

# Embracing Diversity

**COMPANY BRIEF** Brookfield ([brookfield.com](http://brookfield.com)) is a leading global alternative asset manager with approximately \$250 billion in assets under management. They have a history of more than 100 years of owning and operating real assets with a focus on property, renewable energy, infrastructure, and private equity. Brookfield offers a range of public and private investment products and services, and is co-listed on the New York, Toronto, and Euronext stock exchanges.



Andrea Balkan

**An Interview with Andrea Balkan,  
Managing Partner – Real Estate Finance Funds,  
Brookfield Asset Management**

**EDITORS' NOTE** Andrea Balkan has held several senior management positions at Brookfield and is responsible for the overall management of the activities of Brookfield's real estate finance funds. She has over 30 years of experience in real estate finance and capital markets. Prior to joining Brookfield in 2002, she was a Director at Merrill Lynch in New York in the Investment Banking and Debt Capital Markets groups, and before that, a Managing Director at Chase Manhattan Bank. Balkan holds a B.A. from

Wesleyan University and successfully completed Chemical Bank's credit training program in 1987.

**Will you provide an overview of Brookfield's activities when it comes to its real estate finance funds?**

I joined Brookfield 14 years ago after a career in banking. When I joined, the objective was to create a series of real estate debt funds. Our thesis was simple – we wanted to marry Brookfield's real estate equity ownership with the real estate debt expertise that the team we built had, and we wanted to achieve some high risk-adjusted returns by investing in the subordinate tranches of real estate debt.

**Will you talk about the team you have been able to build?**

We have a great team. When I came here, we started by bringing in a few people that I knew from my previous jobs, and then adding on by hiring selectively. We're now up to 17 people on our team. Over the years, we have added on one person at a time to help us grow the business. We have a diverse group, ranging from origination to underwriting to closing, to asset management, to financial reporting – all within our group.

**When it comes to how this area has evolved, has it been what you expected?**

It has been even better than expected. Real estate mezzanine lending was in its infancy when I joined Brookfield in 2002. I came in with the idea that I wanted to move to the principal side and build up a business focused on owning the real estate debt, rather than a banking culture of selling the real estate debt.

Over the years, as a result of what has happened in the market, mezzanine debt has now become firmly entrenched as a major component of the capitalization of most real estate deals. That evolution was what we hoped for.

From within Brookfield, our business has become firmly entrenched as a major focus. The firm is increasingly focused on the credit businesses so that's what we had hoped for as well.

**Is there close coordination among the various Brookfield units?**

The most natural area of collaboration for the debt business is with our real estate business. When we are looking at underwriting alone, the first thing we're going to do is reach across to our colleagues on the real estate equity ownership side to solicit their viewpoints on the particular markets we're looking to lend in, and vice versa.

Even within other areas of the company, be it private equity or infrastructure, there are definitely areas where we find each other to be helpful. ●



Lori Pearson

**An Interview with Lori Pearson,  
Senior Managing Partner and Chief Operating  
Officer, Brookfield Asset Management**

**EDITORS' NOTE** Prior to joining Brookfield in 2003, Lori Pearson was with one of the big-four accounting firms, initially in a client-facing role and subsequently as head of human resources for the company's Canadian tax practice. She is a Chartered Accountant and is on the boards of the Brookfield Foundation and Pathways to Education in Canada.

**For a company like Brookfield, how do you define your role?**

We invest capital and manage the investments on behalf of third parties, alongside our own balance sheet capital. We're a global alternative asset manager with four businesses: real estate, infrastructure, private equity, and renewables. We're in over 30 countries, and we have approximately \$250 billion in assets. The organization has grown significantly since I joined over 10 years ago. My role as Chief Operating Officer is focused on the operations of our asset management business, specifically the functions that don't involve the investing of capital and managing of the investments. It is specifically related to managing our growth in a way that reinforces our culture and operating philosophy as we continue to grow. Some of the hallmarks of our culture and operating philosophy include the way the teams share information across the businesses, the way we share resources, and our grow-from-within talent strategy. Making sure that is reflected throughout the organization is a key part of the role.

**How challenging is managing the growth and is it hard to maintain culture when you're growing at that speed?**

It's just something we have to be mindful of. It helps that we're a very long-term focused organization, which requires constantly stepping back and seeing the forest for the trees, and it's about being strategic and disciplined. This long-term approach applies to the transactions we do, the markets we choose to get into and how we get into them, and it applies to managing our people.

The fact that we have a very collaborative environment helps as well. Teamwork is an important aspect of our culture. We have worked – and continue to work – very hard not to have silos and to be very cognizant of sharing information, and of decisions that are being made in one business that could impact the broader organization. Our long-term focus and team approach really help to maintain our culture. This is why, for example, we are able to move people across businesses in order to develop the talent or resource a significant transaction.

**Will you talk about Brookfield's focus on diversity?**

It's very hard to be a successful global company without embracing diversity and, like most organizations, we are committed to it. At Brookfield, we have a tailored approach to developing executives, and this helps us factor in the needs of any one individual with respect to their own development, including gender-based considerations. In addition, we do track our progress in the area of diversity and are always looking to improve. ●