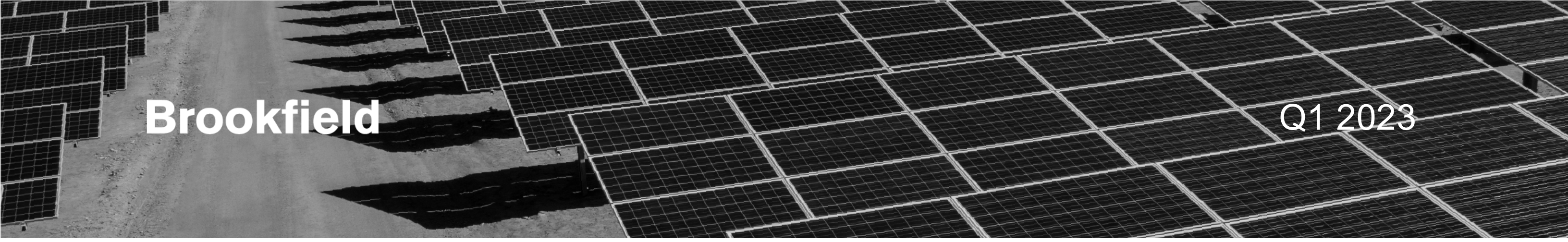

Brookfield Asset Management Shareholders

Overview

We are pleased to report that we are off to an excellent start in 2023. Our financial performance was strong, posting distributable earnings (DE) of $563 million, 15% higher than the comparative period in 2022.

The first quarter of 2023 marked our first full quarter as a pure play, publicly traded alternative asset manager following our spin-off from Brookfield Corporation, and we are encouraged by the positive feedback we have received. Our business is centered around extremely resilient and growing cash flows and industry leading businesses, both of which are well-positioned to benefit from secular global trends over the coming decades. This is bolstered by our access to large scale capital, global reach, and deep operating expertise.

The backdrop for investing capital into alternative assets continues to be very favorable, and we believe the long-term trend is even stronger. Total assets under management now exceed $825 billion, and our total capital available for new investments is nearly $80 billion. We are actively adding capital in virtually all areas across the business and with financial conditions tightening, we are finding increasingly attractive opportunities to put capital to work.

Market environment

Inflation is beginning to ease to more moderate levels and the market's expectations for interest rates is beginning to stabilize. While the Fed's continued rate hikes have had their desired effect of curtailing inflationary pressures, the secondary effects of this sharp rise in interest rates are only beginning to work through the financial system.

Capital has become increasingly scarce and relatively more expensive versus the lows of the past couple of years, leaving asset owners with fewer options to refinance debt maturities or fund growth. This creates an opportunity for large alternative asset managers with significant dry powder to put to work—and as a result, we are seeing an increased number of long-term value opportunities with less competition.

Large, multi-product global managers are set to win

Every industry eventually goes through consolidation. The normal evolution of business is that an industry starts with early entrepreneurs, and their success leads others to enter the business. This often brings a glut of investment, with additional market participants looking to capture a portion of the broader industry growth. In a growing market, distinguishing between the market participants can be difficult. However, when market conditions soften, the differentiation becomes clearer. All industries go through this cycle, and the alternatives industry is in the midst of this today.

Great assets and businesses perform well throughout market cycles, while more commodity-like assets struggle in weaker market conditions. As markets become tougher, average players often see their growth plateau, small players lack the resources to push through the down cycle, and niche players are relegated to being niche players forever. The bottom line is that during tougher markets, consolidation occurs and the best-in-class players continue to perform, separating themselves from the rest.

In virtually all sectors, from banking and insurance to consumer products and technology, there are up to 10 industry leading players in the world. These firms are able to drive profitable growth over extended periods and across market cycles. And while the membership of this group does change from time to time, those that execute well are much more likely to maintain their position.

The attributes of leading asset managers are strong investment performance over a long period of time; access to scale capital; fund and geographic diversification; and a large-scale organization to service clients and capture future growth trends. Similar to the other major industries, there are only a handful of alternative asset managers who have these attributes today.

Our $825 billion of total assets under management, our ability to raise $75 to $100 billion annually for investing, and our ability to offer compelling co-underwrite and co-invest opportunities at scale, makes us one of these major players. We feel exceptionally privileged to be in this category and work hard every day for our clients and partners to ensure we stay there.

Fundraising at scale

Year to date we raised a total of $19 billion, of which $13 billion occurred during the first quarter. Fee-bearing capital grew $14 billion during the first quarter to $432 billion. Despite macroeconomic headwinds making fundraising more challenging, we expect 2023 to be another strong year from a capital raising perspective, with all our flagship funds and a number of other complementary fund strategies in some stage of fundraising. Given the recent launch of several of our largest products, which are well-suited to the current market backdrop, we see the potential for our fundraising to accelerate throughout the year.

Our confidence regarding our ability to raise and deploy capital on a large scale is due primarily to our global approach to building our business. Today we operate in 30 countries, and much of our expansion has occurred over the last ten years—designed to facilitate our growth and ensure we have “boots on the ground” in every country in which we invest. Equally important is the fact that each of our offices includes asset management professionals focused on building long-term relationships with a broad range of local investors. This ensures that we are well diversified across our client base and can efficiently and consistently raise capital in different economic environments.

We are currently seeing an increased proportion of our fundraising coming from non-US clients. This is due to our long-standing dedication to be a local presence in the areas we invest and fundraise. As an example, we established offices and significant business operations in the Middle East and Asia over the past 10 years and these regions accounted for approximately 40% of the capital we raised in the last twelve months.

Institutional investors are increasingly concentrating their commitments among the largest asset managers who can offer a range of asset types and investment strategies to help them achieve their financial objectives. Our scale, demonstrated track record, and expanding suite of products are increasingly benefitting us as institutional investors continue to grow their allocation to private assets, and we expect that this trend will continue.

Operating results were excellent

Financial results

Our business delivered strong earnings growth, generating fee-related earnings of $547 million in the quarter and $2.2 billion over the last 12 months. Fundraising year-to-date has been strong at $19 billion, and almost $100 billion over the past 12 months. We expect this momentum to continue as we raise capital for flagship and complementary fund strategies focused on investing in the backbone of the global economy.

Operations update

It was an active quarter on the fundraising front, with many of our funds resonating with investors, as this environment plays to our strengths. We are in the market with all five of our flagship funds at various stages and making good progress. We are also raising capital for a number of complementary strategies. A few key highlights below:

- We are nearing a final close of our fifth flagship infrastructure fund, which currently stands at $24 billion, our largest fund ever, and our sixth flagship private equity fund, which sits at $9 billion today. Both funds already exceed the size of their prior vintage, and we still have meaningful capital to raise for these strategies.

- In January, we launched fundraising for our fifth flagship real estate fund with the objective of investing capital into a market that we believe should provide significant opportunities to invest at highly attractive risk-adjusted returns. We expect a first close on this fund later in the year.

- Earlier this month, we launched fundraising for our second flagship transition fund, which is focused on investing in and facilitating the global transition to a net-zero economy. We launched our first $15 billion fund in 2021 and after signing an agreement to acquire Origin Energy in a public-to-private transaction, more than 85% of the fund has been invested or committed. Given the strong demand from institutional capital for this strategy, we expect that the second fund in this series will be even larger than the first.

- In February, we launched Brookfield Infrastructure Income Fund (“BII”), an innovative open-ended, semi-liquid infrastructure product offering private wealth investors access to Brookfield’s infrastructure platform. While private infrastructure has become a meaningful asset class for institutions, individual investors have historically had few options to gain exposure to this important asset class. We launched BII with two distribution partners and have raised more than $750 million to date.

Our expansion to private credit is accelerating

Over the past fifteen years, we have built a powerful global private credit franchise, growing both organically and via acquisition. The current economic environment and the resulting reduced bank lending for corporate, real estate, and buy-out transactions is proving to be a great catalyst for this business to achieve yet another step change in growth.

Our credit business is among the largest globally, with approximately $140 billion of fee-bearing capital across a diverse set of strategies. We offer private credit funds across all our verticals of real estate, infrastructure, renewable power, private equity, and corporate lending. With the significant market tailwinds for credit, we believe we are still in the early innings for many of these product offerings, with significant room for growth.

One area of particular focus recently has been direct lending, an asset class that has expanded significantly and now represents a global market of approximately $1.5 trillion. Our roots in the asset class date back to 2001, and we have become a partner of choice for counterparties, using a solutions-oriented approach tailored to meeting the unique needs of each borrower. In doing so, we prioritize risk control and have focused on asset value and prudent structuring. We have historically avoided the more commoditized parts of the market by structuring customized solutions for our borrowers, enabling us to deliver a more efficient financing solution to meet their needs and create a better covenant package to protect our principal. The combination of these factors has helped us generate a long track record of market-leading returns and minimal losses.

The direct lending market has become increasingly attractive recently due to the limited availability of debt capital to finance private equity-sponsored transactions combined with the record-high levels of committed private equity capital raised for deals. While the need for this type of lending is significant, we anticipate less competition given both banks’ reduction of appetite for this form of financing and the scarcity of non-bank lenders that possess the necessary scale, flexibility, and credit expertise.

Given this backdrop, we recently announced the launch of a direct lending strategy. This strategy is originating senior secured loans of $500 million or more to private equity-owned U.S. companies, and we are encouraged by the positive investor feedback we have received so far. Given the large-scale nature of this fund and the significant opportunity we see for this strategy going forward, our direct lending fund will represent our sixth flagship fund family at Brookfield.

In addition to this fund, we are making significant progress raising capital for various other debt and debt-like strategies.

1. **Infrastructure Debt Fund:** We are currently raising our third fund in this series at a size that represents a 60% increase from the previous vintage. This fund strategy enables us to provide private credit solutions across the full suite of infrastructure asset types to partners seeking alternatives to equity capital.

2. **Real Estate Debt Fund:** Our sixth real estate debt fund is currently 33% invested. As one of the largest real estate investors globally, we have access to data, insights and deal flow that we have utilized to provide real estate finance capital for more than 20 years. Given the increasing demand for private real estate debt capital, we expect to continue to deploy the remaining commitments and come back to market soon with the seventh fund.

3. **Special Investments Credit Strategy:** This fund strategy provides capital to counterparties in the form of preferred equity or subordinated debt. We recently launched fundraising on our second vintage in this strategy, which we expect will be meaningfully larger than the first.

4. **Consumer and SME Credit Funds**: Through our partnership with the owners of LCM Partners, we participate in lending to small business, commercial, and retail markets, leveraging our proprietary technology and in-house servicing operations. LCM's Strategic Origination and Lending Opportunities (SOLO) strategy invests in asset finance, real-estate financing, and renewables. SOLO is launching its second vintage in May 2023.

The increased opportunity set we are seeing in private credit broadly, and particularly in direct lending, in addition to our broad and diversified capabilities, gives us confidence that we should be able to grow our overall business to $1.5 to $2 trillion and fee-bearing capital to $1 trillion in the next five years, further strengthening and diversifying our franchise in the years ahead.

Closing

We remain committed to being a world-class asset manager, and to investing capital for you and our other investment partners in high-quality assets that earn solid returns, while emphasizing downside protection. The primary objective of the company continues to be growing our fee-bearing capital in order to generate increasing cash flows on a per-share basis, and to distribute that cash to you by way of dividends or share repurchases.

Sincerely,

Bruce Flatt
Chief Executive Officer

Connor Teskey
President

May 10, 2023

Cautionary Statement Regarding Forward-Looking Statements and Information

All references to "$" or "Dollars" are to U.S. Dollars. This letter to shareholders contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements which reflect management's expectations regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Brookfield Asset Management. and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as "expects," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may," "will," "should," "would" and "could." In particular, the forward-looking statements contained in this letter include statements referring to the impact of current market or economic conditions on our businesses, the future state of the economy or securities market, the expected future trading price of our shares or financial results, the results of future fundraising efforts, the expected growth, size or performance of future or existing strategies, future investment opportunities, or the results of future asset sales.

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

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

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

Where otherwise indicated, the information provided herein is based on matters as they exist as of the date hereof and not as of any future date. Unless required by law, we undertake no obligation to publicly update or otherwise revise any such information, whether written or oral, to reflect information that subsequently becomes available or circumstances existing or changes occurring after the date hereof.

Past performance is not indicative nor a guarantee of future results. There can be no assurance that comparable results will be achieved in the future, that future investments will be similar to the historic investments discussed herein (because of economic conditions, the availability of investment opportunities or otherwise), that targeted returns, diversification or asset allocations will be met or that an investment strategy or investment objectives will be achieved.

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Cautionary Statement Regarding the Use of Non-GAAP Measures

This letter to shareholders contains references to financial measures that are calculated and presented using methodologies other than in accordance with GAAP. These financial measures, which include Distributable Earnings, its components and its per share equivalent, should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, similar financial measures calculated in accordance with GAAP. We caution readers that these non-GAAP financial measures or other financial metrics are not standardized under GAAP and may differ from the financial measures or other financial metrics disclosed by other businesses and, as a result, may not be comparable to similar measures presented by other issuers and entities.