

# Brookfield

**TRANSCRIPT: Brookfield Asset Management 2025 Investor Day  
September 10, 2025**

## **BROOKFIELD SPEAKERS:**

### **Opening Remarks**

- Jason Fooks, Managing Director, Investor Relations

### **Positioned to Win Today and Tomorrow**

- Connor Teskey, President

### **Fundraising Outlook & Five-Year Financial Plan**

- Hadley Peer Marshall, Chief Financial Officer

### **Fund Spotlight Panel: Winning with Scale and Differentiation**

- Brian Kingston, Executive Chair, Real Estate
- Anuj Ranjan, Chief Executive Officer, Private Equity
- Sikander Rashid, Managing Partner and Head of Europe, Infrastructure
- Chloe Berry, Managing Partner, Infrastructure

### **Fireside Chat: Perspectives on Leadership and the Future**

- Bruce Flatt, Chief Executive Officer
- Cyrus Madon, Executive Vice Chair

## PRESENTATION

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### Jason Fooks, Managing Director, Investor Relations

All right, good afternoon everyone, and welcome to Brookfield Asset Management's 2025 Investor Day. On behalf of our entire senior management team, thank you for joining us here in person in New York, and virtually through our webcast. We appreciate your continued interest and partnership.

We've planned a terrific agenda today for you. First, Connor Teskey, our President will begin by discussing our strategic priorities, priorities that underpin our success and that are driving sustained growth across our businesses. Next, Hadley Peer Marshall, our CFO, will talk about the targets we set for ourselves five years ago and how we performed against them, and outline our plan over the next five years.

After that, we've lined up a terrific panel, people that will highlight some of the important strategies that are coming to market soon and funds that are scaling quickly. Finally, Cyrus Madon, Executive Vice Chair, will sit down with our CEO, Bruce Flatt, for a conversation on leadership, reflecting on the lessons that have shaped Brookfield's success over the past few decades and their perspectives on the future.

Between each of these sessions, we'll feature short case study videos. We often speak about owning and operating the real assets and essential service businesses that make up the backbone of the global economy. The purpose of these videos is really to highlight the true scale and quality of these assets, something that's difficult to convey just through slides and numbers alone.

Now, before we begin, I just want to touch on a few housekeeping notes. We'll be happy to take questions both from our in-person audience and our virtual audience, but we'll do that at the end of BAM's presentations. If you just wait for a mic to reach you, that will allow us hear your question clearly.

And as always, I'd like to remind you that during the Q&A and throughout today's discussions, we make forward-looking statements. These statements are predictions about future events and trends and are subject to risks and uncertainties. Actual results may differ materially from these that we discussed today. And for further details, please refer to our filings with the securities regulators in the US and Canada, and the cautionary statements contained in our presentation, all of which are available on our brand new website that we just launched last week.

So definitely go and check that out later, because for now, please silence your phones, sit back and enjoy the presentations. Let's get started by welcoming Connor Teskey to the stage.

## POSITIONED TO WIN TODAY AND TOMORROW

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### Connor Teskey, President

Thanks, Jason. Last year when we gave this presentation, we explained how our platform was prepared to deliver and double in size over five years, matching more than the growth that had been delivered in the 25 years prior. This year, we intend to convey how we continuously add new additional growth levers to our business that will allow us to outperform our long-term earnings targets, not only in the near term, but beyond.

Today, Brookfield Asset Management is the leading global alternative asset manager focused on real assets. We manage over a trillion dollars across five key verticals, and we use a distinct owner-operator approach to deliver attractive risk-adjusted returns across all our strategies and products. And our platform, our global reach, our scale allows us to deliver on this performance, but it is our focus on critical assets and services, the backbone of the global economy, that ensures that we are always positioned at the epicenter of the largest and most attractive investment themes around the world.

We execute on this business through an irreplaceable platform that is global in nature, that allows us to raise and deploy capital in all of the world's most attractive markets. We use boots-on-the-ground individuals that allow us to invest, operate and raise funds across each of our strategies in every market around the world that we do business. And while that gives us a platform for success and growth, it also gives us an unparalleled global perspective to identify new trends around the world that we can position our business to capitalize on wherever and wherever they originate.

And as we continue to say and have been saying for years, the largest investment themes around the world today are those of digitalization, deglobalization and decarbonization. Similar to what we said last year, these are attractive because the growth opportunities and the capital needs in each of these themes are so significant that they outstrip what is available from both public companies and from governments.

And this creates a large, attractive, and growing opportunity for private capital. And that comment is more true today than it was last year, and it's far more true today than it was four or five years ago when we started talking about the three Ds. And we continue to believe that the largest and most attractive opportunities are for those who can operate at scale, at the epicenter of one or more of these dynamics.

And when you look at our platform, our position in the market and the themes that we are on the forefront of, we not only have a business that can double in less than five years, but can continue to add new growth levers over time on a repeatable basis. And that allows us to deliver up to 20% compound earnings on a year-over-year basis, not just in the near term, but longer term as well.

And we can do this because of the leadership position that we already have that we continue to build from. And that leadership position is very difficult for anyone to replicate. It's been built over decades of delivering attractive risk adjusted returns at a scale and a consistency that few, if any, can match.

However, our focus on the backbone of the global economy and our continued focus on essential assets sometimes overshadows what we think is an underappreciated component of our business, which is we continue to work to preserve our leadership position by constantly evolving our platforms to take advantage of whatever the next large and attractive opportunity is.

By doing this, we can continue to raise more capital from a wider spectrum of investors, and similarly, on a continuous basis, we can generate proprietary deal flow, we can identify new trends, and we can

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continue to launch and scale new products and strategies that meet the needs of the market and of our clients. And as we think of what are the dynamics that will continue to add these new growth levers in the future, there are four. These are products, partnerships, performance, and individuals. Let's start with products. Brookfield has a proven embedded capability to scale strategies that we already have, but we also have a unique and repetitive capability to develop, build, and launch, one, new strategies that meet the evolving market needs around the world and the demands of our clients, as well as products within those strategies that are uniquely tailored to the widening spectrum of investors that are now seeking to get exposure to alternatives.

And we can do this very efficiently and effectively because we already have large and leading platforms across the most important and fastest growing segments of the alternative sector. When we launch a new adjacent or complementary product, it is not starting from scratch. It can leverage the existing global platform that already exists within that asset class. And this allows us to do this on a repeated basis with a high degree of success very quickly and at strong margins. And Hadley is going to come up shortly to explain our five-year plan. And what she's going to show is that our largest products are flagships. They continue to scale very quickly, but a growing portion of our future growth is now coming from complementary and ancillary products. And this is not new. This is part of an ongoing process that has been happening for more than a decade where we are systematically looking to offer the full suite of products and services across debt, equity and structured solutions across every vertical we have for every investor type we look to service.

And this is already showing up in our results. Over 70% of our fee revenue today comes from products and strategies that have been launched in the last decade. And we expect those strategies to make up about two-thirds of our fundraising in our five-year plan.

So what are some tangible examples of this? Over the last 10 years, we've built a credit franchise that today represents 30% of our global revenues and is growing at more than 20% a year. And we've done this solely by not trying to be all things to all people, but rather leveraging the existing leadership positions we already have. We have a leading real asset finance business that leverages Brookfield's historical leadership and real assets.

We have a leading opportunistic credit franchise leveraging Oaktree's historical leadership position, and we have one of the largest and fastest growing asset finance franchises leveraging the leadership of Castlelake, Primary Wave and our other partner managers.

But it doesn't always take 10 years. Sometimes it can be a lot faster. In 2021, we launched our first ever energy transition product, leveraging our multi-decade track record within renewables. In less than five years, we now have a franchise that produces over \$400 million a year. And every product within that strategy is market-leading in terms of its scale. And we were able to do that by simply leveraging the capabilities platform and knowledge that already existed within Brookfield. And this is not a one hit wonder. We are already seeing history repeat itself. Today there is a significant market opportunity to fund the growth of AI infrastructure, both in this country and around the world. And that strategy is going to require a unique pool of capital that is dedicated to the investment profiles within that theme.

And given our leadership in digital infrastructure, our relationships with the hyperscalers, our experience in advanced manufacturing, and our leading power business around the world across traditional renewables and nuclear, we feel we are placed to launch a market-leading AI infrastructure franchise. And you will hear more about that on the panel later today.

So let's move to partnerships. Brookfield is unique, our owner-operator approach, the alignment that comes by investing significant Brookfield capital alongside our LP partners, and the dedicated industry-specific knowledge and experience, this differentiates us and makes us a sought-after counterparty for the largest and most important organizations in the world for their strategic and growth initiatives. And our ability to provide large-scale flexible capital solutions and to deliver transaction certainty provides us a large and attractive proprietary deal flow pipeline where we don't need to compete on cost of capital. And we are able to offer this attractive deployment to our clients through our private funds.

And again, this is not theoretical. Simply from bilateral partnerships that we have announced in 2025, we have \$40 billion of go-forward deployment opportunities, and that's on top of partnerships we'd announced before this year where we're already and continuously deploying capital.

And obviously we can use this attractive deal flow to scale up some of our existing strategies, but we can also use it to launch new strategies, the way our Barclays partnership is helping us launch our financial infrastructure fund, or our sovereign AI partnerships are helping us launch our AI infrastructure platform.

And these partnerships go beyond just funding arrangements. By working closely with the largest and most sophisticated organizations around the world, we consistently and continuously find more ways to work together. We can be their operating partner, they can be a tenant in our buildings, we can manage their pension for them, they can be an off-taker of our assets. We can pursue new investments together in the future. These partnerships are only going to scale with us as our business grows.

And we are able to execute these partnerships and we are able to launch these products because of what is the bedrock of our business, which is our long track record of delivering very attractive risk adjusted returns. Our value oriented approach and our focus on essential durable assets with long-term cash flows provides a platform that can perform across the market cycle and in a number of economic environments.

And this is particularly important today as public markets become more volatile and as some of the new investors looking to get exposure to alternatives, put an increasing focus on downside protection, consistency and liquidity. And this is exactly what we offer. By continuing to invest in high quality businesses, we can continue to expand into the largest and most attractive areas of real assets, but those that can continue to deliver the consistency and resiliency of returns that have defined our franchise for years. And this is particularly important for the individual investors we are looking to target, and also insurance companies that are looking to get exposure to alternatives who want those premium returns, but want to avoid illiquidity and volatility that has plagued some in the sector.

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And again, this shows up in our results. Across all of our major strategies and products, we have met or exceeded our returns on a long-term basis. And this is something we will not compromise on as we continue to scale. Our investment discipline and our product innovation discipline will ensure that we continue to deliver this track record even as our platform expands.

But there's one more point to be made about insurance. And our focus on high quality essential assets that produce cash flow has insulated Brookfield from some of the liquidity concerns that have plagued the alternative industry in recent periods.

By focusing on businesses that generate steady and growing cash flows, and in particular by avoiding investments that require high valuations on exit in order to generate returns, we have more options to either up finance or monetize businesses to provide LPs distributions, even if market conditions are not ideal. Take real estate and private equity as an example, two sectors of the market where the narrative of meager returns of capital is the strongest, in just 2025 or the most recent 12 months, we've actually had some of our most active periods of distributions reflecting the high quality of our portfolio. This differentiates our platform and will provide our next leg of growth, particularly to the new investors looking to enter the alternatives market, which brings us to our fourth growth lever, which is individuals.

There are more people across more investor types around the world today that are looking to get access to alternatives. And as this takes place, we see perhaps the largest growth opportunity for our platform since we launched our flagship funds. And not only are we prepared and well positioned to capitalize on this opportunity, we think we can take a disproportionate amount of share as this market grows over time.

And the background here is simple. For two decades, the alternatives market has grown as institutions have allocated more of their portfolio to alternatives. And the important thing to be reminded of here, is this trend is not slowing down. Institutions continue to allocate more to alternatives, and that alone could double the size of the alternative market over the next 10 years. And yes, while Brookfield is working to provide alternatives to a wider spectrum of investors, we continue to see significant growth from within institutions. The dynamic of the largest institutional investors continuing to concentrate their capital in a smaller number of managers with the scale, track record and products to meet their global needs, continues to benefit us because here we feel we are second to none.

More specifically within Brookfield, there are still areas of the institutional market where we are only scratching the surface. Take Europe for example, for years it's been a market we deploy heavily into, but we've not raised as much capital there historically. We expect to raise three times as much capital in Europe this year than last year. We are still in the infancy of our family capital business.

These are parts of our institutional platform that can grow not at 20 or 30%, but two or three times a year going forward. But as mentioned, everyone recognizes that we are in the early innings of one of the largest growth opportunities for the alternative sector, and that is offering alternatives to the individual investor. This is your high net worth or retail investor. This is your annuity or insurance policy holder. This is your 401(k) or retirement market.

And this market is exciting because not only is it larger than the institutional market on a global basis, but has a smaller allocation to alternatives to today.

And over the next several many years, we expect that allocation to alternatives to increase dramatically due to changes in both regulation and investor demand. And we are already on the forefront of this trend. Through BOWS, our high net worth and retail platform, we are going to raise \$10 billion this year. That is more than 50% higher than last year. A momentum we expect to maintain as we launch more products that are specifically designed for that distribution channel.

We're launching a private equity product currently and we will launch another credit product before the end of the year. Similarly, on the insurance and annuity side, we are already one of the largest providers of alternatives to the insurance and annuity space, not only through our service at BWS that continues to scale rapidly, but also by offering alternatives through SMAs to third-party insurance companies. When we look at who will win in offering alternatives to individual investors, it is those who have size, brand and track record.

And here we feel we are unmatched. But perhaps more importantly, these investors want those premium returns from alternatives, but they put a higher value on liquidity, consistency and downside protection. And our focus on essential, critical backbone of the global economy assets is perfectly matched to meet this market demand. No one is bigger in these areas of alternatives and therefore we feel we are best placed to offer these products to the individual market over time.

And therefore, what are we doing today? We are using our unique capabilities to provide real assets to meet the specific needs of individual investors. And this is not something we hope to do and we hope there will be demand for, this is exactly what we are hearing from the plan administrators, the consultants, and the financial advisors.

Secondly, we are actively developing new products that are specifically tailored to the needs of these individuals, and we will look to do that as their needs evolve and scale over time. And lastly, we already have very large and dedicated teams that are focused on these end customers, and we will continue to scale these teams, such that we can have a leadership in this market the same way we do in the institutional market. And as such, when Hadley comes up to present our five-year plan, we believe the individual investor represents an upside to our base case five-year performance where we could materially outperform.

So in conclusion, we have a platform that can deliver that doubling of size in less than five years. But more importantly, due to products, partnerships in the individual market, we continue to add new growth levers to our business on a consistent and repeatable basis. And our ability to do this will allow us to outperform our long-time earnings target, not only over the near term, but beyond. Thank you.

## FUNDRAISING OUTLOOK & FIVE-YEAR FINANCIAL PLAN

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**Hadley Peer Marshall, Chief Financial Officer**

Thank you. Thank you and welcome. We're very excited you're here today. These videos we put together for our private funds investor day and we thought we'd showcase a few of them for you so you have a better sense of the types of opportunities we're investing in, what drives these opportunities and why we find them attractive.

So I hope you're enjoying them. I want to spend a few minutes going deeper into some of the themes that Connor talked about, especially around the growth of our business and put some numbers behind this. Connor has been clear that we expect to double the size of the business over the next five years, but I think it's important that we're also clear why we have the confidence to deliver this. And the main reason is because we've done it before, repeatedly. We have strong results, consistently strong results on the backs of significant growth expectations.

And these goals were realistic because the drivers of our business, strong investor demand, opportunity set, actually a large opportunity set that fits our areas of expertise, competitive advantages that Connor outlined, and above all else our disciplined approach to protecting our performance.

So if you go back five years, this is when we laid out our five-year plan, similar today, doubling the size of the business. And at that point we had 277 billion of fee bearing capital, growing to \$510 billion. Fee related earnings or FRE was 1.3 billion expected to grow to 2.6 billion, doubling. Now, these goals may have seemed ambitious, but they were grounded in a broad-based, thoughtful plan, where we're going to expand our strategies and continue to grow our business with a leadership position across all of our businesses.

So how did we do? Let's check the report card again. As you can see, not only did we meet expectations, but we exceeded expectations.

Today we have 563 billion of fee bearing capital. That's a 200 basis point out performance. Fee related earnings is 2.7 billion. Now, this period of time was interesting. It was dominated by uncertainty, but we knew that we could deliver on this plan because the underlying fundamentals of our business, and especially the diversification across all of our businesses. So how did we do it? Flagships are the cornerstone of our business. You've heard us say this before. They are where we house our operating skills, our asset knowledge, our sourcing capabilities. And above all else, 125 years of learning lessons as we've been investing. So if you go back to 2020, we had four strategies, real estate, private equity, credit, and infrastructure. And that round generated about 53 billion of fee bearing capital. Today, that round is 93 billion. 75% growth. And if you exclude our global transition fund, which is on its second vintage and launch since 2020, that's about 30 plus percent growth on a same store basis. Bottom line, investors have shown a willingness to continue to commit round after round because of the performance of our fund, the quality, and the return of capital on an attractive risk adjusted return basis.



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But the flagships do more than just scale and repeat. They're the launching pad for our complementary strategies, both equity and credit. So let's go back to 2020. We had about 14 billion of fee bearing capital. That made up about 20% of our fundraising at that time. Fast forward today, 74 billion. Five times growth. So some of the strategies that existed behind these numbers our financial infrastructure fund, our real estate solution strategy, our infrastructure debt fund, and these continue to scale up. We've also expanded our platform. Wealth solutions is the perfect example here where we're growing that in a quick pace.

Now the last part is the evolution of credit. So again, let's return to 2020. We had just invested in Oaktree. We had about 100 billion of fee bearing capital. And today that's 250 billion. 130% increase. What's more is the composition of our credit capabilities. We've expanded and diversified into our core competencies. Asset-backed finance, real assets, that's infrastructure and real estate where we dominate on the equity side, and opportunistic credit. And our partner managers, best-in-class partner managers, have helped us expand our capabilities here. But above all else, the major theme of our credit business is to stick to what we know, invest only when we see a distinct advantage, and make sure that we're returning the appropriate risk-adjusted returns to our investors.

Now, fundraising obviously supports all of this growth that I've just outlined. In the past five years, we raised 450 billion. That's a big number. And when we think about that, we've been able to broaden and deepen our relationships with the institutional market. That's grown 25% to 2,500. And those new clients make up about 20% of our institutional fundraise. Many of our clients have increased the size of their tickets and allocating amongst more of our strategies. But the step change came in private wealth. This has been a big change for us. We went from really starting from scratch to 60,000 clients and growing quickly.

Now finally, we've got Brookfield Wealth Solutions. And when you look at that, we've managed about 100 billion of fee-bearing capital, and behind that is 800,000 annuity policies. So given this growth in diversification, you can see that our business is more durable and more stable from a fundraising perspective regardless of the market environment. So now all in, we've further strengthened our franchise, deepened the pools of fundraising, and offered more products. They're tailored to our investors. And this formula has worked for us for generating long-term growth. In fact, if we look back, 15% growth rate. Flagships generate about 100 billion. We had about 160 billion coming from complementary strategies. Another 100 billion coming from insurance solutions. Finally returning 133 billion back to our clients.

So this shows you why we're confident that we can deliver the next doubling of our business. And in fact, we're off to a great start. If you go through the past 12 months, we've raised 97 billion. We've deployed 135 billion, and into some of the most significant transactions we've done at Brookfield. Colonial Pipeline, GEMS Education, Divvy, Duke Energy. These investments highlight the scale of capital we can raise, but also the opportunity set that we can only access.

Now, monetizations are a critical part of our business. This is where we return capital back to investors and strengthen and deepen those relationships. And if you look at the past 12 months, even during that period of time when M&A volumes have been low, we delivered a record monetization number, 75 billion of assets have been sold, returning about 50 billion of equity to investors. Now, we'll think about

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different strategies in order to deliver these monetizations. Sometimes we'll do a partial sell, like we did with Data4. We sold a portfolio of stabilized data centers. Aveo is a good example of where we sold the investment outright. And there are times that we will think about the public markets. In fact, we launched an IPO successfully back in June for Leela, and that was our Indian luxury hotel portfolio. Above all else though, what is the critical part of that, is returning the capital with the appropriate risk-adjusted returns. So strong returns.

Now we've talked about in the past buy versus build. Think about build complementary. On the buy front, there are times when we want to expand our capabilities that we will invest in partner managers. And this past year we've been active. We've invested in Castlelake, asset backed finance, Angel Oak, mortgage and structured credit solutions provider. But in addition, there are also times that we will attract and retain more stakes within our partner managers. So Oaktree and Primary Wave. We increased our stakes there. Across the board, we have about 175 billion of fee-bearing capital that we managed from the partner manager perspective. This has really further enhanced our capabilities as well.

So the success of all this growth means that we have delivered double-digit growth for all metrics, 2.7 billion for our fee-related earnings, 2.5 billion for our distributable earnings. And if you look at our DE, about 100% of that comes from FRE. Revenues have grown faster than our costs, meaning our operating leverage is built into the business, expanding our margins. And so we've been very happy with the success we've generated to date.

Liquidity is also something we focus on extremely with prudence and discipline. And we continue to find other sources of capital for Brookfield Asset Management. Recently we issued our first bond deal back in the spring and we actually did our second one last week. That leaves four billion of capacity at our high investment grade ratings. And that's more than enough to support the business plan that we're presenting to you today. In addition, that capacity only grows as our DE grows over time. We've expanded our banking relationships, we upsized our revolver to \$1 billion, so we have plenty of capital to support the business, but we will remain an asset-light model.

Now we're going to spend a few minutes talking about the strategic initiatives because we've made excellent progress. I've covered some of this. We've expanded our product offerings, our fundraising capabilities, and our sources of liquidity. But we've brought more liquidity to our shareholders and we simplified our corporate structure. We are now headquartered in the US, which fits our profile. We have simplified the corporate structure by exchanging Brookfield Corporation's share in the privately held entity for the public entity, which now means that our market cap reflects 100% of our business, so call it around 100 billion. In addition to that, we file SEC-registered reports similar to our peers. And what's that led to is us being included in the Russell 1000 and being positioned for additional index inclusion.

So now we're on to the next five years, the doubling. This is a compounding growth model supported by flagship funds, complementary funds, and wealth solutions. The flagships. I'm going to repeat again how important this is to our business. And there is still scalability. We see a 30% growth for the 2030 round of fundraisers for those five strategies. Our complementary funds will continue to grow with 100% growth. So we're really going to see a lot of growth attached to our complementary strategies. And this year we thought it was important to really distinguish between the two categories, mature strategies

versus new strategies. Mature strategies are strategies that have already seen the success, multiple fundraises, opportunity set out there, investor demand. So our infrastructure debt fund, which is on its fourth vintage right now, is a good example of that. New strategies are strategies that were in product development or we are just recently launched. So the AI infrastructure fund is a good example.

Wealth solutions is another part of our growth story. We manage about 100 billion of fee-bearing capital. That's growing to 325 by 2030. Now Nick and Sachin are going to come up and talk about their growth plans for the business, but they've already announced Just Group, a UK pension risk transfer business. And that'll add about 30 billion of fee-bearing capital. But what else I wanted to point out on the slide is, as you can see in the blue allocation, which is our private funds, that's increasing over the next five years. So we are taking money from the liquid bucket and moving it over to our private funds. As everyone appreciates, we earn a management fee across the board regardless of the allocation, but when it does move into the private funds, we earn additional fees. So that's another growth engine.

So now pulling this all together, we have further strengthened our franchise. We have continued to expand and grow our business. And we anticipate generating about 16% growth rate. Our flagships and mature complementary strategies will generate about 50% of our fee-bearing capital. And these are always successful. They're just scale and repeat. New complementary strategies will bring in about 120 billion, insurance solutions, 230 billion, while returning 170 billion back to our clients. And this will get us to doubling of our business of \$1.2 trillion. The growth will be seen across all of our businesses. Connor talked about the megatrends we're feeling in our business and that you can see is part of the growth story for all businesses. But let's spend a second about the capital base that we have. Because today about 87% of it is either long-term or permanent in nature. And that's going to continue to grow to 92% by 2030. Again, showing the predictability and the stability of our business.

Now getting into the weeds on the numbers. You can see the growth of our revenues and that's the driver behind 17% growth for our FRE at \$3.59 per share. Again, revenue's growing faster than our costs, so expanding our margins. And that FRE is the driver behind our DE. 18% growth. There is a little bit of carry coming in, a billion dollars net of cost, and so you start to accumulate that carry. So we're very happy with this 18% growth.

But I want to spend a second on the carry because, as you may recall, when we spun out BAM about three years ago, all the legacy carry stayed with Brookfield Corporation. And for any fund that we launched post the spin off, two thirds comes from Brookfield Asset Management and a third goes to Brookfield Corporation. So Nick buys me coffee. I think everyone gets that. When you think about the 30 billion that will accumulate from 2031 to 2035, 10 will go to Brookfield Corporation and net Brookfield Asset Management will get 10 billion. That's the next leg of growth for Brookfield.

So I mentioned 18% growth, and that is really our base case. But I want to also discuss some of the other levers that are not built into their business plan that could generate growth for us. Access to 401(k)s is a great example. This will be something that will grow our business over the long term. \$10 trillion opening up. That is a step change. New complementary funds. So these are the types of funds that aren't in product development right now, but they will come about. A high infrastructure fund wasn't in our business plan last year, and now it is. So that's an example of a fund that will come about because of

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the market drivers investor demand. Capital markets. This is an area where we've been quite conservative with the numbers, and there is upside to that.

And then finally, M&A. We have additional stakes, options really, at Brookfield against our partner managers where we can buy additional percentages for attractive multiples. And in that, if you look at it, assuming 100% of ownership by Brookfield as an example, that equates to 300 million of fee-related earnings addition. In addition to that, we will look at opportunistic M&A. And that is a possibility. So all of these multiple paths, when assuming the base case of 18%, can generate 20 plus percent annualized earning growth.

So now you understand why we have confidence in delivering the double of our business, especially around the products, partnerships, and individuals that we've laid out. We are built for this. And when we set a plan, the culture at Brookfield is aligned to deliver it. So I know I said this last year, but when I think about our base case plan plus the additional levers and all the growth drivers that I've just outlined, I genuinely believe the best is yet to come. So thank you.

### FUND SPOTLIGHT PANEL: WINNING WITH SCALE AND DIFFERENTIATION

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#### Brian Kingston, Executive Chair, Real Estate

Good afternoon, everyone. Hadley and Connor outlined some pretty dramatic growth plans over the next five years, and obviously in order to do that, they need to start at a very high level. And because of the size and scale of the operation, that growth comes from a lot of different areas. So we wanted to try and bring some of this to life for you.

So the next section, we're going to do a panel with some of my colleagues who are responsible for a lot of that growth, and really try and highlight three examples of what Hadley talked about. One, growth from our existing mature strategies, two, growth that comes from complementary strategies that spin out of that, and three, growth from accessing new channels. New channels for fundraising and for capital. So I'm going to be joined on stage in a minute by these three individuals.

But first, Anuj Ranjan, who is the CEO of our private equity business, is going to come up and talk about Brookfield Capital Partners, which is our global flagship private equity fund. We've launched the seventh iteration of that fund. And it's a little unique in the private equity world, but when you hear the description of the strategy, it's really not unique to Brookfield. So it's very focused on durable cash flows, businesses that are complementary to what we do in infrastructure and in real estate. And as a result of that, has had a tremendous track record.

So over the last 25 years, through the first six vintages, we have an average return of 26%, which I think is the best performing private equity track record in the market today. And a lot of that, importantly, comes from, and this will sound very familiar from our other businesses, from operational improvements. A huge focus on that. As Connor said, we're not really relying on markets being buoyant and multiples being high to get those returns. A lot of it is coming from just rolling up your sleeves and driving returns.

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Joining us as well will be, from Brookfield Infrastructure Income Fund, is Chloe Berry, who this is a unique fund. So this is an example of a new fundraising channel for us, which this is now our largest private wealth platform. Launched just two years ago. We've raised over \$6 billion for this strategy. Also unique compared to some of the competitive product out there in that it's not a new strategy. Really what this is is it's offering the best of Brookfield, Brookfield Infrastructure in particular. So it co-invests alongside our global infrastructure fund, our global debt fund, BGTF, the transition fund, and our structured equity product as well. So Chloe's going to talk a little bit about what's made that successful and what the plans are for the future.

And then finally, Sikander Rashid's going to join us. Sikander runs our infrastructure business in Europe, but more importantly is responsible for launching our AI fund, which will be coming out later on this fall. For those of you that have been to this conference before, you're well familiar with the four Ds, one of which is digital infrastructure, which we've been investing in over the last 10 years through our infrastructure business. But because of the scale and growth and explosion in demand for this type of product over the last 12 months, we really see an opportunity to break this strategy out as a whole individual fund.

Sikander's going to talk a little bit about what's driving that, but Connor touched on this as well. We think there's a \$7 trillion opportunity here for the capital that's going to be required to build out data centers, additional compute capacity, and all of the associated power generation that goes with that. And so this is a great example of a complementary strategy being born out of an existing one that we already had.

So without further ado, I'll ask the three of them to come join me on stage. So Anuj, maybe we'll start with you. You and I always debate about whether real estate had the first fund or whether private equity was the first fund 25 years ago. But either way, we've been doing this for a really long time. You're the boss now. So you don't have to give Cyrus all the credit, but tell us what has actually been, in your mind, the key differentiator for this franchise to drive those returns?

### **Anuj Ranjan, Chief Executive Officer, Private Equity**

So just to clarify, private equity was the first fund. Real estate can be the biggest business, but you can't take away being the first from private equity. What we do is we are value investors who drive operational transformation in the businesses that we own. We focus on industrial companies and essential services that touch the Brookfield ecosystem, where we have an information advantage or we know the business better than anyone else could. Our goal is to be the best owner of the business, not just the highest payer of a business. We make most of our money through margin expansion, not multiple expansion. And so the goal really is in any company that we own to be able to just increase the free cash flow in a business enough that it generates our returns on its own. If we are lucky and we get some multiple expansion on exit, we do even better.

All of that taken together, it's allowed us over 25 years to have a top quartile track record that has been very consistent across all of our funds. It's also allowed us to build some complementary strategies around our core flagship offering. And so this capability we have in industrials, essential services, and operations, it's allowed us to build a structured equity product, it's allowed us to build a new wealth

## Brookfield

product that we're soon to be launched, and a financial infrastructure product as well. And so I'd say we're pretty happy and pleased with how it's performed over the past 25 years, but we've really got a lot of ingredients in place today for expansion.

### **Brian Kingston, Executive Chair, Real Estate**

Yeah. So regardless of which fund was first, which we can agree to disagree, over that time, that last 25 years, we have launched a lot of different strategies. And Connor had a slide where a bunch of dots just sort of magically appeared as new strategies over that period of time. But Siko, it is a lot of work launching a new fund strategy. Maybe just talk a bit about how the AI fund came about and the process that we've got to go through to stand a new strategy up like this, even when it is complementary.

### **Sikander Rashid, Managing Partner and Head of Europe, Infrastructure**

Yeah, Brian, happy to. Look, firstly, I'll say it's been one of the most fun projects, if not the most fun assignment I've had over the last 13 years at the firm. But obviously it's not come without its challenges. We've had to huddle up multiple times over the last 18 months to ensure we have conviction that this is going to be a highly scalable platform, to make sure we have the right deals to show to our investors, and also obviously to make sure that the clients, our clients themselves, are interested in a product like this. So those have been some of the challenges we've had to grapple with.

The good news is we've done it before, as Hadley talked about earlier. Just four years ago, we launched our transition strategy, which as Connor mentioned today, is generating \$400 million of annual revenue. We've raised \$30 billion of capital over the last four years. And at the time, I would say there's four important considerations. First was, is the tangible market opportunity big enough? The answer was yes. We expect tens of trillions of dollars will be invested in the world to decarbonize it. Secondly, do we have the credibility and the track record? At the time, yes, we had \$100 billion of assets under management for renewable power around the world. Third was, can it be scalable? And fourth was, do our clients want a product like this? So the answer to all those questions was yes.

Fast forward to today, I would argue AI is no different. It's going to be a huge market opportunity, \$7 trillion of CapEx, as Brian, you mentioned. Secondly, we have a track record. We've been doing it for a long time. Today, our artificial intelligence infrastructure business is \$150 billion. And third, we have interest from our clients. So when you pull it all together, yes, it's been a challenging endeavor over the last 18 months, but having precedence helps, and we're really excited how we can scale this to the next level.

### **Brian Kingston, Executive Chair, Real Estate**

And Chloe, I guess for Siko, like the challenge here is convincing our existing investors, this is a new strategy and investing in it. You had a whole different challenge, which is that there was a slide up there that in 2020 we had zero private wealth clients, and today we have 60,000. So you really had to go out and really establish our brand in that market. Can you talk a little bit about what we've learned over the last couple of years in that channel, and really what's allowed you to be so successful so quickly with which is really a first time fund?



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## Chloe Berry, Managing Partner, Infrastructure

Yeah, thanks Brian, and good afternoon everyone. I think for BII, it's really our platform. Brookfield is the preeminent infrastructure manager. We heard it from Hadley. We start with the expertise with the flagship. We are the best at what we do. We have the longest history, we have the most number of strategies. We have the most consistent track records. We have the deepest operational knowledge out there. And that for BII is particularly important because we are really investing across the whole Brookfield Infrastructure platform, really the best of Brookfield. And we're creating a comprehensive infrastructure portfolio across our platform for private wealth. As you mentioned, the AI fund, and Sikander is creating a new fund strategy from deal deployment.

We are doing it from the investor side. We are taking our platform and we're putting it in a wrapper or in a fund structure that we think is attractive for private wealth. So lower minimums, monthly subscriptions with immediate access to the investments or the assets held in the fund, monthly distributions, the yields component this set of investors likes all with underlying benefits of infrastructure. So we look for downside protection in our assets, that cash yield, the stable cash flows, inflation linkage. So they get a bit of everything there and it's been a good ride.

## Brian Kingston, Executive Chair, Real Estate

And look, obviously, one of the big challenges with private wealth is shelf space, right? Getting in front of these advisers and their clients and getting their attention. We're not the only infrastructure fund in the private wealth channel. Can you maybe just touch on a little bit about how we differentiate our vehicle and our platform from maybe some of the competitors?

## Chloe Berry, Managing Partner, Infrastructure

Of course. Our name, our brand, it really comes down to that to open doors. It does open doors. People want to hear from us in the infrastructure space. But when we're talking to financial advisers and investors, it's really interesting to hear the complementary nature between what they're looking for and what we offer and how we invest and how we do business.

Individuals are looking for... from an infrastructure allocation, are looking for a product that's going to add resilience to their portfolios. They've seen the traditional 60/40 mix, wasn't as diversified as they thought over the last few years with things moving in the same direction. They're looking for that diversifier, that core allocation that can add, again, that resilience in their portfolio.

And that's how we approach investing. We look for the highest quality infrastructure assets out there with long-term contracted or regulated revenues, with investment grade counter priorities, providing that stability. And then we do simple things around the edges to add a bit of return. So this is our bread and butter, it's that operational value-add that we do day in, day out. Recapitalizing a balance sheet, extending a contract, improving supply chains. Again, things that are in our nature to do.

So once we have the product and the platform, we need to sell it. And that's another differentiating factor that's really led to our success. We partnered with Brookfield Oaktree Wealth Solutions, which is our distribution platform for private wealth.

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So I've worked with them for a few years now. 150 strong sales force globally. They are amazing. They're knowledgeable, they want to learn more. They really believe our products are going to add value and create better outcomes for individuals. And so they're out there pushing our message and doing a phenomenal job getting it out there.

### **Brian Kingston, Executive Chair Real Estate**

And that's really going to be the key to... Again, there was another slide up there about the 401(k) market and some of the changes that are coming there, but I think you guys have laid the groundwork with getting the brand in there. But that Bose channel is really the key to unlocking that 401(k)-

### **Anuj Ranjan, Chief Executive Officer, Private Equity**

It's off the back of the great work that Chloe and the infrastructure team have done, that your team have done in real estate, in accessing retail wealth channels that have allowed us in private equity to actually build a product now that we're really excited about for the wealth channel that we're able to launch something that probably a year ago we would not have been able to do. So it's that kind of capability that we have in-house that gets shared across the platform that really helps.

### **Sikander Rashid, Managing Partner and Head of Europe, Infrastructure**

Yeah. Brian, I would say the reason why the AI program, infrastructure program is differentiated is because it's not a data center fund, which is usually greenfield in nature. So there's no yield for investors in the first few years.

Half of our program will be capital partnerships with some of the best tech firms and governments in the world. Those are usually yielding investments with a very strong overall risk adjusted return. That would be a pretty good fit for the BAI product.

### **Chloe Berry, Managing Partner, Infrastructure**

Yep. We're looking forward to it.

### **Brian Kingston, Executive Chair, Real Estate**

Yeah. And while we're not highlighting a real estate fund in this discussion, that's exactly how the private wealth product that we already have launched for real estate works as well. We're just co-investing in our global opportunistic fund as well.

And so what's really unique about all this is you're giving access to these private wealth investors who don't typically have access to these types of deals in a wrapper that makes sense for them. And I think that's been a huge game changer.

### **Chloe Berry, Managing Partner, Infrastructure**

A complementary to the platform.



# Brookfield

## Anuj Ranjan, Chief Executive Officer, Private Equity

Right. Right.

## Brian Kingston, Executive Chair, Real Estate

Okay. So Siko, let's talk about deals though. That's what everybody wants to hear about, but there's obviously been explosive growth. We talked a little bit about the demand and how we see it, but I would say every conversation that I have with anybody about data centers, they say, "Yeah, but what if this gets over built? Are we not just running off a cliff here?" How do you think about balancing those two things that there is this tremendous demand out there, but not to get too far ahead of ourselves?

## Sikander Rashid, Managing Partner and Head of Europe, Infrastructure

Yeah. No, Brian, so has anyone heard the word data centers or artificial intelligence in the last two years? I've been around the data center industry for 10 years, which is a century in the tech and the AI world. And I think about it a lot, and obviously I talk about it a lot to a point where my five-year-old daughter thinks that every warehouse in the UK or Europe for that matter is a data center. And I obviously correct her and tell her it's not a data center, it's an AI factory.

And 10 years ago in our business, I just want to give you some context, in our business, we used to do victory laps around the office if we signed a five megawatt contract with a customer. Today, some of the younger guys on the floor don't want to get out of bed for less than a one gigawatt deal. But there is a reason for that. And the reason is, if you take the US as an example, this year the US market will add 10 gigawatts of least capacity. That's unprecedented. The vacancy rates in the US data center market are less than 2.5%. Also, unprecedented.

And lastly, I would say if you watched Oracle results last night or if you watched the White House tech dinner from a week ago, the amount of dollars expected to be invested in the US alone might actually be underestimated already. So obviously, the point is the dollars are huge and there's naturally concerns that, are we going to have overbills similar to the 1840s when the real build-out in the UK led to 25 billion of bankruptcies in today's dollars? And between 1995 to 2001, we had the dot-com bubble that led to a lot of casualties in the fiber space.

So investors, and I guess everyone at Brookfield is rightly thinking about, is this a bubble? The counter to that is three things. First is we've had unprecedented growth or demand in our renewable power business and our data center business in the last two years, but we've not invested any capital on a speculative basis. We have incredibly strong counterparties on the other side of the contract and long duration contracts--20 years plus. So that gives us the comfort that our capital is protected and is invested to serve some of the most credible companies in the world. So that's the first point.

The second point I would make is the early results of the technology, the early results from the tech firms are quite strong. You can read the reports this morning from what Oracle reported last night. Microsoft two weeks ago reported a 20% jump in its Azure revenues thanks to incorporation of the AI

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product. And similarly Meta reported a 20% jump thanks to AI. So my point is we'll have to watch this carefully, but early signs are positive.

And lastly, it's a bit of a technical point. I do want to draw parallels to the fiber casualties. Fiber by definition has unlimited capacity. That's not the case with data centers. There's a shortage, there's a demand-supply shortage at the moment. So anyways, Brian, so summary is: yes, it is right to be thinking about some of the casualties and overbuilt infrastructure capital overshooting itself, but there's signs that there's lots of mitigants in place, which give us the confidence.

### **Brian Kingston, Executive Chair, Real Estate**

Yeah. And we often talk about how there's complementary overlap between the different platforms. But when I think of AI and data centers in particular, that's one area where in a lot of our other ones we think we can invest better because of that sharing. But here it's almost necessary, your constraint on AI is power and particularly renewable power, you need to land it.

Maybe just talk a little bit about how some of the things we're doing in AI does not actually neatly fit into just one of the silos, but really is cutting across the whole firm.

### **Sikander Rashid, Managing Partner and Head of Europe, Infrastructure**

Yeah, I think... Absolutely. So the way I think about this is... I use this brain and body analogy. Tech firms are building the brain and infrastructure investors build a body. The brain cannot think or function without the body. It cannot communicate, it cannot listen, it cannot process. And what is the body, right? What's the definition of this body? It's AI infrastructure, it's land. To Brian's point, it's land, it's power, it's data centers, and it's the chips and of course the capital.

So in our business individually, whether it's real estate or renewable power or data centers or infrastructure, we have world-class businesses. And the point is we want to bring it all together. So I want to contextualize that with an example. In north of France, our real estate business owns a very large industrial site. It's got hundreds of acres of land, it's got a hundred megawatts of power. And we've worked with our renewable power colleagues to figure out a way to scale that power from a hundred megawatts to one megawatt. We see there's a path in doing so.

And on the technical side, this particular location is located within two to five millisecond latency between Amsterdam, Frankfurt, London, and Paris. And those are the largest data center markets in Europe. So what have we done with that? Coming back to Brian's question, we've taken that land plot, that package to the French government and the European Union who are very keen to work on a sovereign AI project with us.

And if they're picking us because we've got those assets, maybe we have a program that we can fund. So hopefully, that example helps contextualize why we believe we are extremely well-positioned to be a big, big player in the AI space.

# Brookfield

## Brian Kingston, Executive Chair, Real Estate

Okay. And Chloe, Connor talked a little bit about how we use the flagship funds to spin out strategies. Your strategy is very much that where we're touching on it, but you're not doing every deal in every single fund. So maybe just talk a little bit about how we're utilizing the platform and then how that's a real differentiator for BII.

## Chloe Berry, Managing Partner, Infrastructure

Yeah. So I think at Brookfield we have a really good track record of growing platforms, launching more strategies. BII is in a very fortunate position where the investor base is so immense and private wealth has very little allocation to alts today. And the growth could be immense there, but we need deal flow to pair with it.

So as you say, it's very important we have the platform to invest alongside and keep growing, and we will build in new strategies like the AI fund into where we can deploy within BII as we, again, will be the best of Brookfield infrastructure across the whole platform.

But I think it's important to note that Brookfield, we've been doing this for years, this innovation, this growth. If we just look at infrastructure, we're not doing anything new with these new funds. We look at deal deployment that we don't have a pool of capital for or investors that are looking for something a little bit different from what we offer today, and we pair the two together like Sikander spoke about.

So within infrastructure, we started with the flagship fund, Brookfield Infrastructure fund. About 15 years ago, it gave us that credibility had we spoke about in this space, that knowledge, that deep operational know-how and that presence in the market.

And then we saw an opportunity a few years later from the deal side where, as we were talking to infrastructure owners and operators, not all of them wanted to sell equity, but almost all of them needed capital to grow their businesses. And so we launched the infrastructure credit strategy, now the largest credit strategy in the world. So that was deal-driven.

And then on the investor side, investors wanted something a little lower risk return, more bond like cash flows. So we launched our super core infrastructure fund, a perpetual institutional offering. And then a few years later, back on the deal side transition. So our presence in renewable power was so strong, we saw that adjacent strategy and transition and we took the opportunity to launch that, which is now the largest transition strategy in the world.

Sikander said, as we said, we saw the deal flow as well, the AI fund, which BII can invest alongside as well. So again, on the deal side and BII does it all. So it's just so important that we have that all wrapped up for us in that deal flow coming in, so we can raise all that great capital out there.

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## Brian Kingston, Executive Chair Real Estate

All right. Okay. So Anuj, your group does a fair bit across all the various platforms as well. Maybe just with a couple of minutes we got left here, just touch a little bit on a couple of examples of where private equity, similar to what Sika described on AI has sort of touched across the platforms.

## Anuj Ranjan, Chief Executive Officer, Private Equity

Yeah. Look, we're a huge beneficiary of the overall Brookfield ecosystem and all of our platforms. Many of the businesses we've acquired, we've been able to learn a lot from our colleagues on the end markets or the actual underlying business model.

So Westinghouse is an example, the obvious leader in nuclear services. If it wasn't for our presence and renewable power being the largest in the world, we wouldn't have fully understood that there was no transition without nuclear. We were able to underwrite those assets on a plant by plant basis and really predict those cash flows with a whole lot of accuracy. If it wasn't for real estate, I don't think we would've had a good understanding of the Canadian or the Australian housing end markets to be able to underwrite First National, which we did very recently, or the troll, which we did a few years ago in Australia or Sage in the mortgage insurance provider that we own also in Canada.

And on the infrastructure side, an acquisition we made in January of this year is a company called Chemilex, which provides heat tracing equipment that is used for pipes or other types of infrastructure, utility type assets to keep what moves within the pipe at a precise temperature. If it wasn't for our infrastructure colleagues who educated us on how the mission-critical nature of this end product and service, we probably wouldn't have been able to surface value there either.

So I'd say having the broader platform, having the insights and the data and the knowledge from across the Brookfield ecosystem, it allows us to act with conviction and often invest where other... and find value where others don't see it.

## Brian Kingston, Executive Chair, Real Estate

Okay, great. So we have three minutes left. There's three of you and you have a room full of investors. So I'll give you each 60 seconds to make your elevator pitch on your strategy and just really sort of highlight what the opportunity is for investors in each and which you want to leave people with.

## Sikander Rashid, Managing Partner and Head of Europe, Infrastructure

No pressure.

## Brian Kingston, Executive Chair, Real Estate

So Chloe, maybe start with you.

# Brookfield

## Chloe Berry, Managing Partner, Infrastructure

I'm hoping I don't need my 60 seconds of I already sold you all, but for us it has to be the platform. For BII, it's so important. Over 125 years, we've built a platform with global scale and reach. It allows us to be flexible. We can look for the best risk-adjusted returns around the world, and you pair that with our operational value-add, our expertise, and it's an incredibly powerful combination and BII gets the benefit of all of it.

## Brian Kingston, Executive Chair, Real Estate

Okay, Anuj.

## Anuj Ranjan, Chief Executive Officer, Private Equity

So the proof is in the pudding. Of all the listed asset managers, we have the best private equity track record. Period. And if that interests you, I have subscription forms with me and we're happy to take orders.

## Sikander Rashid, Managing Partner and Head of Europe, Infrastructure

That was a good one. It is going to be hard to beat that. I'll go back to my brain and body analogy. Tech firms are building the brain. They need partners who can build a body, and I would say in the last three years, two things have changed. One, the AI race is not only between China and the US alone, every western nation and select Asian economies want to participate in it. So that's changed the dynamic a little bit.

Second is the race is also between the tech firms themselves and so therefore... And the pace of technological innovation is exponentially increasing literally on a monthly basis. So what that means is three years ago, the tech firms, whilst they're building the brain, they could pick different stakeholders to build a body for them, assemble it, funded, now they're looking for one partner.

And as we talked about earlier, we believe given the strength of our platform and given the various ingredients of the body that the tech firms need, we're really well positioned to capitalize on what is quite topical at the moment.

## Brian Kingston, Executive Chair, Real Estate

Great. So hopefully, that gave all of you a little more color for some of the various strategies and the different channels that we're pursuing to drive some of our growth. So thank you very much for your time.

## FIRESIDE CHAT: PERSPECTIVES ON LEADERSHIP AND THE FUTURE

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## Cyrus Madon, Executive Vice Chair

I thought they did a pretty good job. What'd you think?

# Brookfield

## Bruce Flatt, Chief Executive Officer

Excellent. It was awesome.

## Cyrus Madon, Executive Vice Chair

So look, Bruce, it's been about 20 years since we launched our asset management business. Back then, we had a balance sheet. We were investing in companies, we owned some great businesses, we were a very good investor-owner-operator back then, and we were already pretty successful. So it was not an obvious decision to become an asset manager. And it pains me to say this, but I remember when you wrote the business plan, you send it out to a bunch of us, and I was among a couple of us who said, "Bruce, this is crazy. Why would we do all this work and let everyone else enjoy the profits of it?" So you were right. I was wrong. That's why we have this amazing business today. But I think people would really like to hear why we chose to start raising money from institutions, investing our capital beside them.

## Bruce Flatt, Chief Executive Officer

Yeah. Maybe in hindsight it was crazy at the time, but look, I think it goes back... Firstly, and you all know this, but I'm going to say it, is: change is always really uncomfortable, but being uncomfortable is what makes great businesses and which makes life exciting.

And what most companies do is they just sit around, they have a great business and they just keep doing exactly what they're doing. And often people then do dumb things and they maybe change and make big, big mistakes. But if you can incrementally change over time, it's tremendously valuable to evolve the business because if you don't end up like Kodak or many, many businesses that have happened in time.

But I'd say if you reflect back at that time, Cyrus, probably the most important thing that we have always adhered to is if you're in the types of businesses that we're in, you need scale amounts of money. And probably the number one thing, the reason was that... it wasn't that we were going to really create the asset management business that has been created. It was that we needed access to do the things we wanted to do and to execute the business plan of internationalizing the business, going to other countries and building out, that you needed to have access to capital.

And the glimmer of hope at that time was that we could access international pools of money on a private basis and deploy it into these types of assets. And, of course, 25 years later, the business is highly institutionalized.

Then, there was no business. And as you remember, Cyrus, we actually had to make it up, literally made it up as we went along. And I look at our team now, they're highly professional and do an incredible job. We were making up... I'm embarrassed, we probably have our presentations from 25 years ago and they're embarrassing compared to what gets done today. And I would just...

The last thing I'd say, Cy, is I think the two things that the team talked about earlier, which is what's happening with retail wealth today and what we'll talk about this afternoon, the insurance sector and

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what we're doing insurance are two similar junctures of what's going on with our business that are almost exactly the same as what happened 25 years ago.

Because the retirement markets and retail wealth we're at the early, early, early, early innings of that change. And that's going to be like the institutional markets over the last 25 years. And the insurance business for us is going to be incredibly changing to the company. So I think both of those things are really, really exciting.

### **Cyrus Madon, Executive Vice Chair**

Well, you use the term, we've institutionalized our processes and our business, and I agree a hundred percent. And one of the themes that I heard today from everyone who spoke is we have deep operating expertise, operational capability. And that's something that, as I said earlier, I think we had that 25 years ago. So we learned a lot being an owner-operator, and how do you think that's helped us manage money for institutions and clients?

### **Bruce Flatt, Chief Executive Officer**

Yeah. Look, you were deep in the businesses for decades. What do you think?

### **Cyrus Madon, Executive Vice Chair**

Well, it's like you said, I'd say early on we probably didn't know as much. And over time through trial and error and very good advice from our predecessors, we learned the basics and we codified them.

We created processes to make sure people followed the right process when we bought a business, what to do with the business, how to choose a great management team, how to choose the right strategy, et cetera, et cetera, et cetera, and how to focus on the right KPIs. These are things, at least when I started, we didn't really.

### **Bruce Flatt, Chief Executive Officer**

Yeah. And look, I would also say that it's foundational. Some of the things we got right, maybe as opposed to you could have gone a different way, and we didn't change for the marketing purposes.

When we started, and you'll remember, and some others here in the room that work with us over that period would remember, our marketing people told us, "The only way to sell funds is to do this."

### **Cyrus Madon, Executive Vice Chair**

Oh yeah.

# Brookfield

## **Bruce Flatt, Chief Executive Officer**

And we said, "Well, we're not doing it that way. We invest and we're going to invest. And if people want to come to us with us, they will invest with us." And I think that was probably one of the more foundational things we decided to do, which was we're in the...

And this is subtle, but we're in the business of investing. And we invest our money and we bring along others that want to invest with us in our strategies. That's very different than: some money can get raised and we're going to try to put it to work.

And it's behind the scenes, but it's subtle but it's extremely important because what it means is that we believe in everything that we invest into. We put our money, both our money, our other shareholders' money and our clients' money into the exact same things. And I think that's the reason for a 25-year track record that is really good and that people can invest with us, which gives us the basis to do all the things for the future. And it was really led to...

We actually run these businesses and we own them, and it's not... Sometimes you get lost in the numbers, but these are just companies with people and you're just trying to provide essential services to people around the world. It's not that hard, but it's foundational to make sure that you don't take stupid risks and do dumb things in the company.

## **Cyrus Madon, Executive Vice Chair**

We have better marketing people today than back then. Look, we had the opportunity to work with, I'll say, the prior generation of leaders at Brookfield. And what key lessons do you think they passed down that are still relevant to us today?

## **Bruce Flatt, Chief Executive Officer**

Look, I think all of the things, in fact led by Jack Cockwell, who is still on our board and he's in his 80s and not actively involved, but is... I'd say set many, many of the things that I think he'd be okay hearing me. Hopefully, he's not listening. If he doesn't like it-

## **Cyrus Madon, Executive Vice Chair**

He's listening.

## **Bruce Flatt, Chief Executive Officer**

... but-

## **Cyrus Madon, Executive Vice Chair**

Hi Jack.



# Brookfield

## **Bruce Flatt, Chief Executive Officer**

... I would say that I think he set many of these principles. I think we refined them, tailored them, built them, institutionalized them and made them better. And they were, make sure that everyone, all of our people, the companies we buy are incented properly, that we're incented properly, and that everyone is an owner of the business. Number two, that we only buy things that we can understand, that we can build and we can grow and we can be responsible for and we can be proud of owning. And number three, foundationally have more capital than anybody else and build businesses off of that. And never ever get yourself in a situation where you don't have capital when things are going down. Because that's when, you know this, Cyrus better than anyone, you've been the most... You bought the best businesses at the worst times in the markets, but we had to have the capital to be able to do it. And that, having capital and never putting yourself in a situation where you're not on the offensive, not defensive in tough times is really, really valuable. I'd say those three things are probably the most important.

## **Cyrus Madon, Executive Vice Chair**

Look, we are super fortunate. We have a lot of people here who have been here for a very long time, and I think that's helped maintain our culture immensely over many years. How would you describe our culture, Bruce to other people?

## **Bruce Flatt, Chief Executive Officer**

It's unusual, it's not an easily explainable thing. But I guess, I'm proud that firstly, as you get bigger and bigger, it's tougher, it's usually tougher and tougher and it probably is, there's no doubt. Because we had 10 people before and now we have 2,500 or 3000 in our investment manager, and it's just tough to keep that. But I spend a lot of time in all the offices around the world, and it's amazing the people are, they're not the same, but they're similar. And so I think that's really important.

But underlying it, essentially we have a team approach. The team matters more than any individual. You'll be successful and be rewarded if you're part of a team. You're in some way, shape or form, depending on where you are in the company, whether you're an operating person, an executive individual, you're an entrepreneur, you're an investor in the business, we are all investors. That's it. But we're all entrepreneurs and we're just here because we have our money invested and we feel like it's ours. It's not ours, it's not our company, it's the shareholders company, but we're all shareholders and we all feel like it's ours. And-

## **Cyrus Madon, Executive Vice Chair**

Think and act like an owner, right?

## **Bruce Flatt, Chief Executive Officer**

Yeah. And I'd say that pervades the people within our business. And we try to encourage, and many of you have heard me say this before, we try to encourage making incremental evolutionary changes in the business because that is if you don't change, you go backwards. But what that means is that you're always making mistakes. And it's not that we like making mistakes, but you have to accept within the

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culture some mistakes and not have ramifications of it or nobody is... Everyone... If not people are petrified to change and petrified to do something new.

But never make big, big mistakes like don't bet the farm on anything. You know that better than anyone. We've always tried to keep the downside protected, but you have to push the edges or nothing changes. We have, and to use the example, Connor was up here, we have the most incredible franchise on the planet for infrastructure. There's nothing that comes close to it. We could just sit aside, run our fund and do nothing else. And we keep pushing the edges because I believe we're in the midst of this AI revolution that is going to happen. It's going to change every single business in the world, it's incredible what's going to happen. And we need to be at the forefront of it. And if we're not, we'll be behind, five years from now, we'll look back and we'll be behind. So it's really, really important. And I'd say those are the things in the culture.

### Cyrus Madon, Executive Vice Chair

Look, you talked about when we started we had 10, 20 people, whatever it was. I remember the entire investment team could fit in a boardroom at one point in time. And today we have 2,500, 3000 investment people. Connor talked about the scaling up. We plan for the future. So my question for you is, do you think there was a seminal moment or a couple of seminal moments or events that really accelerated our trajectory?

### Bruce Flatt, Chief Executive Officer

Yeah, look, I think during good times, everyone excels. During tougher times, Mr. Buffett always said it. You see that when the tide goes out, you see who's wearing underwear or whatever the statement is. I think during the tough times over the last 30 years is when we've been able to, at a minimum to continue the business that we have. But in particular, in 2008, we came out of 2008, 2009 on a very strong basis and were able to propel the business when everyone was just, they weren't even in business anymore.

Some went out of business, a lot went out of business, but the others were not able to grow fast. I think we came out of COVID, firstly, we all went back to the office and it was the best thing we ever did. Three weeks after COVID hit, we went back to the office. And it was the best thing we ever did because we were working every day three weeks after COVID started. Firstly, it was more fun being at the office than sitting at home, but I think we've done five things since then that will be game changing for the business five years from now. And a number of them happened during that period of time. Like our insurance business is, Sachin is going to show you later, it's going to earn two and a half billion dollars next year. It was zero and started in COVID. So I think those tougher periods of time are where, they're the ones that make the difference in a business. Because you either go backwards or you can make great advances forward.

### Cyrus Madon

And culture matters in those periods of time too. Bruce, you started at Brookfield in our real estate business. You ran our real estate business for a long period of time. You've seen many cycles, many

events in real estate. Where do you think we are today in the cycle, and what are the opportunities that you see in real estate?

**Bruce Flatt, Chief Executive Officer**

So before I answer that question, I was listening to some of the presentations earlier, and I think probably one of the most important things of what's going on with artificial intelligence is that we started as real estate investors. What's being built out for artificial intelligence is the backbone of the global economy, and really it's just a giant real estate business. And because what we're doing is we're providing enormous infrastructure, backbone infrastructure to technology companies. And the build out is unprecedented. And the fact that we have power, real estate power and data center expertise allows us to build those things out. But it's really all of those things are backed off of what we learned out of real estate. So I think that's really, really important when you just think about what we're embarking on in AI factories, because this is just real estate. It sounds more complicated than that, but it is just real estate.

If I go to the cycles, look, everyone knows this, I'm going to state it. Real estate is a highly cyclical business. It always has been and always will be, because it consumes large sums of money and you lever it to get returns. But over time, you can make a lot of money if you buy great assets and if you are in the right places, the most fundamental things. I would say, first, point number one, fundamental is real estate globally and most things are really strong. Yes, there's always some extreme stuff that's out there that's not so positive. This time, this cycle. And each one's different, each cycle has been different for 30 years. This time fundamentals are good, the issue has been in the capital structures and interest rates went up fast and went to, they're not high, but they're much higher than they were and therefore people had to adjust their capital structures to it.

And those things are sorting out in the marketplace. But as Brian said earlier, and as Connor said in his presentation, the real estate fundamentals have turned dramatically in the last 12 months. Transaction activities come back. It doesn't mean everything's there, but you can now finance virtually everything in real estate across the world. And real estate lives on financing. And it's just turning in a hundred basis points coming off of interest rates in the next 12, 18 months in the United States. Most other markets have already turned much greater, but in the US, it's really just waiting for interest rates. And you will see some of that come and drive the recovery even further in values.

**Cyrus Madon, Executive Vice Chair**

And there aren't too many cranes in Manhattan.

**Bruce Flatt, Chief Executive Officer**

There are no cranes. I'm going to look at somebody. Is there a real estate building? Any major building under construction in New York City? In London, there's small buildings in the West End, there's nothing really under construction in the city. What that means is next five years, rent's going through the roof. Retail, nothing under construction, industrial, highly move come down. So it's about supply demand, and interest rates and financing and it's all coming back.

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## Cyrus Madon, Executive Vice Chair

Okay, I want to switch gears a little and talk about the capital markets. And I might get the numbers slightly wrong, but if you look over 25 years, 25 years ago there were 7,000 public companies in the United States. Today the number is something like 4,500.

## Bruce Flatt, Chief Executive Officer

Yeah

## Cyrus Madon, Executive Vice Chair

In the private markets, 25 years ago, there were 2000 companies owned in the private markets. Today it's more than 10,000. So what's happened? What's going on here?

## Bruce Flatt, Chief Executive Officer

Look, you and I own Brookfield shares. We've never sold them, we just keep them. We own a business. Why would we sell? And that's with the private business, right? If you own a business, you own a store. We own instead of at Brookfield, we're going to own a store. We own a store, we run the store. We don't to look at the stock market price of our store every day. We don't care, we're not selling it. We operate our store. The stock market just distracts people. And with the ETF market, active management in many places, going down, ETFs taking over, it changes the value of stocks and many of them don't trade properly. That presents enormous opportunity. I think we've probably taken 10 companies private in the last 12 months.

That's going to continue to increase, we're going to keep taking more companies private. Once in a while we'll take one public where it makes sense, but by and large not. And I'd say when people say, "Oh, there's going to be more IPOs." There will be some IPOs, but more companies are just going to be sold to our institutional clients and to other sponsors, and people say, "Oh, that doesn't make sense because some sponsor is going to buy it from you." I'd argue the opposite. It makes total sense. Those are smart owners who want to buy a business and own it for the next 10 years.

Instead of taking it public, why have it in the public market? So I think there are, there'll be the global titans that are just too large to be private. Microsoft's four-trillion-dollar business, of course that's not going to be private. And maybe that'll trade well because it's in the indexes and it's large. But by and large, the rest of it's all staying private. And remember these institutional clients in particular, when I, back when we were seeing them 25 years ago, a big one had 80 or a hundred billion dollars. But we're 25 years later, those institutions have \$500 billion, \$700 billion, \$900 billion, a trillion dollars. And a trillion is going to end up at eight, nine years at their returns. It doubles. When you have \$2 trillion-

## Cyrus Madon, Executive Vice Chair

They got to put it somewhere.

# Brookfield

## **Bruce Flatt, Chief Executive Officer**

... \$2 trillion goes to \$4 trillion, \$4 trillion goes to \$8 trillion. These are staggering amounts of money that need to get put in places. And if you don't need liquidity, own a private business, there's no reason not to.

## **Cyrus Madon, Executive Vice Chair**

So what about, you talked to about institutions. What about an individual investor? What does it mean for them?

## **Bruce Flatt, Chief Executive Officer**

I think people are going to end up with... That's why the United States is opening up 401(k)s. They're going to end up with 40% of their portfolio in privates and 40% will be in ETFs and liquid stocks. Because they should have some form of liquidity within every portfolio and the rest of it's going to be in private. So some will be at, some institutions they are 50%, 60% in private. I would advocate, always do advocate to anybody that ever asked me, have liquidity for whatever you might need. Double it because you might have a need that's in excess of what you think you need and everything else should be in private.

And that's what's going to happen. That's what's happened and happening in every institution in the world. And that is what's going to happen in retirement accounts. So I think the know hardly, I think the number was \$20 trillion of retirement wealth around the world. \$3, \$5, \$10, \$15 trillion of that is going to go into private assets. It's going to be from real estate, to infrastructure, to company companies owned in private hands. And they'll be better for it, much, much better for it.

## **Cyrus Madon, Executive Vice Chair**

Okay. We have time. One more question. What are you most excited about, Bruce, as you sit here today?

## **Bruce Flatt, Chief Executive Officer**

You know Cyrus, I get excited about everything. Look, I-

## **Cyrus Madon, Executive Vice Chair**

Everything with a Brookfield in front of it.

## **Bruce Flatt, Chief Executive Officer**

Yeah. What I'm most excited about? I actually watched our team up here earlier and they're so much better than you and I were. They're smarter, better trained, they've seen everything. We can help them, but they're amazing. And so I'm excited about the future of what Brookfield has because the people we have are incredible.

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**Cyrus Madon, Executive Vice Chair**

I agree.

**Bruce Flatt, Chief Executive Officer**

And therefore that's probably the most exciting thing that we have, which is just to watch that the next generation of people come along.

**Cyrus Madon, Executive Vice Chair**

So we're going to keep our shares?

**Bruce Flatt, Chief Executive Officer**

You're definitely keeping your shares.

**Cyrus Madon, Executive Vice Chair**

Yeah. Okay. Thank you.

**Bruce Flatt, Chief Executive Officer**

Thank you, Cyrus.

**Cyrus Madon, Executive Vice Chair**

Thank you. All right.

## QUESTION & ANSWER

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**Connor Teskey, President**

Thank you everyone for joining us for our prepared remarks and sessions. We do now have 10 minutes for Q&A from those in the audience. Please wait for a mic to be brought to you such that everyone both in the room and online can hear you. I will let the mic runners start.

**Cherilyn Radbourne, TD Cowen**

Hi Connor, it's Cherilyn Radbourne from TD Cowen. I know that the excitement is kind of on the private wealth side in the industry at large at the moment, but I did want to ask something on the institutional side. And that is the crossover and sort of the number of institutions that you have invested in multiple strategies, and where that sits versus where you think it can go?

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## Connor Teskey, President

To put it bluntly, it sits far below where we think it can go. I think historically that number's been in and around two. We do see room to push that up to three, but there's a little bit of a numerator-denominator effect going on there. With our existing clients, we are making tremendous progress in cross-selling and adding the number of products per institution, but at the same time, we keep adding new institutions to the denominators. So I would suggest if we were to run that number today, it probably actually looks quite similar to it has in the past. But if we were to almost vintage weight those clients from when they made their first investment with Brookfield, we're seeing that crossover trajectory go up very significantly. And what's being added to that is we're also adding more products, it's not just cross-selling what we had before, but as we add more products, it's always with the intention of simply meeting the demand of our clients. And that's a further driver of that trajectory.

## Craig Siegenthaler, Bank of America

Connor, Bruce, thanks for hosting a great event. It's Craig Seigenthaler, Bank of America. My question is on the corporate structure. I saw your targets for 2030 to 2035 roughly, in terms of realized carry, you added \$700 million of debt on the balance sheet this year. Does your pure FRE model really drift away from that in five years?

## Connor Teskey, President

So maybe just two different parts of your question. What do we use debt for? We should be clear what we use the balance sheet for. We have a cash generative business on a standalone basis. We use our balance sheet for two things. One, to fund M&A, new organic M&A, but also to acquire a greater percentage of our partner managers. And two, to seed new strategies. That is what we are using the capital that we access the public markets for. It's two things. When we look out beyond 2030, we will begin to introduce more carry into our earnings. But under our structure where some of that carry does go to BN under a royalty, we do expect to continue to be under all scenarios, very FRE weighted, even out to 2035, it is the vast, vast majority FRE in our earnings even as carry gets introduced towards the end of the decade.

## Bart Dziarski, RBC Capital Markets

Thank you. Hi, Connor. Bart Dziarski, RBC Capital Markets. Just going back to institutional channel, you talked about early days in four areas, so mid-market, corporate pensions, family capital in Europe. Can you just unpack those a little bit in terms of what we could expect that over the next five years and what the strategy is to tackle those four areas?

## Connor Teskey, President

The strategy is actually easier to explain. We always want to be self-critical and look to how can we grow faster? How can we improve? Maybe perhaps victims of our own success, we were raising so much money from institutions and large-scale institutions that that is where we focused our effort. And candidly, you can understand, it is difficult for someone who covers the largest sovereign wealth funds around the world to say, "Also, can you cover 10 family offices?" They're going to dedicate their time to what they've done in the past and where they can raise the greatest amount of dollars.

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So the big thing that has changed in our business is we now have dedicated teams to target each of those sub-sectors. They are people who wake up every day looking to meet the needs of those clients. They aren't distracted by other investors, they aren't distracted by trends in other markets. And perhaps the other point I would make is, our capabilities are integrated. So the client team that works with our clients every day, they also feed into product development. And therefore we can also look to develop products that are more tailored to family capital or more tailored to a region. Maybe we do a euro denominated sleeve for European investors. So how we tackle it answers essentially where we think the growth is coming from.

### **Brett Reiss, Janney Montgomery Scott**

Yeah. Hi, Connor. Brett Reiss, Janney Montgomery Scott, thanks for the event. If BAM is able to hit the 18% distributable earnings targets, how do you think the board will view the cadence of dividend increases, versus share buybacks, versus retaining money in the business? And what do you think the corporate parents' preference of those choices we'll be going forward?

### **Connor Teskey, President**

So let's break that down into a couple of things. We have a cash flowing business, so we don't need to retain money in the business. We have a highly cash generative business similar to the previous question. We generally pay a high percentage of that out as dividends. We set our dividend to match with the near term run rate earnings of the business, and we've set a high payout ratio of 85% to 90%. And we are committed to that and we'll continue to deliver it going forward. So if our business is going to grow at high teens, we would expect our dividend to do the same thing over those years. And that does leave us with a little bit of money, but we're going to need that capital to fund M&A and seed new strategies. So we expect the vast majority of capital to be used to pay out into dividends, but we don't need to retain any cash on balance sheet.

### **Connor Teskey, President**

Maybe time for one more here in the front.

### **Stephanie Ma, Morgan Stanley**

Thank you. Stephanie Ma from Morgan Stanley. I wanted to dive into the additional levers to drive the 20% plus earnings growth, maybe first on 401(k). How are you going about this? Do you need to partner to tap that opportunity more meaningfully? And then second, just on capital markets, where are you in terms of that build out any steps you're taking and how meaningful could that be?

### **Connor Teskey, President**

It's important to reiterate that the 401(k) market, and again, we'll call it the individual market, this is incredibly significant. Over a number of years, it will take time, but this is a driver to our business that could supersede what has been built in the institutional market. And some of the biggest step changes in our business. Things like our flagship funds. The opportunity set is very large, but it will take place over a number of years in an extended period of time. So what are we doing right now? It's really simple. We're leaning into the fact that we have the right product mix and capability to best service that



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market. And from there, we are having the right conversations with the right partners in developing the right products. We understand that there have been a number of announcements of partnerships in the space.

We should all recognize that those partnerships are not exclusive. And as this market grows and expand, we very much expect it to be open architecture. And that is how we are building our business to service a wide range of distribution channels. And then just to touch on your comment about capital markets, again here we are coming off a very, very low base. As we said in the past, we think it's probably two to three years before that is any sort of materiality to our results. But that could accelerate very, very quickly. And the real driver of the acceleration could be the growth of our credit business and our partnerships with Castlelake, with Oaktree, we're doing more in credit than ever before, and that's what creates the upside torque to make that number more meaningful potentially in a two to three year timeframe than what's in Hadley's base case. We'll bring Jason to close out.

### **Jason Fooks, Managing Director, Investor Relations**

Thank you everyone. We hope you found the presentations both informative and interesting. We're going to invite you to take a short break outside and Brookfield Corporation will begin their presentation at 3:30. P.M. Thanks.