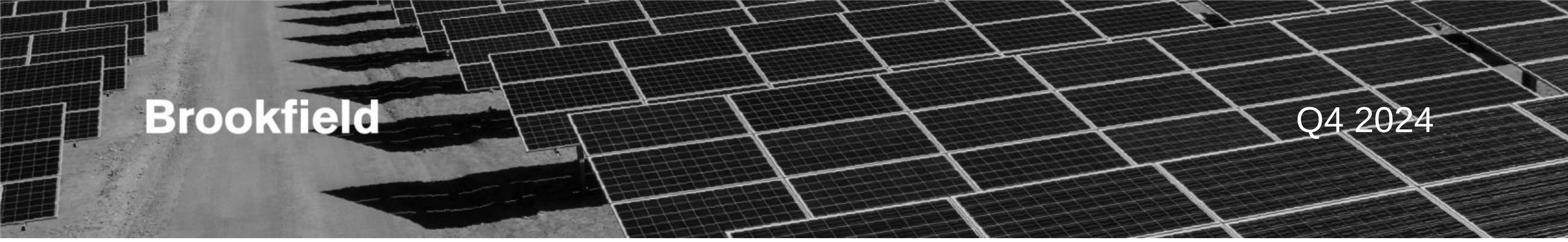


# Brookfield Asset Management Letter to Shareholders

## Overview

We had a strong 2024 as both earnings and capital raising continued to gain momentum throughout the year, reflecting the strong growth profile of our business and the increasing positive sentiment among market participants. We raised $29 billion during the quarter—our highest level of organic capital raising—bringing total capital raising for the year to over $135 billion. Combined with robust deployment during the same period, fee-bearing capital (FBC) grew to $539 billion, an increase of 18% or $82 billion over the past year.

The growth in our capital base drove strong earnings and margin improvement. We generated a record $677 million, or $0.42 per share, of fee-related earnings (FRE) and $649 million, or $0.40 per share, of distributable earnings (DE) in the fourth quarter, representing increases of 17% and 11%, respectively, over the prior year period. This brought FRE and DE for the full year to $2.5 billion, or $1.51 per share, and $2.4 billion, or $1.45 per share, respectively. Our growing revenue base and stable costs also enabled margins to expand to 59% in the fourth quarter.

We continue to benefit from our leadership in the most sought-after alternative asset classes, fueled by significant increases in AI investment, surging corporate clean energy demand, and the continued growth of private credit in the capital markets. As a result, we expect the momentum in our operating and financial performance to continue throughout 2025.

Digitalization is being further propelled by AI—it is already reshaping industries and creating more investment opportunities for us across our digital infrastructure asset classes: data centers, telecom towers, and fiber.

It will also drive immense energy requirements which necessitates doubling power generation and transmission capacity—largely via clean energy sources, as they represent the lowest cost source of power with the fastest speed to delivery. Clean energy continues to be preferred by the world's largest technology companies – whether it is digital infrastructure, renewable power or nuclear, Brookfield is unique in maintaining a global leadership position in every core technology required for the AI revolution. At the same time, our operating businesses are using AI to drive more automation and productivity, supply-chain optimization and improved customer engagement, enhancing cash flows and driving stronger investment returns.

In private credit, the opportunity continues to be driven by growing recognition from borrowers of the benefits of having a flexible capital partner. Many of our credit partners have longstanding relationships with Brookfield, and the experience and know-how we have built from decades of investing in our core sectors enables us to be a sophisticated manager of credit risk. As a result, Credit has grown substantially within our business over recent years and now represents the single largest source of our assets under management.

With these supportive tailwinds, and our significant growth prospects for 2025 and beyond, we are pleased to announce that our Board of Directors has approved an increase in our dividend by 15% to $1.75 per share on an annual basis.

## Business Group Updates

In the fourth quarter, we raised $29 billion, deployed $16 billion, and monetized $9 billion of capital. Highlights during the fourth quarter include:

### Renewable Power & Transition

- *Fundraising:* We raised $4.2 billion of capital, including $3.5 billion for the second vintage of our global transition flagship strategy. We expect to hold a final close for this flagship in the first half of 2025.

- *Deployment:* We deployed $4.5 billion of capital, including $3.2 billion into our acquisition of Neoen, a global, leading, pure-play renewable development business. We also deployed capital into a partnership with Ørsted, a premium portfolio of contracted operating offshore wind assets in the U.K. Subsequent to the end of the quarter, we announced an $850 million investment into Origis Energy, a U.S. renewable energy developer, from our infrastructure structured solutions fund.

- *Monetization:* We monetized $1.4 billion of capital, including the sale of Saeta Yield and a partial sale of Shepherds Flat.

### Infrastructure

- *Fundraising:* We raised $2.5 billion of capital, including $700 million for our supercore infrastructure strategy, our strongest quarter in over two years. We also raised nearly $700 million for our private wealth infrastructure fund and over $500 million for our infrastructure structured solutions fund.

- *Monetizations:* We monetized a total of $300 million of capital, including the sale of our fiber platform in France.

### Private Equity

- *Fundraising:* We raised $1.8 billion of capital, including $1.0 billion for our Middle East fund and $500 million for the second vintage of our special investments fund.

- *Monetization:* Subsequent to the end of the quarter, Clarios, the world's leading provider of advanced low-voltage batteries, completed an upfinancing which funded a $4.5 billion distribution.

### Real Estate

- *Fundraising:* We raised over $700 million of capital during the quarter, including nearly $500 million for the fifth vintage of our flagship real estate fund strategy. We expect to hold a final close for this flagship in the first half of 2025.

- *Deployment:* We deployed $2.4 billion of capital, including over $800 million in deployments out of the fifth vintage of our real estate flagship fund into a portfolio of U.S. multifamily properties with nearly 5,000 units, a portfolio of 14 U.S. student-housing assets with nearly 9,000 beds and Tritax, a publicly-listed pan-European logistics REIT.

- *Monetizations:* We monetized $1.8 billion of capital, including the sale of a portfolio of shopping centers in the U.K.

**Credit**

- *Fundraising:* We raised approximately $20 billion of capital, including:
  - $9.2 billion across Oaktree funds and strategies, $1.7 billion for the fourth vintage of our infrastructure debt fund and approximately $900 million across our other credit partner managers.
  - $6.6 billion from insurance clients, including approximately $1.3 billion of capital related to a U.K. reinsurance transaction.
- *Deployment:* We deployed $7.7 billion of capital, including $2.4 billion out of our opportunistic credit flagship fund series and over $900 million out of our strategic credit private wealth fund.

## Building on our momentum and laying the foundation for further growth

In 2024, we delivered strong performance across our franchise, strategically expanded our capabilities and product offerings and surpassed $1 trillion of assets under management.

**Delivering Strong, Consistent Performance**

We deployed $48 billion of capital in 2024, capitalizing both on short-term pockets of market dislocations and long-term secular trends. These conditions unlocked some of the most attractive investment opportunities we have encountered in years, underscoring the strength of our platform and the advantages of our long-term, patient capital approach. Highlights include our investments in Neoen, a leading global renewables developer, GEMS Education, a prominent private education provider in the Middle East, and FirstEnergy, a large-scale U.S. electrical distribution company.

At the same time, demand for high-quality, essential assets and businesses remained robust, reinforcing the resilience and cash-generative nature of our portfolio. During the year, we sold assets and businesses valued at nearly $40 billion, representing $30 billion of equity capital. Notably, we sold the Conrad Hotel in Seoul, a 49% stake in ICD Brookfield Place in Dubai and our stake in Greenergy, a leading distributor of renewable road fuel in the U.K.

We also strengthened our leadership position in renewables through our landmark agreement with Microsoft – the largest of its kind – to supply over 10 gigawatts of renewable power over the next five years. And earlier this week, in partnership with the French government, we announced a €20 billion infrastructure investment program to support the deployment of AI in France. We are actively developing the core infrastructure needed to support digitalization which is being accelerated by AI growth. This comprehensive approach positions us to play a central role in the ongoing transformation of the digital economy.

All of the above allowed us to continue to build upon our strong investment track record within our funds to meet or exceed their target returns.

**Expanding Our Capabilities**

We also strengthened our credit franchise by expanding our investment and fundraising capabilities, as we continued to advance our leadership position across critical sectors, laying the groundwork for long-term value creation.

This time last year, we formally launched our Credit Group, which brought together our long-standing capabilities across the firm with our growing portfolio of credit-focused partner managers. The purpose was to coordinate our credit strategies across asset classes and to accelerate the growth of the business. One year in and we are realizing the significant benefits of this effort.

Credit, excluding the one-time mandate associated with AEL, represented approximately 60% of our capital raised in 2024. Today, we have over $300 billion of assets under management within credit and over 600 dedicated investment professionals. We have combined this scale with capabilities across the Brookfield Ecosystem to source attractive, proprietary and differentiated opportunities. We plan to more than double our platform's size over the next few years, differentiating ourselves through knowledge-sharing and strategically leveraging our global scale.

This year, we significantly expanded and scaled our investment-grade credit to support our insurance solutions capabilities. Not only has this enabled us to support the growth of Brookfield Wealth Solutions, but it has also opened up the opportunity to provide similar services to other third-party insurers – a very large market. Notably, we executed our first separately managed accounts (SMAs) with insurance clients, delivering custom-tailored credit strategies to meet their specific objectives—a channel we expect to be a major contributor to future capital raising.

We also strengthened our platform through further strategic acquisitions. Castlelake's leadership position in aviation and asset-based credit continues to broaden our credit platform. SVB Capital, with a leading venture franchise, will join our technology manager, Pinegrove Capital, to further expand our technology and growth footprint. Additionally, we increased our ownership of Oaktree from 68% to 73%, who had one of their top fundraising years on the back of strong demand for credit. These investments are expected to contribute an incremental $70 million of FRE on an annualized basis, adding further scale and diversification to our platform.

**We Paved the Way for Broader Index Inclusion**

Last year, we introduced our plan to position BAM for broader index inclusion. We have since made significant progress by relocating our corporate headquarters to the U.S.—where most of our senior management is based—and which represents our largest employee base, as well as the majority of our revenues and assets under management. As we have previously noted, we also expect the Board's composition will increasingly reflect our U.S. focus.

Most recently, we completed the acquisition of 100% of our asset management business after shareholders widely endorsed our initiative to exchange Brookfield Corporation's 73% private ownership in our asset management business for an equivalent interest in public shares of BAM. This transaction simplified our corporate structure, enhanced governance, and enabled the full value of our asset management business—approaching $100 billion—to now be reflected in BAM's market capitalization.

Beginning with our 2024 annual report, to be released in the coming weeks, we will file our financial reports in-line with those filed by other U.S. domestic issuers. Taken together, these initiatives set the stage for broader index inclusion, diversifying our shareholder base and enabling us to tap deeper pools of public capital.

## All signs point to a strong 2025

Our success over the past year positions us well for an even better 2025. The past few years have been the strongest ever for our asset management business and we have been pleased with our ability to deliver consistent performance and strong growth. The quarter-to-quarter acceleration we saw throughout 2024, particularly in the back half of the year, is expected to continue, driven by our flagship and complementary funds and credit activity. As we look ahead, we see a uniquely strong environment that should enable us to continue to deliver strong performance across fundraising, deployment, and monetization.

**Fundraising**

Fundraising should continue to accelerate going forward. Our flagship funds currently in the market—the fifth vintage of our real estate flagship fund and the second vintage of our global transition flagship fund—are slated for final closes in the first half of 2025. The twelfth vintage of our opportunistic credit flagship fund held its final close in January, at a strategy size of $16 billion. This latest round of flagship fundraising has already collectively outraised the prior round by over 15% and we expect to launch additional flagship strategies in 2025. Our strong flagship franchises form the bedrock upon which we have built additional complementary strategies, and next year's fundraising in these complementary offerings should reach an all-time high for our business. Lastly, the conversations we are having with clients to customize broad offerings for them enable us to increasingly set ourselves apart from most others.

Within credit, we are actively fundraising for the fourth vintage of our infrastructure debt fund and seventh vintage of our real estate debt fund. The continued build-out of other credit strategies, including with our partner managers Oaktree, Castlelake, LCM, 17Capital and Primary Wave will bring additional capital directed into more diversified credit products. And within our insurance fundraising channel, Brookfield Wealth Solutions is now at scale and on track to originate in excess of $25 billion of retail annuities and pension risk transfer transactions annually.

Across our complementary strategies, we are fundraising for a number of new equity products. This includes our emerging market transition fund, our financial infrastructure fund, and our Middle East private equity strategy. We expect to close shortly our first infrastructure structured solutions fund, which focuses on structured equity and minority control investments in partnership with sponsors, developers, and corporates in the middle market. We are also fundraising for our complementary franchises that have established foundations, such as the second vintage of our private equity special investments fund.

Finally, our private wealth channel, which has had steady progress over the past few years, should continue to scale in 2025. We have a strong foundation with more than 150 dedicated full-time employees. Our internal research indicates that financial advisors are more open than ever before to learn about alternative products, which gives us the confidence for accelerated growth from our private wealth channel over the next couple of years.

**Capital Deployment and Monetization**

Historically, an environment that offers compelling valuations for buying assets is not ideal for selling. However, we now see conditions that are favorable for both capital deployment and monetization, allowing us to acquire high-quality assets at attractive prices while also realizing strong values for our mature investments. In our infrastructure and renewable power and transition platforms, there is vast demand for investment—trillions of dollars over the coming years—to deliver data centers, telecom towers, fiber, semiconductor manufacturing, automation, and renewable power. Our global reach and operational expertise in these areas yield a healthy pipeline of investment opportunities. In parallel, many investors remain eager for exposure to high-quality, long-lived assets with dependable cash flows, fueling demand for de-risked assets from our earlier vintage funds.

In real estate and private equity, fundamentals remain solid and sentiment is rapidly improving. Occupancy rates are healthy across most sectors, new supply has been limited in recent years and cash flows for quality properties have never been higher. Meanwhile, the record levels of refinancing activity in 2020 and 2021 have led to a number of borrowers who need solutions to their financing in 2025 and 2026, creating opportunities to lend to or acquire strong assets which are over-financed. Simultaneously, we are ready to monetize a number of investments where we have created value through our operating expertise. We believe 2025 will be a good year to pursue some of these capital recycling initiatives on favorable terms.

The current capital markets environment is increasingly robust and liquid for high-quality businesses, enhancing our ability to monetize assets and return capital for distributions. Since the start of the year, we completed a $5 billion upfinancing of Clarios, our U.S. based car battery maker, which supported a $4.5 billion distribution to Brookfield and our partners (we initially invested $3.0 billion of equity to acquire the business). While the scale of such a transaction is significant, pricing was broadly in-line with previously issued debt and the offering was multiple times over-subscribed. Similarly, we recently executed a $6.1 billion refinancing of our Intel investment, terming out the maturities far ahead of schedule and at much tighter rates than underwriting. While these examples are both specific and recent, we are seeing broad-based support for the financing of our high-quality portfolio, demonstrated by the more than $130 billion of financings we completed in 2024.

## Closing

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

Thank you for your interest in Brookfield, and please do not hesitate to contact any of us should you have suggestions, questions, comments, or ideas you wish to share.

Sincerely,

Bruce Flatt
Chief Executive Officer
February 12, 2025

Connor Teskey
President

Note: Please review the "Cautionary Statement Regarding Forward-Looking Statements and Information" in our 2023 Annual Report, available at https://bam.brookfield.com/reports-filings, for important disclosures that must be read in conjunction with this letter.