private funds to BPY FFO in the second quarter of 2017. The prior quarter includes \$11 million of fee revenue related to these funds. Excluding this, fees were consistent as additional fees in our real estate credit and core funds were offset by a decrease in fee bearing capital following asset sales.
- Gross profit margin (excluding catch-up, transaction and performance fees) was 61% compared to 60% in the 2016 quarter.
- Fee revenues include \$68 million of base management fees from Brookfield capital (2016 – \$65 million).

Last Twelve Months:

- Private fund base fees grew by 10%, resulting from fees from the full year of contribution from our flagship funds that closed in mid-2016, as well as our real estate credit and core funds.
- Incentive distributions increased by 47%, reflecting increased distributions by BIP, BEP and BPY.
- Performance fees were attributable to our first performance fee from BBU as a result of the unit price increasing above \$25.00 per unit for a full quarter.
- Transaction and advisory fees of \$29 million (2016 – \$41 million) includes co-investment fees. The prior period included a one-time \$12 million fee related to an Australian ports transaction.
- Fee revenues include \$248 million of base management fees from Brookfield capital (2016 – \$217 million).

ASSET MANAGEMENT

Incentive Distributions

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

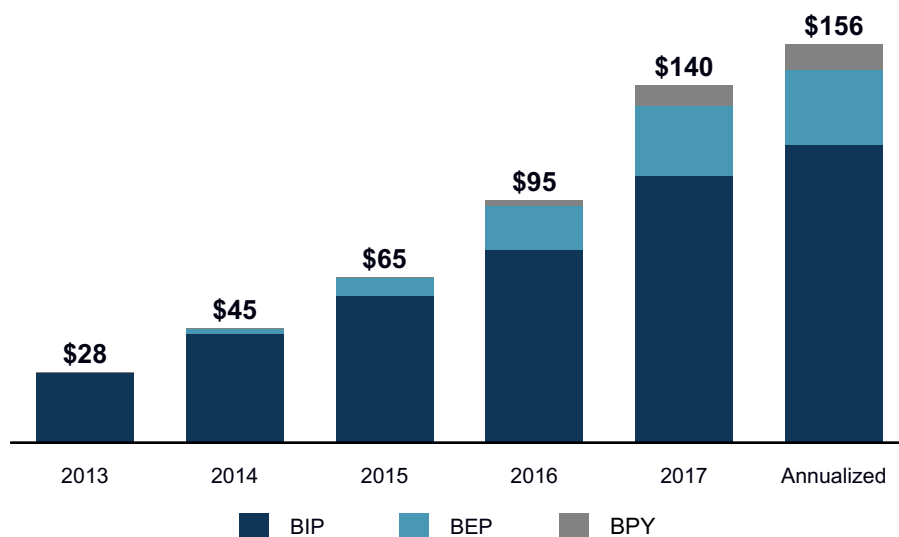
Annualized Incentive Distributions

AS AT SEP 30, 2017 (MILLIONS, EXCEPT PER UNIT)	Per Unit			Units Outstanding	Annualized Incentive Distributions
	Annualized Distributions	Distribution Hurdles	Incentive Distributions ¹		
Brookfield Infrastructure Partners (BIP)	\$ 1.74	\$0.81 / \$0.88	15% / 25%	393.9	\$ 117
Brookfield Renewable Partners (BEP)	1.87	1.50 / 1.69	15% / 25%	312.6	29
Brookfield Property Partners (BPY)	1.18	1.10 / 1.20	15% / 25%	703.5	10
					<u>\$ 156</u>

1. Incentive distributions equate to 18% and 33% of limited partner distribution increases over the first and second hurdles, respectively

Incentive Distributions (LTM)

(SEP. 30, MILLIONS)



Listed Partnerships: Distributions (per unit)

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

	BPY	BEP	BIP
Targeted:			
- FFO payout	80%	60 to 70%	60 to 70%
- Distribution growth	5 to 8%	5 to 9%	5 to 9%
Annual distribution per unit			
2017 ¹	\$ 1.18	\$ 1.87	\$ 1.74
2016	1.12	1.78	1.54
2015	1.06	1.66	1.41
2014	1.00	1.55	1.28
2013 ²	1.00	1.45	1.15

1. Annualized based on most recent distribution
 2. BPY 2013 distribution annualized from spin-off

ASSET MANAGEMENT

Carried Interest

Carried interest represents our share, as manager, of investment performance in our private funds. We generated carried interest of \$367 million in the quarter (LTM – \$786 million) based on investment returns, increasing cumulative unrealized carried interest to \$1.6 billion

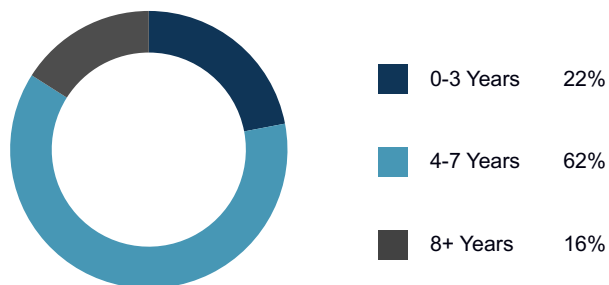
Unrealized Carried Interest Continuity^{1,2}

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months			LTM		
	Unrealized Carried Interest	Direct Costs	Net	Unrealized Carried Interest	Direct Costs	Net
Unrealized balance, beginning of period	\$ 1,219	\$ (384)	\$ 835	\$ 983	\$ (330)	\$ 653
In period change						
Generated	363	(93)	270	793	(180)	613
Foreign currency revaluation	4	(2)	2	(7)	—	(7)
	367	(95)	272	786	(180)	606
Less: realized	(25)	—	(25)	(208)	31	(177)
Unrealized balance, end of period	\$ 1,561	\$ (479)	\$ 1,082	\$ 1,561	\$ (479)	\$ 1,082

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 – Realization Timeline

AS AT SEP. 30, 2017



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

Current Quarter:

- Generated carried interest in the current quarter is primarily driven by the increase of the value of our European industrial real estate business on fund performance, leading to a carried interest impact of \$180 million, as we entered into an agreement to sell this business.
- Our private equity funds generated additional carried interest of \$130 million, as a result of improved pricing and operating performance within certain fund assets, with the remaining increase generated across our other fund strategies.
- Realized carried interest in the quarter relates to the disposition of assets within our first value-add multifamily fund.

ASSET MANAGEMENT

Carry Eligible Capital

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

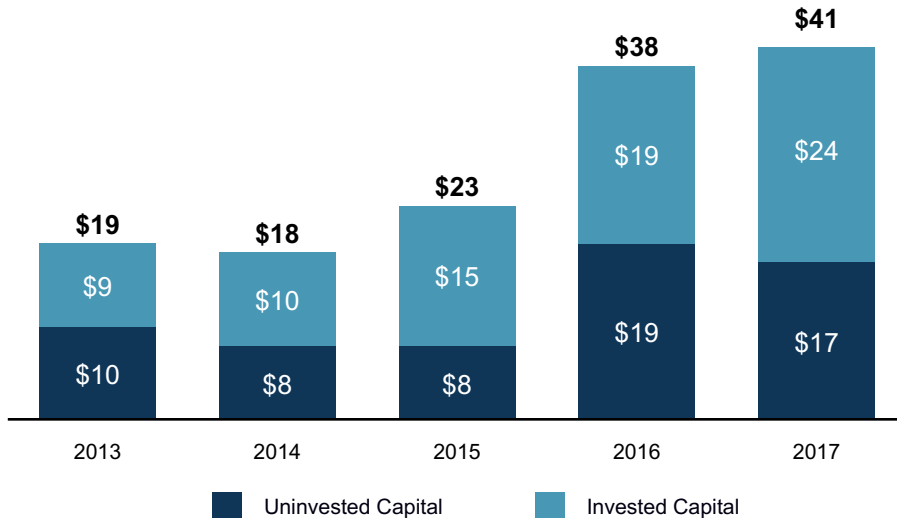
Target Carried Interest – Annualized

AS AT SEP 30, 2017 (MILLIONS)	Fee Bearing Capital	Carry Eligible Capital ¹	Target Return	Average Carried Interest	Utilization Factor ²	Annualized Target Carried Interest
Core and Value Add	\$ 32,387	\$ 24,214	10% to 15%	~18%	85%	\$ 380
Opportunistic and Private Equity	17,875	16,462	18% to 25%	~20%	75%	480
	<u>\$ 50,262</u>	<u>\$ 40,676</u>				<u>\$ 860</u>

1. Excludes capital which is not subject to carried interest
2. Utilization factor discount represents the average invested capital over the fund life, taking into account the time to deploy capital at the beginning of the fund and to monetize assets at the end of the fund

Carry Eligible Capital

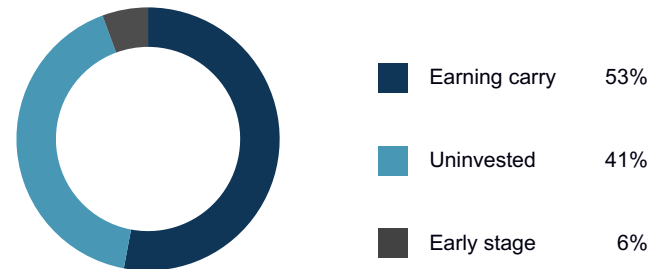
(AS AT SEP. 30, BILLIONS)



Carry Eligible Capital (\$41 billion)

(AS AT SEP. 30, 2017)

- Carried interest currently generated by our private funds lags target carried interest, as a significant portion of carry eligible capital is not yet invested.



ASSET MANAGEMENT

Private Funds

Our private funds target pre-determined return levels for our clients. If we can achieve these returns, we have the opportunity to earn carried interest. Our performance to date across our funds has typically met or exceeded these target returns

Performance ¹	(\$ BILLIONS)		(\$ BILLIONS)		Vintages	Gross IRR ⁴	Net IRR ⁴
	Committed Capital ²		Carry Eligible Capital ³				
Opportunistic							
Real Estate	\$	21	\$	11	2006 – 2015	22%	19%
Private Equity		6		4	2001 – 2015	24%	18%
Core Plus and Value Add							
Real Estate		5		2	2006 – 2016	13%	11%
Infrastructure		26		16	2006 – 2016	16%	12%
Sustainable Resources		3		2	2005 – 2015	7%	6%
Credit		9		3	2004 – 2016	12%	10%

1. As at September 30, 2017. Prior performance is not indicative of future results and there can be no guarantee that any Brookfield private funds will achieve comparable results or be able to avoid losses
2. Committed capital represents the capital committed at fund inception, which the gross and net returns are measured against, including funds that have been realized. Includes Brookfield capital
3. Carry eligible capital excludes capital in funds that have been realized, and excludes co-investments, separately managed accounts and open-ended funds. Excludes Brookfield capital
4. "Gross IRR" reflects IRRs before fund expenses, management fees (or equivalent fees), and carried interest (if any), which would reduce an investor's return. "Net IRR" is calculated on a fund level and not for any particular investor, and takes into account any such expenses, fees and carried interest (including any fees allocated to, or paid by, Brookfield and its affiliates as a limited partner based on applicable rates)

ASSET MANAGEMENT

Annualized Fees and Target Carry

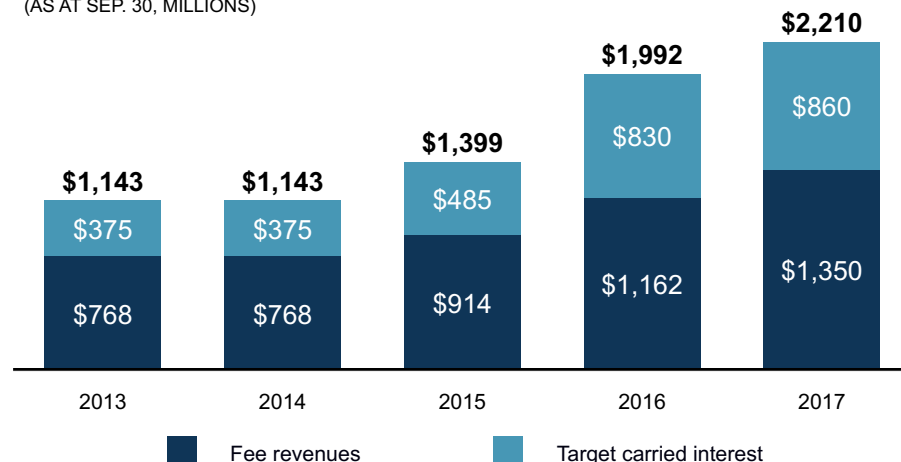
Annualized Fees and Target Carry

AS AT (MILLIONS)	Sep. 30, 2017	Dec. 31, 2016	Sep. 30, 2016
Base management fees ¹			
Listed partnerships ²	\$ 550	\$ 435	\$ 455
Private funds	455	485	480
Public securities	89	75	85
Incentive distributions ³	156	148	106
	1,250	1,143	1,126
Performance fees ⁴	65	2	4
Transaction and advisory ⁵	35	26	32
Fee revenues ⁶	1,350	1,171	1,162
Target carried interest ⁷	860	860	830
	\$ 2,210	\$ 2,031	\$ 1,992

1. Base management fees include \$271 million of annualized base fees on Brookfield capital (\$268 million from listed partnerships and \$3 million from private funds)
2. Includes \$10 million of fees from managing TerraForm Power. Calculation is based on a fixed fee of \$10 million in year one, escalating to \$12 million in year two and \$15 million in year three. In addition to the fixed fee, we earn 1.25% on change in market capitalization above the initial \$1.4 billion
3. Based on most recent quarterly distributions declared
4. Annualized BBU performance fees assuming 10% unit price appreciation above an initial hurdle price of \$25.00, subject to an escalating threshold. Prior year periods figures consist of annualized performance fees from our public securities business
5. Annualized transaction and advisory fees based on simple average of the last two years' results
6. Annualized fees as at December 31, 2016 and September 30, 2016 include \$43 million and \$36 million, respectively, of annualized fee revenue generated by capital managed by BPY. These revenues are now reported within BPY's results and therefore are excluded from annualized fees as at September 30, 2017
7. Based on prescribed carried interest for private funds and target gross return. Includes only third-party capital

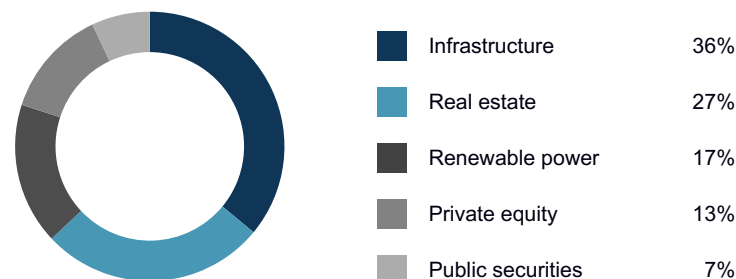
Annualized Fees and Target Carry

(AS AT SEP. 30, MILLIONS)



Fee Revenue Diversification¹

(AS AT SEP. 30, MILLIONS)



1. Fee revenues based on annualized September 30, 2017 fees, excludes target carried interest

- We estimate annualized base management fees will increase by approximately \$41 million when \$3 billion of uncalled third-party capital is invested, with respect to certain funds for which fees are charged on invested capital only.
- BBU's performance fee is calculated as 20% of the increase in unit prices above a \$25 / unit initial hurdle, subject to an escalating threshold.
- We include base fees on the capital invested by us in our funds in order to present operating margins and investment returns on a consistent basis (see note 1 above).
- We estimate gross margins for fee revenues and target carried interest to range between 55% to 65% and 60% to 70%, respectively, for planning purposes.

ASSET MANAGEMENT

Capital Invested or Committed

Invested or committed \$11 billion of capital during the LTM on a global basis, including the deployment of \$2 billion in the most recent quarter

Capital Deployed (Funding Source)

FOR THE LTM ENDED SEP. 30 (MILLIONS)	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Total
Listed partnerships ¹	\$ 1,355	\$ 2,302	\$ 202	\$ 1,264	\$ 5,123
Private funds ²	2,072	1,171	360	925	4,528
Co-investments ²	329	2,759	8	504	3,600
Direct ³	—	—	—	771	771
Total invested	3,756	6,232	570	3,464	14,022
Committed - new ⁴	1,374	1,625	1,636	479	5,114
Committed - invested ⁴	(1,253)	(5,593)	—	(1,000)	(7,846)
Total	\$ 3,877	\$ 2,264	\$ 2,206	\$ 2,943	\$ 11,290

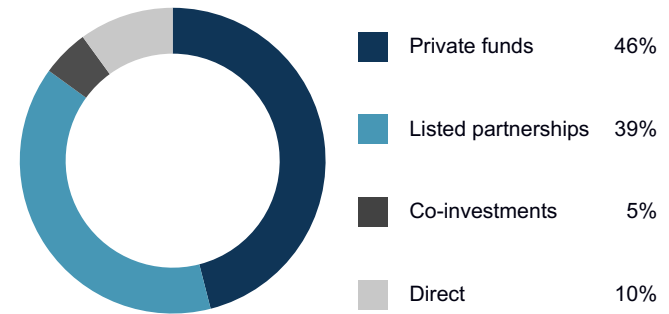
- Includes investments made by listed partnerships (BPY, BIP, BEP and BBU) directly or through its participation in private funds and co-investments
- Reflect third-party investments managed by Brookfield
- Investments made by Brookfield in financial assets or balance sheet assets other than those made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

Capital Invested (Geography)

FOR THE LTM ENDED SEP. 30 (MILLIONS)	Real Estate	Infrastructure	Renewable Power	Private Equity and Other	Total
North America	\$ 2,335	\$ 522	\$ 53	\$ 1,186	\$ 4,096
South America	379	5,609	170	2,025	8,183
Europe	153	101	347	216	817
Asia and other	889	—	—	37	926
Total invested	\$ 3,756	\$ 6,232	\$ 570	\$ 3,464	\$ 14,022

Capital Invested or Committed

FOR THE LTM ENDED
SEP. 30, 2017



Significant investments and commitments include:

- Marine energy services business (\$0.8 billion)¹
- Canadian fuel marketing business (\$0.2 billion)¹
- Real estate subsidiary warrants exercise (\$0.5 billion)²
- Indian toll road network (\$0.4 billion)²
- Brazilian regulated gas transmission business (\$5.2 billion)
- Global renewable power portfolios (\$1.4 billion)
- Brazilian water treatment company (\$1.2 billion)
- Privatization of Canadian office portfolio (\$0.4 billion)
- Canadian gaming operation (\$0.2 billion)

- Invested during the most recent quarter
- Committed during the most recent quarter

ASSET MANAGEMENT

Available Liquidity

Core and Total Liquidity

AS AT SEP. 30, 2017 AND DEC. 31, 2016
(MILLIONS)

	Corporate	Real Estate	Renewable Power	Infrastructure	Private Equity and Other	Total 2017	Dec. 2016
Cash and financial assets, net	\$ 1,938	\$ 25	\$ 250	\$ 250	\$ 604	\$ 3,067	\$ 2,592
Undrawn committed credit facilities	1,722	653	1,303	1,857	230	5,765	6,375
Core liquidity	3,660	678	1,553	2,107	834	8,832	8,967
Uncalled private fund commitments ¹	—	7,179	2,717	5,744	1,624	17,264	19,904
Total liquidity	\$ 3,660	\$ 7,857	\$ 4,270	\$ 7,851	\$ 2,458	\$ 26,096	\$ 28,871

1. *Third-party private fund uncalled commitments*

- Corporate credit facilities totaled \$1.9 billion, of which \$124 million was utilized for short-term bank or commercial paper borrowings and \$84 million was drawn and utilized for letters of credit at September 30, 2017.
- Core liquidity represents our dry powder and our principal sources of short-term liquidity (consists of our cash and financial assets, net of deposits and other associated liabilities, and undrawn committed credit facilities).

Uncalled Fund Commitments – Expiry Profile

AS AT SEP. 30, 2017 AND DEC. 31, 2016
(MILLIONS)

	2017	2018	2019	2020	2021+	Sep. 2017	Dec. 2016
Real estate	\$ 62	\$ 30	\$ 103	\$ 4,755	\$ 2,229	\$ 7,179	\$ 7,943
Infrastructure and renewable power	477	—	—	7,173	811	8,461	9,810
Private equity	12	—	—	1,501	111	1,624	2,151
	\$ 551	\$ 30	\$ 103	\$ 13,429	\$ 3,151	\$ 17,264	\$ 19,904

- Uncalled commitments expire after approximately four years, based on the weighted average time to the end of each fund's investment period.
- \$3.0 billion of fund capital committed to transactions yet to be closed (real estate – \$0.7 billion, infrastructure and renewable power – \$2.1 billion, and private equity – \$0.2 billion).

INVESTED CAPITAL Summarized Results

~85%
of invested capital is held in
listed securities

over \$33 billion
invested capital
alongside our clients

\$1.4 billion
of annualized cash flow
generated from listed investments

Financial Performance

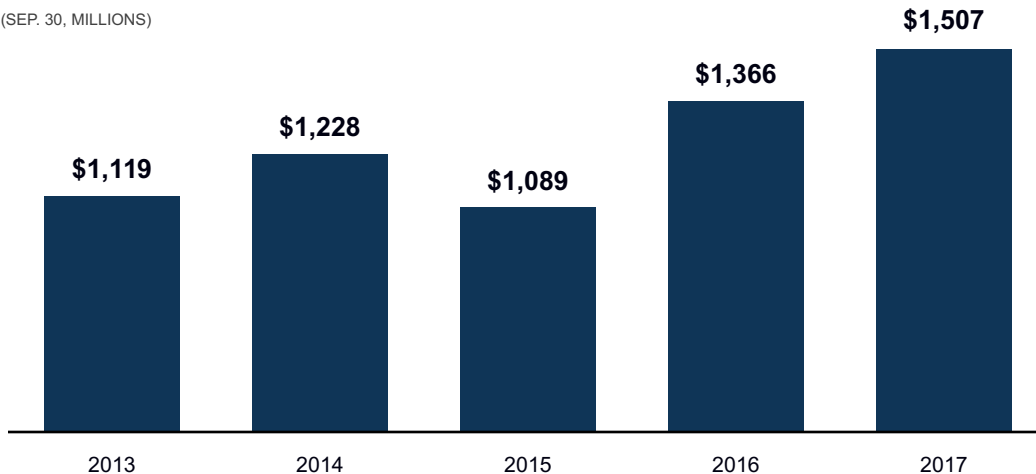
AS AT SEP. 30, 2017 AND DEC. 31, 2016 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)

	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2017	2016	2017	2016	2017	2016
Listed investments	\$ 27,567	\$ 26,242	\$ 477	\$ 384	\$ 1,848	\$ 1,666
Unlisted assets	5,082	4,734	(16)	27	(43)	68
Capitalization ¹	(9,998)	(8,805)	(83)	(93)	(298)	(368)
	22,651	22,171	378	318	1,507	1,366
Disposition gains	—	—	220	392	1,094	1,148
	\$ 22,651	\$ 22,171	\$ 598	\$ 710	\$ 2,601	\$ 2,514

1. FFO excludes distributions on preferred shares

FFO – Operating Activities (LTM)¹

(SEP. 30, MILLIONS)



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

Investment Portfolio

(AS AT SEP. 30, 2017)



- BPY
- BEP
- BIP
- BBU
- Other Listed
- Unlisted

• ~85% of our balance sheet is held through listed securities, the majority invested in our four listed partnerships, providing liquidity and increased transparency.

INVESTED CAPITAL – SEGMENT FUNDS FROM OPERATIONS (Excluding Realized Disposition Gains)

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months			LTM		
	2017	2016	Variance	2017	2016	Variance
Brookfield Property Partners	\$ 182	\$ 172	\$ 10	\$ 746	\$ 688	\$ 58
Brookfield Renewable Partners	50	42	8	286	273	13
Brookfield Infrastructure Partners	81	63	18	297	243	54
Brookfield Business Partners	46	40	6	111	224	(113)
Residential development	(24)	10	(34)	13	103	(90)
Energy marketing	(5)	7	(12)	(93)	(81)	(12)
Other investments	77	72	5	289	224	65
Financial assets	54	5	49	156	60	96
	<u>461</u>	<u>411</u>	<u>50</u>	<u>1,805</u>	<u>1,734</u>	<u>71</u>
Unallocated						
Interest expenses	(66)	(64)	(2)	(252)	(236)	(16)
Corporate costs and taxes	(17)	(29)	12	(46)	(132)	86
FFO – Invested capital	<u>\$ 378</u>	<u>\$ 318</u>	<u>\$ 60</u>	<u>\$ 1,507</u>	<u>\$ 1,366</u>	<u>\$ 141</u>

Third Quarter:

- **BPY:** FFO increased due to contributions from assets acquired, same-store growth, and condo sales adjacent to one of our malls, partially offset by the absence of FFO from assets sold and prior year's gain on merchant multifamily development sales.
- **BEP:** Increase reflects increased generation across our North American and Colombian portfolios and higher pricing in Brazil, partially offset by lower merchant power prices in North America.
- **BIP:** Contributions from acquisitions, in particular our newly acquired Brazilian regulated gas transmission business, development projects and increased volumes and tariffs, were partially offset by higher management fees and interest expense.
- **BBU:** FFO increased as the benefits of recent acquisitions and higher contribution from industrial assets were partially offset by higher management fees and a gain on the sale of financial assets in the prior year quarter.
- **Residential:** Our North American operations achieved increased housing margin across the majority of its markets, however, these increases were offset by the lower deliveries and margins in our Brazilian operations as they continue to be impacted by the weak residential market in the country.
- **Other investments:** Contributions from improved OSB pricing and volumes in Norbord and investment gains were partially offset by the absence of merchant development sales in our directly held real estate assets and interest income on a debt investment that was converted to equity since the prior year quarter.
- **Corporate costs and taxes:** Reflects current tax recovery of \$7 million in the current quarter compared to an expense of \$9 million in the 2016 quarter.

Last Twelve Months:

- **BPY:** FFO benefited from contributions from capital deployed and organic growth, settlement gains at Canary Wharf and condo sales adjacent to one of our premier malls.
- **BEP:** Increased generation across most of the portfolio, contributions from assets acquired and higher pricing in Brazil were partially offset by our lower ownership.
- **BIP:** Acquisitions completed in the last twelve months, increased ownerships in certain investments and organic growth have contributed to increase in FFO, which were partially offset by higher fees and interest expense.
- **BBU:** Contributions from recent acquisitions and organic improvements in our industrial businesses were offset by margin adjustments on several construction projects, lower ownership of BBU and higher management and performance fees paid.
- **Residential:** Our North American operations continue to perform well, contributing higher FFO as housing price, margins and closings all increased over the LTM, however, this was more than offset by losses in our Brazilian operations.
- **Other investments:** Higher OSB pricing and volumes at Norbord, which contributed \$91 million of incremental FFO, were partially offset by the absence of interest income on a debt investment that was converted to an equity instrument.
- **Financial assets:** FFO increased as a result of investment gains in our financial assets portfolio.
- **Interest expense:** Change reflects refinancings during the LTM, which increased our corporate debt balance and the associated interest, albeit at a lower interest rate.
- **Corporate costs and taxes:** Reflects current tax recovery of \$47 million in the current LTM compared to an expense of \$41 million in the 2016 LTM.

INVESTED CAPITAL

Entity Basis¹

~85% of our invested capital is held in listed securities, which provides enhanced transparency for investors and financial flexibility and liquidity for Brookfield

	No. of Units	Invested Capital		FFO ³		Distributed Cash Flow (Annualized) ⁴
		Quoted ²	IFRS	Three Months	LTM	
AS AT AND FOR THE PERIODS ENDED SEP. 30, 2017 (MILLIONS)						
Listed Investments						
Brookfield Property Partners	488	\$ 11,394	\$ 15,374	\$ 163	\$ 670	\$ 576
BPY Preferred Shares	n/a	1,265	1,265	19	76	76
		12,659	16,639	182	746	652
Brookfield Renewable Partners	188	6,314	3,793	50	286	352
Brookfield Infrastructure Partners	118	5,077	2,080	81	297	205
Brookfield Business Partners	88	2,606	2,189	46	111	22
Financial assets ⁵	Various	1,938	1,938	54	156	124 ⁶
Other Investments						
Norbord	34 ⁷	1,277	359	62	198	64
Acadian Timber	8	117	85	2	7	7
Other Listed – Private Equity	Various	484	484	—	47	—
		<u>\$ 30,472</u>	<u>27,567</u>	<u>477</u>	<u>1,848</u>	<u>\$ 1,426</u>
Unlisted Investments						
Residential development			2,885	(24)	13	
Energy marketing			1,080	(5)	(93)	
Other			1,117	13	37	
			<u>5,082</u>	<u>(16)</u>	<u>(43)</u>	
			<u>\$ 32,649</u>	<u>\$ 461</u>	<u>\$ 1,805</u>	

1. See slide 28 and 29 for a reconciliation to invested capital and total FFO

2. Quoted value based on September 30, 2017 public pricing

3. Excludes realized disposition gains

4. Annualized distributed cash flow is based on current distribution policies

5. Includes \$455 million of cash and cash equivalents and \$1.5 billion of financial assets, net of deposits

6. Estimated 8% annualized total return on weighted average balance over the last twelve months

7. During the quarter, we disposed of 1.4 million shares as part of the normal course of business. Subsequent to quarter end, we received 1.3 million Norbord common shares as a payment in-kind for carried interest earned. Annualized cash flow figure reflects the lower ownership level

INVESTED CAPITAL

Corporate Capitalization

Corporate debt maturities are well distributed with an average term to maturity of 10 years and with over 85% of our term debt maturing after five years

AS AT SEP. 30, 2017 AND DEC. 31, 2016 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Average Yield	Invested Capital		Funds from Operations – Expense			
		2017	2016	Three Months		LTM	
				2017	2016	2017	2016
Corporate borrowings	4.6%	\$ 5,705	\$ 4,500	\$ 66	\$ 64	\$ 252	\$ 236
Preferred shares ¹	4.1%	4,196	3,954	—	—	—	—
Net working capital / Corporate costs and taxes ²	n/a	838	999	17	29	46	132
Deferred income tax asset, net	n/a	(741)	(648)	—	—	—	—
		<u>\$ 9,998</u>	<u>\$ 8,805</u>	<u>\$ 83</u>	<u>\$ 93</u>	<u>\$ 298</u>	<u>\$ 368</u>

1. FFO excludes preferred shares distributions of \$35 million (2016 – \$33 million) for the three months; and \$139 million (2016 – \$134 million) for the last twelve months

2. Corporate costs and taxes FFO includes current tax recovery of \$7 million (2016 – expense of \$9 million) for the three months; current tax recovery of \$47 million (2016 – expense of \$41 million) for the last twelve months

Corporate Maturity Profile

AS AT SEP 30, 2017 (MILLIONS)	Average Term (Years)	Total	Maturity					
			2017	2018	2019	2020	2021	2022+
Corporate borrowings								
Term debt	10	\$ 5,581	\$ —	\$ —	\$ 482	\$ —	\$ 281	\$ 4,818
Revolving facilities ¹	4	124	—	—	—	—	—	124
		5,705	—	—	482	—	281	4,942
Preferred shares	perp.	4,196	—	—	—	—	—	n/a
		<u>\$ 9,901</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 482</u>	<u>\$ —</u>	<u>\$ 281</u>	<u>\$ 4,942</u>

1. Revolving credit facilities of \$1.9 billion to support commercial paper issuances (20 bps spread) or bankers acceptances/LIBOR loans (100 bps spread)

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

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM			
	Funds from Operations ^{1,2}		Net Income ²		Funds from Operations ^{1,2}		Net Income ²	
	2017	2016	2017	2016	2017	2016	2017	2016
BPY								
245 Park Ave.	\$ —	\$ —	\$ —	\$ —	\$ 469	\$ —	\$ (33)	\$ —
Principal Place Commercial	—	—	—	—	141	—	69	—
One Shelley Street	—	90	—	—	—	90	—	—
Interhotels	—	73	—	73	—	73	—	73
20 Canada Square	31	—	(33)	—	31	—	(33)	—
20 Fenchurch St.	57	—	9	—	57	—	9	—
One New York Plaza	—	—	—	—	57	—	(7)	—
College and Spadina	31	—	12	—	31	—	12	—
Fashion Show Mall partial sale	—	123	—	4	2	123	—	4
Other properties	62	81	57	59	163	759	80	379
	<u>181</u>	<u>367</u>	<u>45</u>	<u>136</u>	<u>951</u>	<u>1,045</u>	<u>97</u>	<u>456</u>
BBU	(12)	—	(12)	—	50	40	50	—
BIP	—	20	—	20	32	63	—	20
BEP	—	—	—	—	10	—	—	—
Norbord partial sale	32	—	—	—	32	—	—	—
Other, directly held	19	5	2	5	19	—	2	—
	<u>\$ 220</u>	<u>\$ 392</u>	<u>\$ 35</u>	<u>\$ 161</u>	<u>\$ 1,094</u>	<u>\$ 1,148</u>	<u>\$ 149</u>	<u>\$ 476</u>
Per share	<u>\$ 0.22</u>	<u>\$ 0.40</u>	<u>\$ 0.04</u>	<u>\$ 0.17</u>	<u>\$ 1.12</u>	<u>\$ 1.18</u>	<u>\$ 0.15</u>	<u>\$ 0.49</u>

1. FFO includes gains recorded in net income, directly in equity, as well as the realization of appraisal gains recorded in the prior years

2. Net of non-controlling interests

Third Quarter:

- **Real Estate:** Other property gains in BPY include dispositions of 26 properties; additionally, we realized \$19 million of gains on the disposition of four directly held real estate investments.
- **Private Equity:** Net disposition loss of \$12 million in BBU on the sale of an oil and gas producer in Western Canada; disposition gain of \$32 million on the partial sale of our investment in Norbord, which we will begin equity accounting for next quarter.

Last Twelve Months:

- **2017:** Core office and other property disposition gains (\$880 million); opportunistic office property disposition gains (\$71 million); sale of a bath and shower manufacturing business (\$62 million); sale of a Canadian utilities business (\$32 million).
- **2016:** Core office and other property disposition gains (\$870 million); opportunistic office property disposition gains (\$175 million); sale of a European gas distribution business (\$42 million); partial sale of a real estate services business (\$40 million).

INVESTED CAPITAL

Growth Capital Backlog

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

Capital Backlog (Geography)

AS AT SEP 30, 2017 (MILLIONS)	North America	South America	Europe	Asia and other	Total
Real estate	\$ 2,874	\$ —	\$ 3,392	\$ 342	\$ 6,608
Infrastructure	212	2,303	911	115	3,541
Renewable power	759	754	494	—	2,007
Private equity and other	346	946	198	680	2,170
	<u>\$ 4,191</u>	<u>\$ 4,003</u>	<u>\$ 4,995</u>	<u>\$ 1,137</u>	<u>\$ 14,326</u>

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

- **Real estate:** Planned capital expansion of \$7 billion includes development projects in progress across our premier office buildings, retail malls and mixed-used complexes. Within our core office business we have 10 million square feet of development projects underway, including \$3 billion of premier office building development ongoing in London within our core office and Canary Wharf investments over the next eight years, as well as \$2 billion core office development ongoing within North America. Additional projects include approximately \$600 million of North American retail mall developments over the next three years.
- **Infrastructure:** Development projects include upgrading and expanding rail networks to capture volume growth, increasing capacity of toll road operations, and enhancing capacity and infrastructure at existing ports. The largest contributor to capital development over the next three years are our South American toll road and rail operations.
- **Renewable power:** Capital expansion consists primarily of hydroelectric generating stations and wind facilities development projects. Over the next three years, we expect to complete approximately \$1 billion of development across South America, Europe and North America.
- **Private equity and other:** Capital expansion consists of projects across our commodities sites and exploration, manufacturing facilities, cold storage and water treatment plant businesses. Significant planned development relates to \$1 billion relates to our Brazilian water treatment business acquired in the second quarter of 2017 and \$700 million of development within our Western Australia energy operations.



Additional Information

INVESTED CAPITAL

Financial Position and Performance

BPY (NYSE: BPY; TSX: BPY.UN) – 64% (fully diluted) ownership interest

AS AT SEP. 30, 2017 AND DEC. 31, 2016 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2017	2016	2017	2016	2017	2016
Core office	\$ 14,319	\$ 14,626	\$ 126	\$ 149	\$ 626	\$ 608
Core retail	8,635	8,707	128	108	489	458
Opportunistic	5,314	4,653	99	90	346	341
Corporate	(6,103)	(5,628)	(117)	(115)	(462)	(466)
Attributable to unitholders	22,165	22,358	236	232	999	941
Non-controlling interest	(6,791)	(6,987)	(73)	(72)	(311)	(299)
Segment reallocation and other ¹	—	—	—	(7)	(18)	(30)
Brookfield's interest	15,374	15,371	163	153	670	612
Preferred shares	1,265	1,265	19	19	76	76
	\$ 16,639	\$ 16,636	\$ 182	\$ 172	\$ 746	\$ 688

1. Reflects fee related earnings reclassified to asset management segment as well as net carried interest paid

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

AS AT SEP. 30, 2017 AND DEC. 31, 2016 AND FOR THE PERIODS ENDED SEP. 30 (\$ MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2017	2016	2017	2016	2017	2016
Proportionate generation (GWh)						
Actual	n/a	n/a	5,198	4,395	22,811	20,041
Long-term average (LTA)	n/a	n/a	5,053	5,068	22,960	21,231
Hydroelectric generation	\$ 8,146	\$ 8,095	\$ 132	\$ 81	\$ 623	\$ 522
Wind energy	629	696	18	18	96	106
Storage	186	113	3	1	5	4
Facilities under development	286	240	—	—	—	—
Corporate and other	(2,956)	(2,961)	(62)	(27)	(232)	(179)
Attributable to unitholders	6,291	6,183	91	73	492	453
Incentive distributions	—	—	(7)	(5)	(26)	(17)
Non-controlling interest	(2,498)	(2,390)	(34)	(26)	(180)	(163)
Brookfield's interest	\$ 3,793	\$ 3,793	\$ 50	\$ 42	\$ 286	\$ 273

INVESTED CAPITAL

Financial Position and Performance (cont'd)

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

AS AT SEP. 30, 2017 AND DEC. 31, 2016 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2017	2016	2017	2016	2017	2016
Utilities	\$ 3,168	\$ 1,807	\$ 170	\$ 102	\$ 535	\$ 402
Transport	3,841	3,549	136	112	508	403
Energy	1,775	1,564	48	40	205	143
Communications	567	541	19	19	77	77
Corporate and other	(2,404)	(963)	(72)	(38)	(223)	(122)
Attributable to unitholders	6,947	6,498	301	235	1,102	903
Incentive distributions	—	—	(28)	(21)	(105)	(76)
Non-controlling interest	(4,867)	(4,564)	(192)	(151)	(700)	(584)
Brookfield's interest	\$ 2,080	\$ 1,934	\$ 81	\$ 63	\$ 297	\$ 243

BBU (NYSE: BBU, TSX: BBU.UN) – 69% ownership interest

AS AT SEP. 30, 2017 AND DEC. 31, 2016 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2017	2016	2017	2016	2017	2016
Construction services	\$ 1,009	\$ 877	\$ 17	\$ 16	\$ 57	\$ 97
Business services	371	357	23	18	63	63
Energy	582	344	(5)	12	42	88
Industrial operations	653	372	22	11	107	6
Corporate and other	566	551	(11)	(7)	(30)	(8)
Attributable to unitholders	3,181	2,501	46	50	239	246
Performance fees	—	—	—	—	(25)	—
Non-controlling interest	(992)	(636)	(12)	(10)	(53)	(11)
Segment reallocation and other ¹	—	—	12	—	(50)	(11)
Brookfield's interest	\$ 2,189	\$ 1,865	\$ 46	\$ 40	\$ 111	\$ 224

1. Current period includes reallocation of \$12 million to disposition loss (net of NCI) related to the sale of an oil and gas producer. The LTM period ended September 30, 2017 includes the reallocation of \$62 million to disposition gains (net of NCI) related to the sale of a bath and shower products manufacturing business. Prior periods figures have been restated to reflect advisory fee earnings reported by BBU following the spin-off on June 20, 2016 for the periods prior to the spin-off where the advisory fee earnings were previously reported in the asset management segment

INVESTED CAPITAL

Financial Position and Performance (cont'd)

Residential Development

AS AT SEP. 30, 2017 AND DEC. 31, 2016
AND FOR THE PERIODS ENDED SEP. 30
(MILLIONS)

	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2017	2016	2017	2016	2017	2016
North America	\$ 1,606	\$ 1,441	\$ 33	\$ 25	\$ 188	\$ 137
Brazil and other	1,279	1,238	(57)	(15)	(175)	(34)
	\$ 2,885	\$ 2,679	\$ (24)	\$ 10	\$ 13	\$ 103

Other Investments

AS AT SEP. 30, 2017 AND DEC. 31, 2016
AND FOR THE PERIODS ENDED SEP. 30
(MILLIONS)

Segment	Invested Capital		Funds from Operations				
			Three Months		LTM		
	2017	2016	2017	2016	2017	2016	
Norbord	Private Equity	\$ 359	\$ 276	\$ 62	\$ 40	\$ 198	\$ 107
Acadian Timber	Infrastructure	85	79	2	2	7	7
Sustainable resources	Infrastructure	709	684	4	4	21	21
Other real estate	Real Estate	114	91	—	6	20	26
Other private equity	Private Equity	737	721	9	17	36	60
Other corporate	Corporate	41	42	—	3	7	3
		\$ 2,045	\$ 1,893	\$ 77	\$ 72	\$ 289	\$ 224

INVESTED CAPITAL

Financial Position and Performance – Brookfield Energy Marketing

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months						LTM					
	Generation (GWh)		FFO		Per MWh		Generation (GWh)		FFO		Per MWh	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Contracted	786	536	\$ 66	\$ 43	\$ 84	\$ 80	3,244	2,605	\$ 259	\$ 199	\$ 80	\$ 76
Uncontracted and financial contracts	1,265	876	70	54	55	62	5,877	5,199	265	237	45	46
	2,051	1,412	136	97	66	69	9,121	7,804	524	436	57	56
Less: Purchases from BEP	(2,051)	(1,412)	(141)	(90)	(69)	(64)	(9,121)	(7,804)	(617)	(517)	(68)	(66)
FFO	—	—	\$ (5)	\$ 7	\$ (3)	\$ 5	—	—	\$ (93)	\$ (81)	\$ (11)	\$ (10)

- We have agreements to purchase approximately 8,400 GWh from BEP annually based on long-term average generation. Approximately 34% of the acquired power is sold under long-term contracts with high credit-quality counterparties. We attempt to maximize the value we receive on this electricity through optimization of storage and sale of merchant electricity at peak times, or by executing long-term contracts for this power at rates which we believe are favorable based on our expectation of pricing of electricity generated by new build construction.
- We expect the negative spread on uncontracted power to turn positive over the longer term as prices for renewable power increase. Existing long-term contracts provide both a current positive FFO contribution as well as future increases through escalation clauses and the opportunity to renew contracts in the future.

Third Quarter:

- FFO decreased by \$12 million primarily due to the increase in power purchased from BEP in the U.S. northeast markets where we realized negative margins on resale. Lower pricing in certain U.S. northeast markets resulted in lower average pricing on uncontracted sales of \$55/MWh, as compared to \$62/MWh in prior year.
 - Ancillary revenues, including capacity payments, green credits and revenues generated for the peaking ability of our plants, totaled \$41 million, increasing average realized prices by \$20/MWh.

DEBT TO CAPITALIZATION

Capitalization

AS AT SEP. 30, 2017 AND DEC. 31, 2016 (MILLIONS)	Corporate		Proportionate ¹		Consolidated ¹	
	2017	2016	2017	2016	2017	2016
Corporate borrowings	\$ 5,705	\$ 4,500	\$ 5,705	\$ 4,500	\$ 5,705	\$ 4,500
Non-recourse borrowings						
Property specific borrowings	—	—	28,942	26,421	58,930	52,502
Subsidiary borrowings	—	—	6,197	5,231	9,487	7,949
	<u>5,705</u>	<u>4,500</u>	<u>40,844</u>	<u>36,152</u>	<u>74,122</u>	<u>64,951</u>
Accounts payable and other	2,593	1,901	9,001	7,726	17,111	11,982
Deferred income tax liabilities	135	246	6,009	4,572	12,336	9,640
Subsidiary equity obligations	—	—	1,643	1,828	3,677	3,565
Equity						
Non-controlling interests	—	—	—	—	50,171	43,235
Preferred equity	4,196	3,954	4,196	3,954	4,196	3,954
Common equity	22,964	22,499	22,964	22,499	22,964	22,499
	<u>27,160</u>	<u>26,453</u>	<u>27,160</u>	<u>26,453</u>	<u>77,331</u>	<u>69,688</u>
Total capitalization	<u>\$ 35,593</u>	<u>\$ 33,100</u>	<u>\$ 84,657</u>	<u>\$ 76,731</u>	<u>\$ 184,577</u>	<u>\$ 159,826</u>
Debt to capitalization ²	<u>16%</u>	<u>14%</u>	<u>48%</u>	<u>47%</u>	<u>40%</u>	<u>41%</u>

1. Reflects liabilities associated with assets held for sale on a consolidated and proportionate basis according to the nature of the balance

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

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

FINANCIAL PERFORMANCE (IFRS)

Three Months Ended September 30

Condensed Statements of Operations

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

	2017	2016	Change
Revenue	\$ 12,276	\$ 6,285	\$ 5,991
Direct costs	(10,034)	(4,590)	(5,444)
Gross margin	2,242	1,695	547
Other income and gains	(29)	325	(354)
Equity accounted income	505	454	51
Expenses			
Interest	(932)	(825)	(107)
Corporate costs	(24)	(20)	(4)
Fair value changes	132	(59)	191
Depreciation and amortization	(643)	(541)	(102)
Income tax	(259)	992	(1,251)
Net income	992	2,021	(1,029)
Non-controlling interests	(764)	(985)	221
Net income attributable to shareholders	\$ 228	\$ 1,036	\$ (808)
Per share	\$ 0.20	\$ 1.03	\$ (0.83)

Financial Highlights

- **Revenues** increased due to inclusion of revenue from recently acquired businesses and improved volumes and pricing at existing businesses. These positive variances were partially offset by the absence of revenue recorded in the prior year from assets which have been disposed of over the last twelve months and lower revenues from our Brazilian residential operation. The impact of the acquisitions and dispositions had a similar impact on **direct costs**.
- **Equity accounted income** remained consistent in the current quarter as contributions from recent investment and organic growth were more than offset by the absence of income from assets sold.
- **Fair value changes** in the current quarter relate to valuation gains from our opportunistic real estate portfolio, partially offset by mark-to-market losses from GGP warrants and financial contracts.
- **Income tax** expense in the quarter reflects tax expense incurred during normal course of business. Income tax recovery in the prior year quarter included a \$0.6 billion deferred income tax recovery at our share on the reorganization which resulted in change in the tax rate applicable to our U.S. core retail and office properties.
- **Net income attributable to shareholders** decreased from \$1.0 billion to \$228 million primarily due to the aforementioned tax recovery in the prior year quarter.

SUPPLEMENTAL INFORMATION

Common Share Continuity

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months		LTM	
	2017	2016	2017	2016
Outstanding at beginning of period	958.7	959.0	959.3	957.1
Issued (repurchased)				
Issuances	—	—	—	—
Repurchases	—	(0.1)	(3.4)	(5.9)
Long-term share ownership plans	0.5	0.3	3.1	7.7
Dividend reinvestment plan	0.1	0.1	0.3	0.4
Outstanding at end of period	959.3	959.3	959.3	959.3
Unexercised options and other share-based plans	48.2	45.3	48.2	45.3
Total diluted shares at end of period	1,007.5	1,004.6	1,007.5	1,004.6

- The company holds 29.2 million common shares for management share ownership plans, which have been deducted from the total number of shares outstanding.
 - 8.2 million shares would be issued in respect of these plans if exercised based on current market prices and the balance would be canceled.
- Cash value of unexercised options at September 30, 2017 was \$1.0 billion (December 31, 2016 – \$901 million).

FFO and Earnings Per Share Information

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Funds from Operations		Net Income	
	2017	2016	2017	2016
Funds from operations/Net income	\$ 809	\$ 883	\$ 228	\$ 1,036
Preferred share dividends	(35)	(33)	(35)	(33)
Funds from operations/Net income available for common shareholders	\$ 774	\$ 850	\$ 193	\$ 1,003
Weighted average shares	958.9	959.1	958.9	959.1
Dilutive effect of the conversion of options and other share-based plans using treasury stock method	21.6	18.8	21.6	18.8
Shares and share equivalents	980.5	977.9	980.5	977.9
Per share	\$ 0.79	\$ 0.87	\$ 0.20	\$ 1.03

FINANCIAL PROFILE

Entity Basis – Reconciliation to Reportable Segments – Invested Capital

AS AT SEP 30, 2017
(MILLIONS)

	Reportable Segments							Total
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	
Asset Management								
Fee related earnings	\$ 313	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 313
Carried interest, net	—	—	—	—	—	—	—	—
	<u>313</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>313</u>
Invested capital								
Brookfield Property Partners ¹	—	16,639	—	—	—	—	—	16,639
Brookfield Renewable Partners	—	—	3,793	—	—	—	—	3,793
Brookfield Infrastructure Partners	—	—	—	2,080	—	—	—	2,080
Brookfield Business Partners	—	—	—	—	2,189	—	—	2,189
Residential Development	—	—	—	—	—	2,885	—	2,885
Brookfield Energy Marketing	—	—	1,080	—	—	—	—	1,080
Other investments ²	—	114	—	794	1,096	—	41	2,045
Cash and financial assets	—	—	—	—	—	—	1,938	1,938
	<u>—</u>	<u>16,753</u>	<u>4,873</u>	<u>2,874</u>	<u>3,285</u>	<u>2,885</u>	<u>1,979</u>	<u>32,649</u>
Capitalization (slide 17)								
Borrowings	—	—	—	—	—	—	(5,705)	(5,705)
Net working capital/operating costs	—	—	—	—	—	—	(97)	(97)
Preferred shares	—	—	—	—	—	—	(4,196)	(4,196)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(9,998)</u>	<u>(9,998)</u>
	<u>\$ 313</u>	<u>\$ 16,753</u>	<u>\$ 4,873</u>	<u>\$ 2,874</u>	<u>\$ 3,285</u>	<u>\$ 2,885</u>	<u>\$ (8,019)</u>	<u>\$ 22,964</u>

1. Includes \$1.3 billion of BPY preferred shares

2. Includes \$928 million of listed and \$1.1 billion of unlisted investments across private equity, real estate and sustainable resources

FINANCIAL PROFILE

Entity Basis – Reconciliation to Reportable Segments – FFO

FOR THE THREE MONTHS ENDED SEP. 30, 2017
(MILLIONS)

	Reportable Segments							Total
	Asset Management	Real Estate	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	
Asset Management								
Fee related earnings	\$ 186	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 186
Carried interest, net	25	—	—	—	—	—	—	25
	<u>211</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>211</u>
Invested capital								
Brookfield Property Partners ¹	—	182	—	—	—	—	—	182
Brookfield Renewable Partners	—	—	50	—	—	—	—	50
Brookfield Infrastructure Partners	—	—	—	81	—	—	—	81
Brookfield Business Partners	—	—	—	—	46	—	—	46
Residential Development	—	—	—	—	—	(24)	—	(24)
Brookfield Energy Marketing	—	—	(5)	—	—	—	—	(5)
Other investments	—	—	—	6	71	—	—	77
Cash and financial assets	—	—	—	—	—	—	54	54
	—	182	45	87	117	(24)	54	461
Disposition gains	—	200	—	—	20	—	—	220
	—	382	45	87	137	(24)	54	681
Capitalization (slide 17)²								
Borrowings	—	—	—	—	—	—	(66)	(66)
Net working capital/operating costs	—	—	—	—	—	—	(17)	(17)
	—	—	—	—	—	—	(83)	(83)
	<u>\$ 211</u>	<u>\$ 382</u>	<u>\$ 45</u>	<u>\$ 87</u>	<u>\$ 137</u>	<u>\$ (24)</u>	<u>\$ (29)</u>	<u>\$ 809</u>

1. Includes \$19 million of BPY preferred share distributions

2. FFO excludes \$35 million (2016 – \$33 million) of preferred share distributions for the three months and \$139 million (2016 – \$134 million) for the last twelve months, which are included in determining per share results

RECONCILIATION OF NET INCOME TO FFO

The following table reconciles net income to total segment FFO

FOR THE PERIODS ENDED SEP. 30
(MILLIONS)

	<u>2017</u>	<u>2016</u>
Net income	\$ 992	\$ 2,021
Realized disposition gains recorded as fair value changes or prior periods	232	235
Non-controlling interest in FFO	(1,073)	(925)
Financial statement components not included in FFO		
Equity accounted fair value changes and other non-FFO items	(15)	(18)
Fair value changes	(132)	59
Depreciation and amortization	643	541
Deferred income taxes	162	(1,030)
Total segment FFO	<u>\$ 809</u>	<u>\$ 883</u>

ASSET MANAGEMENT

Private Funds

AS AT SEP. 30, 2017 (\$ MILLIONS) ¹	Committed Capital ³	Brookfield Participation ³	Year Formed
Brookfield Real Estate Funds			
Opportunistic			
Real Estate Opportunity I	\$ 240	52%	2006
Real Estate Opportunity II	260	29%	2007
Real Estate Turnaround	5,570	18%	2009
Strategic Real Estate Partners I ²	4,350	31%	2012
Strategic Real Estate Partners II ²	9,000	26%	2015
Thayer VI	306	48%	2014
Value Add			
U.S. Multifamily Value Add I	\$ 325	13%	2011
U.S. Multifamily Value Add II	805	37%	2013
Core Plus			
U.S. Office	\$ 2,200	83%	2006
DTLA	1,100	45%	2013
Premier Real Estate Partners ⁴	1,370	22%	2016
Credit			
Real Estate Finance I	\$ 600	33%	2004
Real Estate Finance III	420	12%	2011
Real Estate Finance IV	1,375	18%	2014

AS AT SEP. 30, 2017 (\$ MILLIONS) ¹	Committed Capital ³	Brookfield Participation ³	Year Formed
Brookfield Infrastructure Funds			
Value Add			
Global Infrastructure I ²	\$ 2,660	25%	2009
Global Infrastructure II ²	7,000	40%	2013
Global Infrastructure III ²	14,000	29%	2016
Colombia Infrastructure	360	28%	2009
Private Utility	1,370	28%	2006
Sustainable Resources			
Island Timberlands	\$ 530	—	2005
Timberlands Fund V	351	25%	2012
Brazil Timber I	280	18%	2008
Brazil Timber II	95	19%	2012
Brazil Agriculture I	330	31%	2009
Brazil Agriculture II	500	22%	2015
Brookfield Private Equity Funds			
Opportunistic			
Capital Partners II ²	C\$ 1,000	40%	2006
Capital Partners III ²	\$ 1,000	25%	2010
Capital Partners IV ²	4,000	26%	2015
Credit			
Peninsula Brookfield India Real Estate	\$ 95	—	2013

1. Includes discretionary funds managed by Brookfield Asset Management Inc. or a management affiliate thereof and all investments made by a consortium of investors formed and managed by Brookfield. Excludes direct investments made through managed accounts, joint ventures, co-investments, publicly listed issuers or investment funds for which Brookfield did not serve as the manager during the investment period. Also excludes funds currently in the market and fully divested funds

2. Flagship funds

3. Inclusive of Brookfield commitments; Brookfield participation includes commitments from Brookfield directly held as well as BPY, BEP, BIP and BBU

4. Perpetual fund

Glossary of Terms

OPERATING AND PERFORMANCE MEASURES

This Supplemental Information contains key operating and 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 operating and performance measures on pages 40 through 42 of our December 31, 2016 annual report.

- **Funds from Operations (“FFO”)** is our key measure of financial performance. FFO is defined as net income attributable to shareholders prior to fair value changes, depreciation and amortization, and deferred income taxes, and includes disposition gains that are not recorded in net income as determined under IFRS. FFO also includes the company’s share of equity accounted investments’ funds from operations on a fully diluted basis. Brookfield uses FFO to assess its operating results and believes that many of its shareholders and analysts also find this measure of value 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. FFO is reconciled to net income attributable to shareholders on slide 30.

 - FFO from **Operating Activities** represents the company’s share of revenues less operating costs and interest expenses; excludes carried interest disposition gains, fair value changes, depreciation and amortization and deferred income taxes; and includes our proportionate share of similar items recorded by equity accounted investments. We present this measure as we believe it assists in describing our results and reconciling variances within FFO.
 - **Realized Carried Interest** represents our contractual share of investments gains generated within a private fund after considering our clients minimum return requirements. Realized carried interest is determined on third-party capital that is no longer subject to future investment performance.
 - **Realized Disposition Gains** are included in FFO as the purchase and sale of assets is a normal part of the company’s business. Realized disposition gains include gains and losses recorded directly in net income or equity in the current period, adjusted to include fair value changes and revaluation surplus balances recorded in prior periods.
- **Invested Capital** is the amount of common equity allocated to a business segment or business line within a segment. This measure is intended to present the net assets associated with FFO of the segment.
- **Fee Revenues** include base management fees, incentive distributions, performance fees and transaction and advisory fees presented within our asset management segment. Fee revenues exclude carried interest.
- **Fee Related Earnings** are comprised of fee revenues, less direct costs (other than carried interest's associated costs).
- **Base Management Fees** are determined by contractual arrangements, are typically equal to a percentage of Fee Bearing Capital, are accrued quarterly, include base fees earned on fee bearing capital from both clients and ourselves and are typically earned on both called and uncalled amounts.

Glossary of Terms

OPERATING AND PERFORMANCE MEASURES (cont'd)

- **Fee Bearing Capital** represents the capital committed, pledged or invested in our listed partnerships, private funds, and public securities that we manage which entitle us to earn fee revenues and/or carried interest. Fee bearing capital includes both called (“invested”) and uncalled (“pledged” or “committed”) amounts when reconciling period amounts we utilize the following definitions:
 - **Inflows** include capital commitments and contributions to our private and public securities funds, and equity issuances in our listed partnerships.
 - **Outflows** represent expiry of private funds uncalled commitments.
 - **Distributions** represent quarterly distributions from listed partnerships and private funds returns of invested upon asset dispositions or wind-up.
 - **Market activity** includes gains (losses) on portfolio investments; listed partnerships and public securities based on market prices, and open-ended private funds based on valuation models.
 - **Other** includes changes in net non-recourse leverage included in the determination of listed partnership capitalization and the impact of foreign exchange fluctuations on non-U.S. dollar commitments.
- **Incentive distributions** are determined by contractual arrangements and are paid to us by our three primary listed partnerships (BPY, BEP and BIP) and represent a portion of distributions paid by a listed issuer above a pre-determined threshold.
- **Performance fees** are paid to us when we exceed pre-determined investment returns on certain portfolios managed in our public securities activities. Performance fees are typically determined on an annual basis and are not subject to “clawback” in future years.
- **Carried interest** is contractual arrangements 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.
- **Unrealized carried interest** is based on carried interest that would be receivable under the contractual formula at the period end date as if fund was liquidated and all investments had been monetized at the values recorded on that date. **Carry generated** refers to the change in unrealized carry during a specified period, adjusted for realized carry.
- **Annualized fees** include annualized base management fees which are determined by the contractual fee rate multiplied by the current level of fee bearing capital, annualized incentive distributions based on our listed partnerships current annual distribution policies, annualized transaction and performance fees equal a simple average of the last two years’ revenues.
- **Annualized target carried interest** represents the annualized carried interest we would earn on third-party private fund capital subject to carried interest 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, by the amount of third-party capital, and discounted by a utilization factor representing the average invested capital over the fund life.

CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

Note: This Supplemental Information contains forward-looking information within the meaning of Canadian provincial securities laws and other “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 or the Securities Exchange Commission (SEC) or in other communications. These forward-looking statements include, among others, statements with respect to our financial and operating objectives and strategies to achieve those objectives, 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 there from, the prospects for increasing our cash flow from or continued achievement of targeted returns on our investments, as well as the outlook for the Company’s businesses and other statements with respect to our beliefs, outlooks, plans, expectations, and intentions.

Although Brookfield Asset Management believes that the 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 which may cause the actual results, performance or achievements of the company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include: economic and financial conditions in the countries in which we do business; the behavior of financial markets including fluctuations in interest and exchange rates; availability of equity and debt financing; strategic actions including dispositions; the ability to effectively integrate acquisitions into existing operations and the ability to attain expected benefits; adverse hydrology conditions; regulatory and political factors within the countries in which the company operates; acts of God, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts; and other risks and factors detailed from time to time in the company’s form 40-F filed with the Securities and Exchange Commission as well as other documents filed by the company with the securities regulators in Canada and the United States including in the Annual Information Form under the heading “Business Environment and Risks.”

We caution that the forgoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Brookfield Asset Management, investors and others should carefully consider the forgoing factors and other uncertainties and potential events. 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.