

## **TRANSCRIPT: Q3 2025 CONFERENCE CALL / WEBCAST**

**November 13, 2025 at 9.00 am (ET)**

### **Corporate Speakers:**

Bruce Flatt, *Chief Executive Officer*

Nick Goodman, *President*

Katie Battaglia, *Vice President, Investor Relations*

## **PRESENTATION**

### **Operator**

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Hello. Welcome to the Brookfield Corporation Third Quarter 2025 Conference Call and Webcast. [Operator Instructions]

I would now like to hand the conference over to your first speaker today Ms. Katie Battaglia, Vice President, Investor Relations. Please go ahead.

### **Katie Battaglia, Vice President**

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Thank you, Operator. And good morning. Welcome to Brookfield Corporation's Third Quarter 2025 Conference Call.

On the call today are Bruce Flatt, our Chief Executive Officer; and Nick Goodman, President of Brookfield Corporation. Bruce will start off by giving a business update; followed by Nick, who will discuss our financial and operating results for the quarter. As a reminder, we completed a three-for-two stock split on October 9, 2025. Accordingly, all per share amounts that are discussed during the conference call are on a post-split basis.

After our formal comments, we'll turn the call over to the operator and take analyst questions. In order to accommodate all those who want to ask questions, we request that you refrain from asking more than two questions.

I would like to remind you that in today's comments including in responding to questions and in discussing new initiatives in our financial and operating performance, we may make forward-looking statements including forward-looking statements within the meaning of applicable Canadian and U.S. securities laws. These statements reflect predictions of future events and trends and do not relate to historic events. They are subject to known and unknown risks, and future events and results may differ materially from such statements. For further information on these risks and their potential impact on our company, please see our filings with the securities regulators in Canada and the U.S. and the information available on our website. In addition, when we speak about our Wealth Solutions business or Brookfield Wealth Solutions, we are referring to Brookfield's investments in this business that supported the acquisition of its underlying operating subsidiaries.

With that, I'll turn the call over to Bruce.

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

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Thank you. And welcome, everyone, on the call.

We delivered another strong quarter of financial results. Distributable earnings before realizations were \$1.3 billion for the quarter, or \$0.56 per share and \$5.4 billion over the last twelve months. That was \$2.27 per share. That was an 18% increase over the same period last year. Our outlook remains strong with each of our underlying businesses continuing to execute their strategic plans, driving strong organic earnings growth.

Turning first to markets. Economic activity and corporate earnings remain healthy. Capital markets are open and transaction activity is picking up across most asset classes. For our business, that backdrop is constructive and highly supportive of real assets. So far this year, we financed \$140 billion of debt across our operations and closed \$75 billion of asset sales at attractive values including over \$35 billion in just the past few months.

At the same time the direction of monetary policy is turning. After an extended period of elevated interest rates, some softness in the labor market has started to prompt policy easing from the Federal Reserve to support growth and maintain balance across the economy. And while the current environment is influencing policy decisions today, it is important to consider the structural forces that shape where policy goes from here.

Over the past 15 years, governments have relied on fiscal stimulus to offset slowdowns, leading to a buildup of public debt that is difficult to sustain in a higher interest rate environment. Policymakers around the world are now evaluating the tools available to stabilize these debt burdens. The most constructive outcome of that and the one that we hope for is faster economic growth that outpaces debt, which can be helped by AI and innovation. Second, austerity is always possible but not too many governments have shown the desire to push that. And third, if growth stays modest, policymakers may instead quietly manage rates below inflation to ease debt burdens, lowering short rates and guiding long rates down. If this path is pursued, it would likely lead to a period of declining real yields and low nominal rates. This environment will provide the optimal conditions for the real assets we invest into.

Our portfolio is built around inflation-linked durable cash flows backed by hard assets that protect real returns. The benefits of real assets are always evident, but in this evolving environment, they are becoming an essential investment product for every portfolio. A suppression of real yields will amplify these benefits and enhance long-term value across the franchise.

Turning to the business. We are entering the final quarter of 2025 with strong momentum and a record almost \$180 billion of deployable capital, positioning our business to invest for value in powerful secular trends that define the next chapter of growth in Brookfield, but also the global economy.

First, AI innovation is fueling unprecedented demand for large-scale infrastructure. Second, aging populations are reshaping global savings and driving demand for new wealth and retirement products, which is going to last for decades. And third, the real estate recovery is well underway. Nick will cover that, and gaining momentum. Each of these trends represent a multi-decade opportunity to invest where our scale and expertise gives us a major advantage.

To that end, we advanced a number of strategic transactions during the quarter. In our Wealth Solutions business, we received shareholder approval for our acquisition of Just Group in the U.K., a region where the growing retirement market is creating significant opportunities for long-term

investment. We also announced a reinsurance agreement with a leading Japanese insurance company, marking our entry into the Japan insurance market, the first of many expected opportunities in the region.

We agreed to acquire the remaining 26% of Oaktree that we don't own already, which will bring our ownership to 100% upon completion of the transaction. From the outset, our partnership with Oaktree has been grounded on shared principles including a value-oriented approach to disciplined investing with a focus on compounding capital over time. Our scale and real asset expertise combined with Oaktree's deep credit experience has created one of the most comprehensive and diversified credit platforms globally.

Third, we continue to partner with leading institutions, corporates and governments around the world, and this is what makes our business different - combining capital expertise and our global reach to capture opportunities for all.

We have several initiatives underway to deliver the next generation of energy transition in AI infrastructure globally, and I'll just mention a few. Through Westinghouse, during the quarter, we partnered with the U.S. government to deliver \$80 billion of nuclear reactors. For context, that is the equivalent of eight large-scale nuclear plants, enough, for example, to power the entire state of Utah. These projects will help rebuild critical supply chains in the U.S., revitalize the domestic nuclear industry and marks an inflection point for the growth of nuclear energy in North America.

With Bloom Energy, we are developing one gigawatt of behind-the-meter power generation from fuel cells to meet the growing demand from AI data centers and other energy-intensive applications and we think this is just the beginning.

And through our strategic partnership with Figure recently announced, a leading developer of humanoid robotics, we are providing access to our portfolio of real assets to create the real-world environments needed to develop, train and deploy this technology safely and effectively. Positioning us, most importantly, at the forefront of one of the most significant technological advances of the coming decades.

Looking ahead, despite our size and scale today our growth potential is greater than it has ever been. Our investment discipline, operating expertise and access to large-scale capital positions us to deliver another strong phase of growth for shareholders in years to come.

As always, thank you for your support.

We appreciate your continued interest in Brookfield and over to Nick.

**Nick Goodman, *President***

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Thank you, Bruce. And good morning, everyone.

We delivered strong financial results for the quarter, supported by continued momentum across our core businesses. Distributable Earnings, or DE, before realizations were \$1.3 billion for the quarter or \$0.56 per share and \$5.4 billion over the last 12 months or \$2.27 per share, representing an 18% increase over the prior year period.

Total DE including realizations was \$1.5 billion or \$0.63 per share for the quarter and \$6 billion or \$2.54 per share over the last 12 months with total net income of \$1.7 billion over the same period.

Starting with our operating performance, each of our businesses continues to perform well. Our Asset Management business generated distributable earnings of \$687 million or \$0.29 per share in the quarter and \$2.7 billion or \$1.14 per share over the last 12 months. Strong fundraising momentum led to \$30 billion of inflows during the quarter and included over \$6 billion from our retail and wealth clients. Fee-related earnings increased by 17% to a record \$754 million as fee-bearing capital grew to \$581 billion.

During the quarter, we held the final institutional close of our second vintage flagship global transition strategy with total commitments of \$20 billion exceeding our target and marking the largest private fund globally dedicated to energy transition. We also launched our seventh vintage flagship private equity fund focused on essential services and industrial businesses and are preparing to launch our inaugural AI infrastructure fund, which together will drive strong fundraising momentum going into 2026.

Finally, jointly with Brookfield Asset Management, we announced the acquisition of the remaining interest in Oaktree, of which \$1.4 billion will be funded by the corporation. The transaction expands our ownership in Oaktree's carried interest fee-related earnings and balance sheet investments and further strengthens our global credit platform. Transaction is expected to close in the first half of 2026, subject to customary closing conditions and regulatory approvals.

Turning to our Wealth Solutions business. We delivered another quarter of strong growth with distributable earnings of \$420 million or \$0.18 per share in the quarter and \$1.7 billion or \$0.70 per share over the last 12 months. This represents organic growth of over 15% year-over-year, supported by strong investment performance, robust underwriting across property and casualty lines and disciplined capital deployment.

During the quarter, we originated \$5 billion of retail and institutional annuities, bringing our total insurance assets to \$139 billion. Importantly, we continue to focus on raising long-duration liabilities with approximately 80% of new retail annuities written during the quarter, having durations of five years or longer. Our investment portfolio generated an average yield of 5.7%, contributing to spread related earnings that were 1.7% above our average cost of funds. As we continue to reposition the portfolio into higher-yielding real asset investments sourced within Brookfield, we are well positioned to sustain strong spread-related earnings. During the quarter, we deployed \$4 billion into Brookfield managed strategies at an average net yield of 9%, which helped support a 15% return on equity, consistent with our long-term target.

We also made meaningful progress internationally, expanding across the fast-growing retirement markets in the U.K. and Japan. In the U.K., we received shareholder approval for the acquisition of Just Group, which remains on track to close in the first half of 2026, subject to customary closing conditions and regulatory approvals. Upon closing, our insurance assets are expected to grow by approximately \$40 billion to \$180 billion.

In Japan, we announced our first reinsurance agreement in the region with a leading Japanese insurance company to reinsure annuity policies on a full basis. These initiatives strengthen our

position in key international markets and position us to capture the growing global demand for retirement solutions.

Our operating businesses continue to deliver growing and resilient cash flows, generating distributable earnings of \$366 million or \$0.15 per share in the quarter and \$1.7 billion or \$0.72 per share over the last 12 months. These results underscore the strength of our operating performance and the continued momentum across each of the businesses.

Our infrastructure and renewable power and transition businesses remain at the forefront of secular trends, reshaping global investment opportunities. Recently, we announced new initiatives to advance next-generation power and AI infrastructure, including our partnership with the U.S. government through Westinghouse to deliver \$80 billion of new nuclear plants in the United States.

In our publicly listed private equity business, we announced plans to simplify its structure into a single listed corporate entity aimed at broadening the investor base and improving trading liquidity.

Our real estate business continues to perform well, supported by improving market conditions and strong fundamentals. Leasing activity remains concentrated in high-quality, well-located assets, driving strong operating performance across the portfolio. Our Super core portfolio continues to outperform with 96% occupancy at the end of the quarter and our Core Plus portfolio, which shares similar high-quality characteristics ended the quarter with 95% occupancy. During the quarter, we signed 3 million square feet of office leases with rents on newly signed leases averaging 15% above those expiring. Notably, at Canary Wharf, leasing activity remains very strong with over 450,000 square feet leased year-to-date putting 2025 on track to be its best leasing year in the past decade. The leasing pipeline is also the strongest it has been in years, underscoring the depth of demand for high-quality space and Canary Wharf position as one of the world's leading business destinations.

Turning to monetizations. Market conditions remain highly favorable for high-quality assets and businesses like the ones we own. To date this year, we have had \$75 billion of monetizations across our franchise, including \$22 billion of real estate assets, \$14 billion of infrastructure assets, nearly \$11 billion of renewable assets, \$7 billion from private equity and \$21 billion from credit and other diversified assets.

Two recent highlights to note are as follows:

In our infrastructure business, we completed the IPO of Rockpoint Gas Storage, one of the largest independent natural gas storage operators in North America. The offering was well received and oversubscribed raising CAD\$810 million, the largest IPO on the Toronto Stock Exchange since May 2022. Following the IPO, we have now realized a multiple of capital over 3x for retaining significant ownership interest in the business.

And in our real estate business, we advanced the sale of the remaining assets in our U.S. manufactured housing portfolio for \$2.5 billion, resulting in a total investment IRR of 25% and a 3.5x multiple on invested capital.

Substantially all sales completed this year were at or above carrying values and have crystallized significant value for our clients at attractive returns. Through these monetizations, we realized \$154 million of carried interest into income during this quarter. Importantly, because our earnings recognition follows European waterfall model, where carried interest is recognized only after we have returned a fund's invested capital and achieved the preferred return. A number of the realizations have advanced our mature funds closer to that carried interest realization.

Shifting to capital allocation. During the quarter, we reinvested excess cash flow back into the business and returned \$180 million to shareholders through regular dividends and share buybacks. To date this year, we have repurchased over \$950 million of shares in the open market at a roughly 50% discount to our view of intrinsic value.

Moving on to our balance sheet and liquidity.

We continue to maintain a conservatively capitalized balance sheet and high levels of liquidity with record deployable capital of \$178 billion at the end of the quarter. We also maintained strong access to the capital markets, executing \$140 billion of financings so far this year including the issuance of \$650 million of 10-year senior notes at the Corporation during the quarter.

Other notable financings include the successful refinancing of a \$1.9 billion five-year loan at a luxury resort in the Bahamas and two five-year CMBS issuances at New York trophy office buildings each over \$1.25 billion, reinforcing that capital continues to flow to high-quality assets at attractive returns.

Bringing it all together, our financial results continue to be very strong, and we expect continued growth in our results over the remainder of the year and into 2026.

I am pleased to confirm that our Board of Directors has declared a quarterly dividend of \$0.06 per share, payable at the end of December to shareholders of record at the close of business on December 16, 2025. On a post-split basis, the quarterly dividend is consistent with the previous quarter's dividend. Thank you for your time and I will now hand the call back to the operator for questions.

Operator?

## QUESTIONS AND ANSWERS

### Operator

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(Operator Instructions) Our first question comes from Michael Cyprys with Morgan Stanley.

### Michael Cyprys, Analyst, Morgan Stanley

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If we think about the pillars of your success over the years, I think it's been your ability to adapt the business and innovate in recent years. You've added Wealth Solutions, continue to grow that. But recently, you've made some partnerships around AI, humanoid, partnership with Figure as one example. So I was hoping you could talk about how you see humanoid and AI broadly potentially creating another leg of the stool for Brookfield over time.

I remember at your Investor Day, I think embedded in your 2030 DE guide, was about \$2.6 billion of DE from capital allocation. Maybe you could help unpack the components there and how you think about other different contributors over time.

**Nick Goodman, *President***

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Good morning, Michael and thanks for the question.

I would break the answer into two parts. I'd say most of the capital deployment and the focus that we have today is around building the backbone infrastructure to support the build-out of AI. The growing demand, the secular trend of the growth of AI, the need for compute capacity, and also the need for the power to drive that and be able to supply the electricity for the compute capacity is where we are investing most of our time and our dollars right now.

And we have a very unique position around that, given our capability and our global reach and our operating expertise around renewable energy, nuclear and other energy sources and then our data center and AI fund that we're launching soon. So I'd say that that offers great growth potential for the franchise, and we're very well positioned to participate in that and are investing in a disciplined way to drive really, really impressive results so far.

I'd say the second component and the Figure transaction that you talked about. Brookfield Corporation, what we're doing is looking to stay ahead of the curve and deploy capital for the benefit of the rest of the organization and for the benefit of our operations. And what we see with the developments in AI in humanoid robotics, we believe that over time will have a material impact on the way that businesses are run an even broader society.

And so, I think this is about investing as a defensive investment and an opportunity to make money, but to really learn and be at the forefront for the benefit of the broader organization and we would look to do that, I'd say over time we'd look to do that selectively as we see good opportunities to do so. So I don't think of this as necessarily the next leg. I think it's a force and a trend that's driving broad growth across the organization, and we're well positioned to participate in it.

**Michael Cyprys, *Analyst, Morgan Stanley***

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Okay. And then just a follow-up question on Wealth Solutions. Saw you signed the first reinsurance agreement in Japan expanding your global footprint. I was hoping you could talk about that arrangement. How you see that contributing. What's the scope for others in Japan as well as elsewhere around the world? Maybe you could just update us on your global ambitions. Clearly, you have that transaction underway in the U.K.

**Nick Goodman, *President***

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Yes. Thanks. Mike, as you mentioned, we made the transaction – well, we've agreed the transaction in the U.K., and we're working towards closing that transaction in the early part of next year. That's a significant step for us, scaling PRT and giving us access to a long-duration local of low-risk liability -- sorry, long duration pool of low-risk liabilities. And so, we're excited to close that. That really sets us up well in the U.K. market.



We identified Asia and Japan as the next market that we look to grow into and doing that in partnership with local players. This reinsurance, it's a flow agreement. So it's really a transaction that will build over time month-to-month, quarter-to-quarter as we participate in the business that they're writing. So it has the potential to scale and then we also have the potential to partner with other local players. So very much about continued growth in both markets. And those are the two markets we're predominantly focused on outside of North America today.

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**Operator**

One moment for our next question. That will come from the line of Mario Saric with Scotiabank.

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**Mario Saric, Analyst, Scotiabank**

Coming back to the Wealth Solutions business, Nick, I was wondering how long do you think it may take to get to your approximate 200 basis point target net investment yield spread?

And then secondly, how should we think about the evolution of the gross versus net insurance lows? I think in this quarter, the net was about 40% of growth. So just curious on what your thoughts are on those two items.

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**Nick Goodman, President**

Yes. I mean, listen, the 200 basis points is a medium- to long-term target. So it will take time to grow into it. And as you know, as cash comes in, we're very disciplined on the deployment. And we're looking at a sort of barbell approach on deployment sitting in significant short-term liquidity and balancing that with investment into real assets or in credit and equity. So it just takes time for the deployment. But as we work through the plan, we do expect that spread to start to broaden out and work towards it. Importantly, we think about ROE, Mario, as opposed to just spread and the return on equity that we're generating and the capital is compounding at 15%-plus, and that is in line with our long-term targets. We're very happy with the performance there.

On the gross to net flows, it should stabilize out to about a third outflows versus inflows in a quarter as we move forward.

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**Mario Saric, Analyst, Scotiabank**

And then my follow-up, just with respect to the recently announced Oaktree acquisition, has the composition of the \$3 billion purchase price between BAM/BN shares and cash. Has that been settled? And how do you see the transaction impacting the velocity of BN share repurchases going forward, if at all?

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**Nick Goodman, President**

So yes, Mario, we do have the elections finalized. The end result, what I'd say roughly was \$250 million of BN shares elected. The balance will be in cash and almost 100% of the BAM consideration will be in cash. And it will have zero impact on our buyback. We will buy back the 250 million of shares that we issue, but it won't have impact on our broader buyback strategy.

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**Operator**

One moment for our next question, and that will come from the line of Alex Blostein with Goldman Sachs.



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**Alex Blostein, Analyst, Goldman Sachs**

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Just maybe zoning back to trajectory of the insurance business, so really good growth. So the sales are coming through nicely. On the spread, though, and I hear your comment around the ROE. But the spread, I think in annuities was 165 basis points this quarter. So maybe help us think through kind of the near-term dynamics over the last maybe 12 to 24 months on the trajectory of that spread as you kind of start to earn your way back towards the targets.

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**Nick Goodman, President**

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Yes. So first of all Alex, welcome to the call. I know it's your first one. It's great to have you. I'd just say that the spread is right 165, and it's really because we're being disciplined in deployment. And you know the way we think about the business. We run it for the long term. And so, we're being patient in the deployment. We are sourcing very attractive real asset investment opportunities in the credit and equity side, as I just said, and so as we look forward, we do expect it to work its way back up, but we're not running, as you know the business quarter-to-quarter. We're running it long term. So we're going to be patient and wait for the right investment opportunities. And as they come in, you'll start to see that spread widen out. But again what it all comes back to is the ROE. And so we're happy with the performance.

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**Alex Blostein, Analyst, Goldman Sachs**

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Got you. Then for my follow-up, we will just maybe stay with insurance. Can you spend a couple of minutes maybe on how you're progressing towards closing the Just acquisition? I know there's probably a lot of limitations to what you could say publicly. But as you were to sort of frame the spread-related earnings contribution and then strategically, how you think this could accelerate growth of your presence outside the U.S. and PRT markets in U.K. and Europe broadly, which would be helpful to understand what this deal could mean financially for the business over kind of medium term.

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**Nick Goodman, President**

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So I do apologize because we are limited in what we can say and we haven't really talked to date about what the pro forma looks like as we work our way through the regulatory approvals. I would just tell you that we're working through it. We have the shareholder vote. We're working with the regulator. As you know we previously were licensed under Blumont in the U.K., so we have a good relationship with PRI, but we're working through that process. I'd say that Just has got a good track record of issuing PRT on a consistent basis in the U.K., I think in the year before we acquired them about GBP5 billion of origination. So we would expect to, hopefully, be able to continue that and scale it with our capital -- but as for pro formas, it will have to wait until we're further along in the process.

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**Operator**

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Our next question comes from Cheryl Rdbourne with TD Cowen.

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**Cheryl Rdbourne, Analyst, TD Cowen**

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Ever since the framework agreement to build new nuclear capacity in the U.S. was announced, the biggest question we've been getting from clients is, to the extent that Brookfield alongside LPs will invest capital in nuclear project development, what kind of downside protection would

you be seeking? And is that investment likely to occur in a discrete nuclear strategy or in the BGTF strategy?

**Nick Goodman, *President***

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Cherilyn, thanks for the question. So I'd say, first of all, I'd say that it's out it's been bought within Westinghouse. So the transaction that is being done is being done between Westinghouse and the U.S. government and the U.S. government is buying, as the equity investor, \$80 billion of nuclear facilities. Our role within that is to help deliver the facilities and then provide, as you know, the services that we provide, which is the fuel rods, the fuel and then the servicing of the facilities going forward. So the end result will look very much like the Westinghouse business that we have today, which is to service and provide the fuel to the nuclear reactors, and it's really scaling Westinghouse as a global nuclear champion, but it will be done through Westinghouse which is owned by BGTF 1.

**Cherilyn Radbourne, *Analyst, TD Cowen***

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And maybe just extending that to the plans that are being evaluated in South Carolina, maybe you can elaborate on how that might be structured?

**Nick Goodman, *President***

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Yes. So again, we're in a process there, and it's very early days. But what I can tell you is, as we think about the growth in the space, we are focused on downside protection. So anything that we would do in the space where we're looking to get involved in either bringing Westinghouse services or Brookfield Capital and would be structured in a way to provide strong downside protection.

**Operator**

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Our next question comes from Kenneth Worthington with J.P. Morgan.

**Ken Worthington, *Analyst, J.P. Morgan***

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You've talked in the past about 2025 being a transition year for carry. You've talked about the improved outlook going through 2030. Given what continues to look like a better M&A environment and a better realization environment with better valuations. Can you talk about how carry generation is shaping up for 2026? And then maybe wrapping the follow-up in the same question, as we think about realizations, how is the outlook developing for realization on balance sheet versus realization in the Brookfield funds as you think about the intermediate term outlook? I guess I'll be vague like that.

**Nick Goodman, *President***

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Thanks, Ken. So I'll just say that the outlook for carry hasn't changed. So this year, as we said, would be a bit of a bridge year and it's played out in that direction, largely consistent with last year.

With the monetizations that we have in the pipeline, either those that are progressed or that we plan on launching and through the end of this year or into the early part of next year, therefore, which should close in 2026. We do still see the potential for a step up in carried interest in 2026. So that is still continuing to step up in 2026 and then again into '27 and a strong year in '28. So

that's the outlook, the expectation of what we can achieve in the next three years really hasn't changed from what we presented at Investor Day and we're still optimistic and we still believe that it is a very healthy transaction market and the strong capital markets is supporting that activity.

As it relates to the split between the balance sheet and what's being done in the funds. As you know, we operate completely independently of each other. So we continue to advance the monetizations in the funds. It's a globally diversified portfolio of many assets in many geographies, so it has the ability to be a bit nimble around where assets are ready to trade and where the capital is there and the appetite is strong.

On the balance sheet, we're talking about the office and retail assets in the U.S., and I can tell you that the capital markets are stronger now even than when we had our last call when we talked about the strength of the markets. We had very successful financings in the quarter at spreads and all-in rates we couldn't have achieved even a month ago, and that all lends itself very favorably towards increasing transaction activity. We've been able to dispose of a few smaller assets, which don't make a dent in the numbers, but they do show that appetite for acquisition activity is returning. So as that picks up, we expect to see continued activity into next year.

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**Operator**

Our next question comes from the line of Bart Dziarski with RBC Capital Markets.

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**Bart Dziarski, Analyst, RBC**

Just wanted to ask on real estate -so within the LP, the NOI really ticked up this quarter. So 465 million versus, I think last year is about 80 million. So apologies if I missed this in the prepared remarks, but anything to call out there in terms of the drivers of that step up?

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**Nick Goodman, President**

Hi, Bart. Yes. So listen, the performance of the LP portfolio is the running returns that we earn plus it's the disposition gains that we earned. So during the quarter, we benefited from disposition gains from monetizations and that's what's driving the increase, sorry, in the FFO during the quarter.

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**Bart Dziarski, Analyst, RBC**

Okay. Got it. And then just a follow-up on carry. With regards to target carry framework that you have, could you help us kind of understand if there's a pickup will the target carry increase once your Oaktree pickup deal closes? And if so, maybe a rough frame as to how much that could increase.

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**Nick Goodman, President**

So we will own more of Oaktree target carries represents the kind of the annualized carry that's compounding for us, on the carry eligible capital that we manage. So yes, when we do acquire Oaktree, we will have more carry eligible capital, it will pick up, but it won't be material. It won't be a significant adjustment to the numbers that we have today.

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**Operator**

Our next question comes from the line of Sohrab Movahedi with BMO.

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**Sohrab Movahedi, Analyst, BMO**

Okay. I just wanted to go back to the earlier remarks about broadly speaking, the three types of economic environments that could play out. I think Bruce was talking to that. And I understand the implications of those from an investing perspective. Is any one environment of those three better than the others from a fundraising perspective?

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**Nick Goodman, President**

Listen, I think Sohrab, we've been through a pretty severe cycle in just the last five years, and we've experienced a few environments in a very short period of time. I think through all of that, demand for alternatives has stayed strong. I mean, specifically, real asset alternatives and essential service investing.

So I think as it plays out, the ones that we framed for you should still attract strong demand from the clients into the assets that we have. They've proven their durability, they've found their place in investment portfolios and investors now appreciate and like the characteristics of the income and the returns that they generate. And so, I think that irrespective of where we end up demand for real assets will stay strong.

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**Sohrab Movahedi, Analyst, BMO**

Okay. I appreciate that. I just wanted to see if there's a likelihood in a scenario, some of the targets that would have been discussed, let's say at the Investor Day could actually get upgraded.

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**Nick Goodman, President**

Sure. I mean, listen, if you go into the environment of sort of lower nominal yields then I do think real assets have the potential maybe to become even more attractive in that scenario. So maybe it could be an upside. But not to the extent that we've changed our plans today we continue to drive the business and think that the growth outlook is incredibly strong already.

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**Operator**

Our next question comes from the line of Dean Wilkinson with CIBC.

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**Dean Wilkinson, Analyst, CIBC**

Nick, I guess when you look at growth of the business over time do you hit a point where you start to worry about the law of large numbers? I mean the ability for you to put out capital is seeming to exceed the rapid rate that you're growing, BN and BAM and everything together, is there a point where that sort of flattens out? Or do you think that those opportunity sets are going to continue to grow quicker than you can actually grow the underlying business?

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**Nick Goodman, President**

I think it's exactly that. When we look today at the trends going on in the market and the amount of capital that is needed to deliver in the areas of AI infrastructure renewable power we see that being a significant growth. And I think today the scale of the opportunities are significant. I say the quality of the opportunities are probably the best we've ever seen. And so, the ability to earn

returns while deploying large amounts of capital is a great place to be, and I don't think we foresee in the short term any shortage of opportunities to deploy and probably even in the medium and long term.

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**Operator**

Our next question comes from the line of Jaeme Gloyn with National Bank.

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**Jaeme Gloyn, Analyst, National Bank**

Thanks, and sorry, I jumped on late, so I apologize if this was addressed. But in the Wealth Solutions business, just looking at the annuities distributable earnings from annuities stepped down a little bit quarter-over-quarter, year-over-year. Hoping you can kind of talk through a little bit of the moving parts there. And, as well, –it looks like a 10 basis point step down in the yield on investments in that portfolio.

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**Nick Goodman, President**

Yes. I would say there's nothing significant. The year-over-year performance. We continue to drive strong earnings. We may have had some one-off small movements in the portfolio of the earnings but nothing significant. The portfolio continues to perform incredibly well.

The drop-down in the spread, which we touched on briefly earlier, is really just a product of capital coming in inflows coming really being parked in cash until we invest them. And the point I made earlier was that we're being very patient and waiting for the right real asset investment opportunities and getting the right time to put the capital to work and it will come. And as we put that capital to work, you'll start to see the spread increase again back towards long-term targets.

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**Jaeme Gloyn, Analyst, National Bank**

And on the yield – that's just cash, right?

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**Nick Goodman, President**

Yes, that's right.

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**Operator**

That is all the time we have for question and answers today. I would now like to turn the call over to Ms. Katie Battaglia for closing remarks.

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**Katie Battaglia, Vice President**

Thank you, everybody, for joining us today. With that, we'll end the call.

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**Operator**

Thank you. This concludes the conference. Thank you for your participation. You may now disconnect.