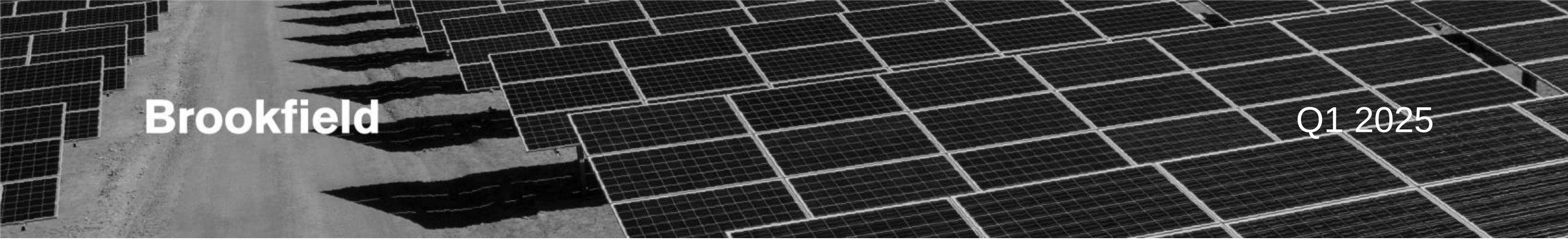


# Brookfield Asset Management Letter to Shareholders

## Overview

We had a strong start to the year, marking our highest quarterly earnings growth since we went public as a standalone business. Despite recent market volatility, our long-term growth outlook is strong. The secular trends that underpin our strategy continue to accelerate, including rising demand for AI infrastructure, surging global electricity needs, and the growing role of private credit. Brookfield has a leadership position in these areas and deep competitive advantages, built on our long-standing expertise and the capabilities we have added to the firm in recent years.

This positioning continues to translate into strong performance. We raised $25 billion of capital in the quarter, bringing inflows to more than $140 billion over the past year. This reflects a growing client demand for our strategies and the reach of our globally diversified fundraising platform. Notably, we had success in the quarter raising nearly $6 billion for our flagship real estate strategy, bringing total capital to $16 billion. With final closings from clients in wealth and regional sleeves still ahead, this will be our largest real estate strategy ever.

Fee-bearing capital grew to $549 billion, up 20% over the past year. This contributed to a 26% increase in fee-related earnings (FRE) for the first quarter to a record $698 million, or $0.43 per share, and a 20% increase in distributable earnings (DE) to $654 million, or $0.40 per share.

Our diversified global footprint, with investments and operating professionals in over 30 countries, gives us the flexibility to allocate capital to the best opportunities wherever they may arise. Our franchise is built for environments like today, and we remain focused on delivering strong results for investors and clients.

## The Current Environment Favors Those with Scale, Expertise and Capital

Periods of uncertainty are inevitable. While every cycle is different, they tend to rhyme. The last time market volatility reached current levels was during the onset of COVID. During that period, we stayed focused on our strategy, continued to deploy capital with discipline, and strengthened our market position. Since then, we have raised more than $400 billion and grown fee-related earnings by 90%. That experience underscores a core belief of ours: maintaining the course through disruption enables us to continue compounding value and emerge stronger over time. As Howard Marks wrote in his most recent memo, *Nobody Knows (Yet Again)*, “When unfavorable developments are raining down, that’s often the best time to step up.”

Today, the macro environment is defined by heightened geopolitical uncertainty. Equity markets responded sharply, and our shares were not immune. Stock prices often overreact during periods of uncertainty, and we believe the recent volatility reflects sentiment more than substance. In response and based on the conviction we have in our growth outlook, we repurchased over two million shares during the first quarter.

While the near-term outlook remains uncertain, our long-term strategy is unchanged, and we are well-positioned to navigate this environment. Our cash flows are 100% comprised of fee-related earnings, and approximately 95% of our fee-related revenues are derived from capital that is either long-term or perpetual in nature, providing a stable and predictable foundation for distributable earnings. In addition, our investments are focused on essential assets—power, infrastructure, real estate, and critical business services. These businesses operate domestically and serve local demand, making them less exposed to tariffs and other global trade shocks. Many are also highly contracted or regulated—characteristics that support durable valuations and liquidity, especially when capital is scarce and investors seek defensive positioning. Together with our client relationships, scale, brand, access to capital and track record, these attributes allow us to stay the course through periods of volatility, while continuing to grow and execute our strategy.

## Private Markets Offer More Stability—and the Opportunity to Capitalize on Dislocation

Despite heightened volatility in public markets, private market conditions have remained constructive. Our scale, flexible capital base, and long-term orientation enable us to continue deploying and monetizing significant amounts of capital with discipline.

In times of uncertainty, investors turn to proven global platforms with strong track records, where they have built trusted relationships. That has always been our core strength. A prime example is our results in raising capital for our real estate strategy this quarter. Despite the environment, we secured commitments from many of the world's largest and most sophisticated investors, demonstrating their strong conviction in our strategy and platform, and providing us with substantial fresh capital to invest at an especially attractive point in the cycle.

While parts of the industry may be more directly affected by today's volatility, our diversification across strategies, sectors, and geographies provides us resilience. It also allows us to continue raising and investing capital behind the global secular themes of decarbonization, deglobalization, digitalization, and the growing role of private credit.

In particular, we benefit from distinct advantages in the current environment:

- **Essential assets are resilient through cycles.** Our portfolio is well-positioned to manage the implications of new tariffs. While no one is completely immune to the various effects of these changes, the nature of our investments in essential real assets and critical business services provides meaningful insulation. Most of our assets are local businesses that serve a domestic customer. Further, many of these assets benefit from inflation-linked revenues and tariff adjusters that allow us to pass through rising input costs. This resilience was tested and proven during COVID and the inflationary cycle of 2022 and 2023, when cash flows across many of our assets not only kept pace with inflation but, in many cases, exceeded it.

  We have been discussing the macro trend of deglobalization in recent years; at the same time, across our business, we have proactively diversified parts of our supply chain in anticipation of more protectionist policy shifts. For example, in our renewables business, where tariffs have been in place for several years, we adopted a domestic procurement strategy in the U.S. supported by long-term agreements with local suppliers. These steps provide important cost certainty and, we believe, position us more favorably than most market participants.

- **Our flexible, scale capital is more valuable in times of uncertainty.** Historically, these periods have provided us with some of the best opportunities to deploy capital given our long-term mindset, capital scale and ability to move decisively. With nearly $120 billion of uncalled capital, we are well-positioned and fully intend to capitalize opportunistically on market dislocations. This is both in the public markets, where a pullback in valuations is creating more opportunities to acquire high-quality assets at attractive entry points, and in credit, where private market strategies are playing an even more meaningful role and generating opportunities to provide liquidity when there is less available.

  At the same time, governments, corporates, and institutions are increasingly seeking partners who can deliver not only capital but also operating expertise and execution at scale. These counterparties are turning to us because of our ability to move with speed, offer tailored solutions, be a value-add partner, and offer confidence to ensure transactions close. This dynamic is creating a proprietary and differentiated pipeline of strategic investment opportunities—such as the €20 billion AI infrastructure commitment we announced alongside the French government this quarter, and the recent partnership with Barclays to grow their payment acceptance business.

The Brookfield ecosystem provides our investment teams with access to deep sector expertise, proprietary insights, and global operating capabilities, allowing us to deploy capital quickly and with conviction when others may be constrained. With fundraising now complete for the latest vintage of our highly successful Opportunities strategy, our Oaktree franchise is similarly well-positioned to take advantage with significant capital to deploy in this environment. Periods like this, marked by uncertainty and dislocation, are where Oaktree's disciplined, value-oriented approach is particularly powerful. Throughout every cycle in our history, we have successfully turned volatility into opportunity. We believe this time will be no different.

## Business Group Updates

The first quarter of 2025 was another strong period for capital formation and investment activity across our business. We raised $25 billion of capital during the quarter. We also continued to invest capital into attractive opportunities, deploying $16 billion during the quarter. We generated approximately $10 billion of equity through monetizations, many reflecting the value created by our operational enhancements over recent years. Highlights of our activities across each of our business groups this quarter include:

**Renewable Power & Transition**

- *Fundraising:* We raised $1.5 billion of capital, including $700 million for the second vintage of our flagship global transition strategy, bringing the capital raised to date to over $14 billion. We expect to hold a final close for this flagship in the coming months.
- *Deployment:* We deployed $3.5 billion of capital, including the completion of our privatization of Neoen, a leading, global renewable development business. In addition, we committed $1.2 billion toward the acquisition of the U.S. renewables business of National Grid. The deal is expected to close in the second quarter of 2025.
- *Monetizations:* We monetized over $600 million of equity capital. In addition, we signed an agreement to sell an additional 25% of our ownership in a U.S. wind project for $200 million ($1.8 billion of enterprise value). The sale is expected to close in the second quarter of 2025.

**Infrastructure**

- *Fundraising:* We raised $800 million of capital, including over $500 million raised for our private wealth infrastructure vehicle. Additionally, we held the final close for our inaugural infrastructure structured solutions fund of $300 million, which in total raised approximately $1.0 billion of capital commitments.
- *Deployment:* We deployed approximately $500 million of capital. In addition, subsequent to the end of the quarter, we signed an agreement to acquire the midstream asset portfolio of Colonial Enterprises for $3.4 billion of equity capital ($9.0 billion of enterprise value). The portfolio includes the Colonial Pipeline, the largest refined products pipeline in the U.S. The deal is expected to close in the second half of 2025.
- *Monetizations:* We monetized over $1.0 billion of equity capital, including the sale of two Mexican regulated natural gas transmission pipelines. In addition, we signed an agreement to sell our remaining 25% interest in Natural Gas Pipeline Company of America's U.S. natural gas pipeline for nearly $400 million of equity ($5.6 billion of enterprise value).

**Private Equity**

- *Fundraising:* We raised $1.2 billion of capital, including $300 million in our growth and venture secondaries business.

- *Deployment:* We deployed $1.1 billion of capital, including the acquisition of Chemelex, a global leader in the design and manufacturing of electric heat trace systems. In addition, we committed $800 million toward the acquisition of Antylia Scientific, a leading manufacturer and distributor of specialty consumable products and testing equipment used in quality control and research applications. The deal is expected to close in the second quarter of 2025.

**Real Estate**

- *Fundraising:* We raised $7.1 billion of capital, including $5.9 billion for the final institutional close of the fifth vintage of our flagship real estate fund.
- *Deployment:* We deployed $1.8 billion of capital, including into global logistics platforms in North America, Europe and Asia. In addition, we invested over $100 million of equity capital into a portfolio of 3,800 U.S. single-family rental properties.
- *Monetizations:* We monetized $1.2 billion of equity capital, which includes the disposition of select assets related to our acquisition of Tritax, a property firm focused on large-scale logistics assets in Europe, and the sale of PGA National Resort.

**Credit**

- *Fundraising:* We raised $14 billion of capital, including $6.7 billion from insurance accounts. We completed the final close on the twelfth vintage of our opportunistic credit flagship fund, bringing the total capital raised for the strategy to $16 billion—on par with our largest opportunistic credit strategy to date.
- *Deployment:* We deployed $9.2 billion of capital, including $2.3 billion out of our opportunistic credit flagship strategy, and $1.3 billion across our other credit partner managers.
- *Monetizations:* We monetized $6.0 billion, including Castlelake’s sale of over 100 aircraft.

## Robust Liquidity to Drive Growth

Our access to liquidity remains strong. We are a top-tier client for our banks and continue to maintain a diversified mix of funding sources to support growth. This is especially important as we continue to use our strong balance sheet to establish new investment products and pursue strategic M&A that grows our earnings and enhances our capabilities.

Since the spin-off of Brookfield Asset Management, we have announced three new partnerships with leading managers and increased our ownership stake in Oaktree, totaling over $1.4 billion of investment. Looking ahead, we have a compelling opportunity to increase our ownership in these partner managers—excellent businesses that we know well—through existing options we have in place. This increased ownership could add more than $250 million to our fee-related earnings over the next five years.

At the same time, we continue to demonstrate strong alignment with our clients by investing meaningful capital alongside them. Since our spin-out, the Brookfield group has collectively committed $16 billion to our funds, with Brookfield Asset Management’s share focused primarily on seeding smaller, new complementary strategies.

To further support our growth initiatives, we completed our inaugural bond offering in April, bolstering our liquidity position and providing us with additional flexibility to invest further in our business. We issued $750 million of 10-year senior notes and were pleased with the strong institutional demand, which reflects our robust access to the capital markets. In connection with the offering, we received high investment grade credit ratings of “A” from Fitch and “A-“ from S&P, reflecting the strength of our asset-light balance sheet and the durability of our long-term earnings. Pro forma for the offering, we have $2.1 billion of available liquidity, comprising cash, financial assets and capacity on our revolving credit facility. At our current high investment-grade ratings, we have capacity to raise over $4.0 billion of additional debt capital, and that capacity should only go up as our distributable earnings grow. This capacity provides us a significant, low-cost source of capital to fund our growth, either through acquisition or seeding further strategies that will expand our business over time.

## Expanding Partnerships and Enhancing Our Credit Capabilities

Today, we are one of the largest private credit managers globally, with a comprehensive, multi-strategy platform. We have made meaningful progress in expanding our credit platform to meet growing client demand and broadening our ability to originate and manage private credit across strategies and geographies.

We have recently completed several initiatives in this regard, which complement our existing direct investment capabilities:

- We announced an agreement to acquire a majority stake in Angel Oak, a leading origination platform and asset manager delivering innovative mortgage and consumer products with over $18 billion in assets under management. Angel Oak brings deep origination strength, a vertically integrated model, and a decade-long track record in structured residential credit. Angel Oak's platform enhances our capabilities in the fast-growing U.S. mortgage credit market and complements our broader credit offering. We expect to close this transaction over the next few months.

- We increased our ownership interest in Oaktree by 1.5%, bringing our total stake to 74% and reinforcing our long-standing partnership. With fundraising for the latest vintage of our highly successful Opportunities strategy now complete, Oaktree has significant capital to deploy on behalf of clients. Periods of uncertainty and dislocation are where Oaktree's disciplined, value-oriented approach is most powerful.

Each of these actions reflects our broader objective: to build a world-class credit platform capable of delivering scaled, flexible capital solutions across market cycles. With over $320 billion of credit AUM, we are well-positioned to meet growing demand and drive continued expansion.

## 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 | Connor Teskey |
| Chief Executive Officer | President |
| May 6, 2025 | |

Note: Please review the "Cautionary Statement Regarding Forward-Looking Statements" in our 2024 Annual Report, available at *https://bam.brookfield.com/reports-filings*, for important disclosures that must be read in conjunction with this letter.