LETTER
TO SHAREHOLDERS

OVERVIEW (As of February 8, 2024)

2023 was another excellent year for Brookfield. Following the shortly anticipated completion of our insurance acquisition, we will have raised $143 billion for our asset management business, one of our strongest years of fundraising ever. We also transformed our insurance solutions business into a major wealth provider, and our operating businesses powered resiliently through the economic uncertainty with strong results.

In addition to generating solid financial results, our strong liquidity position and differentiated access to capital enabled us to remain active on the investment front. In total, we invested over $55 billion at excellent values in 2023, and we expect to reap the rewards of these contrarian investments for years to come.

With short-term interest rates expected to follow long rates lower, it looks like 2024 will be a very good year for our overall business. We also expect to be more active on the monetization front as capital markets regain strength in conjunction with the normalization of the economic situation and the stabilization of interest rates. Market participants' confidence in pricing in risk has increased, which has in turn improved the liquidity in the capital markets.

Geopolitics can always lead to heightened volatility, but this seems to have become the new normal. Our view is that owning businesses and assets that form the backbone of the global economy is a safe place to be in all markets. This resilience has been proven over decades, and we do not believe this will change.

Our strong liquidity position and differentiated access to capital enabled us to remain active on the investment front.

2023 HIGHLIGHTS

$4.8B

DISTRIBUTABLE EARNINGS

~$120B

DEPLOYABLE CAPITAL

~$55B

OF CAPITAL DEPLOYMENTS

OPERATING RESULTS WERE STRONG

Each of our businesses delivered strong results and resilient cash flows amidst the above-mentioned environment. These solid returns were underpinned by the high-quality assets and businesses that we own.

Financial Results

Distributable earnings ("DE") before realizations were $4.2 billion or $2.66 per share for the year. This represents an increase of 12% per share over the prior year, after adjusting for the special distribution of 25% of our asset management business that we completed in December 2022. Earnings were supported by strong continued momentum in our asset management business, the scaling of our insurance solutions business, and the resilient performance of our operating businesses. Importantly, each of these businesses has significant embedded growth, leaving us well positioned heading into 2024.

Asset Management – Our asset management business generated $649 million of distributable earnings in the quarter and $2.6 billion for the year. We benefited from strong fundraising across our flagship funds and complementary fund offerings. Against a more challenging fundraising backdrop, our fund strategies continued to resonate with our clients, leading to $93 billion of capital raised which, combined with the approximately $50 billion anticipated upon the closing of American Equity Life ("AEL"), brings the total to $143 billion. Highlights include the close of our largest ever private infrastructure strategy at $30 billion, our largest ever private equity strategy at $12 billion, the largest infrastructure debt fund ever raised globally by a sponsor at over $6 billion and strong initial fundraising for our latest flagship real estate and opportunistic credit funds. Fee-bearing capital ended the year at $457 billion, driving an increase in fee-related earnings of 6% compared to the prior year. Our fundraising outlook remains strong going into 2024, which should contribute to meaningful earnings growth for us.

Insurance Solutions – Our insurance solutions business generated distributable operating earnings of $253 million in the quarter and $740 million for the year. Earnings were supported by the continued growth in our asset base and strong performance in our investment portfolio. We closed the acquisition of Argo Group in the fourth quarter and originated $8 billion of annuity sales during the year, increasing our insurance assets to approximately $60 billion. By leveraging our investment origination platform, we were able to generate an average investment portfolio yield on our insurance assets of 5.5% and maintain a spread of approximately 2% over our average cost of capital. As at the end of 2023, annualized earnings in this business were over $900 million. We expect to close the acquisition of AEL shortly, which will grow our insurance solutions business to over $100 billion of assets and take annualized earnings to $1.3 billion. When combined with our retail wealth solutions platform, we now raise approximately $800 million a month from retail products for high-net-worth and mid-market clients. We remain on track to increase this capital source to $1.5 billion a month in 2024.

Operating Businesses – Our operating businesses delivered resilient cash flows, generating distributable earnings of $400 million in the quarter and $1.5 billion for the year. Cash distributions from our renewable

AS AT AND FOR THE 12 MONTHS ENDED DEC 31 ($US MILLIONS, EXCEPT PER SHARE AMOUNTS)	2019	2020	2021	2022	2023	CAGR
DE before realizations – Per share[1]	$ 1.27	$ 1.51	$ 1.89	$ 2.38	$ 2.66	20%
– Total[1]	1,895	2,330	2,993	3,825	4,223	22%
Distributable Earnings – Per share	1.79	2.74	3.96	3.25	3.03	14%
– Total	2,657	4,220	6,282	5,229	4,806	16%
Gross annual run rate of fees plus target carry	5,781	6,472	7,830	9,535	10,446	16%
Total assets under management	544,896	601,983	688,138	789,489	916,227	14%

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power and transition, infrastructure and private equity businesses were supported by their strong growth in earnings. Our core real estate portfolio continues to outperform the broader market, with same-store net operating income growing by 7% compared to the prior year. Our office portfolio continues to capture tenant demand as we see no let up in a pronounced flight to quality from tenants. We signed over 15 million square feet of leases in the year at average net rents 19% higher than those expiring, and our leasing pipeline remains very robust. Our core retail portfolio is performing above pre-pandemic levels, with tenant sales exceeding $1,150 per square foot and 21% higher than 2019. Our strong relationships and reputation as a responsible borrower mean that our ability to finance and refinance our assets has also remained essentially unaffected by the tighter environment. In fact, all our 2023 debt maturities were successfully refinanced with no material impact on liquidity, and we expect the same to be the case in 2024. We maintain our conviction in our portfolio and are confident that as interest rates come down, we will start to see a tailwind in our real estate business and its earnings.

Monetization Activity

Amidst a more constrained market environment in 2023, we continued to see strong demand for the high-quality, cash-generative businesses and assets we own. During the year, we monetized over $30 billion of assets at strong valuations—substantially all transacting at values higher than our IFRS carrying values.

A few highlights of recently closed sales include these:

- Westinghouse at an implied enterprise value of approximately $8 billion, returning a 6x multiple of capital and an IRR of approximately 60% to investors in our private equity fund and Brookfield Business Partners, our listed private equity entity.
- An office asset in Brazil for approximately $300 million, generating an IRR of 17% and a multiple of capital of 3.4x in local currency.
- A landmark mixed-use asset in Paris for approximately $1 billion, and a manufactured housing portfolio in the U.S. for over $300 million.

These sales generated strong returns, and when combined with the sales completed earlier in the year, resulted in $570 million of net realized carried interest being recognized into income in 2023. Accumulated unrealized carried interest stood at $10 billion at year end. The pool of carry-eligible capital grows larger every year as we continue to raise new and larger private funds. These funds will also contribute significant cash flows over time.

Balance Sheet and Liquidity

Our business is differentiated by our conservatively capitalized balance sheet, high levels of liquidity, and continued strong access to the capital markets. These strengths enable us to successfully refinance existing operations and support our continued growth.

We have one of the largest pools of discretionary capital globally, backed by our perpetual capital base of approximately $150 billion comprised of mostly liquid assets, with only a modest amount of long-duration corporate debt at the Corporation of $12 billion. In addition to this, we have significant deployable capital of over $120 billion, which includes approximately $5 billion of core liquidity at the Corporation and $25 billion of cash and short-term financial assets in our insurance solutions business.

In spite of credit conditions being tighter in 2023, we maintained open access to capital and executed on approximately $100 billion of financings across our business. For example, in our real estate business we completed approximately $30 billion of financings across more than 150 individual investments globally. With the tailwind we expect from improving credit markets and lower interest rates, our business is well positioned to deal comfortably with all of its debt maturities and invest confidently over the course of 2024.

This financial strength has also allowed us to continue to allocate capital opportunistically to share repurchases. In 2023, we reinvested excess cash flow back into our businesses and returned $1.1 billion to shareholders through regular dividends and share repurchases, with total share buybacks amounting to more than $600 million. We plan to accelerate our share repurchases and buy a further $1 billion of shares in the open market over the next few months if prices stay reasonable. If fully completed, this will add another $1 billion or $0.75± to each remaining share. We will also consider switching to a tender offer process if those shares are not readily available or if we decide to increase the size of the repurchases.

$1M INVESTED 30 YEARS AGO IS WORTH OVER $140M TODAY

Our stock price was strong in 2023, increasing 29%. As evidence of the returns that can be generated for investors, stock market results are shown in the chart below on a compound return basis over the past 30 years. For reference, $1 million invested 30 years ago in Brookfield Corporation is worth over $140 million today, representing an annualized return of 18%. More importantly, the intrinsic value of the business continues to grow, which should enable us to deliver strong results over the long term. Furthermore, we believe the intrinsic value of a BN share today is significantly above the current share price, which these returns are based on; this offers our shareholders a large margin of safety for investment at this point in time.

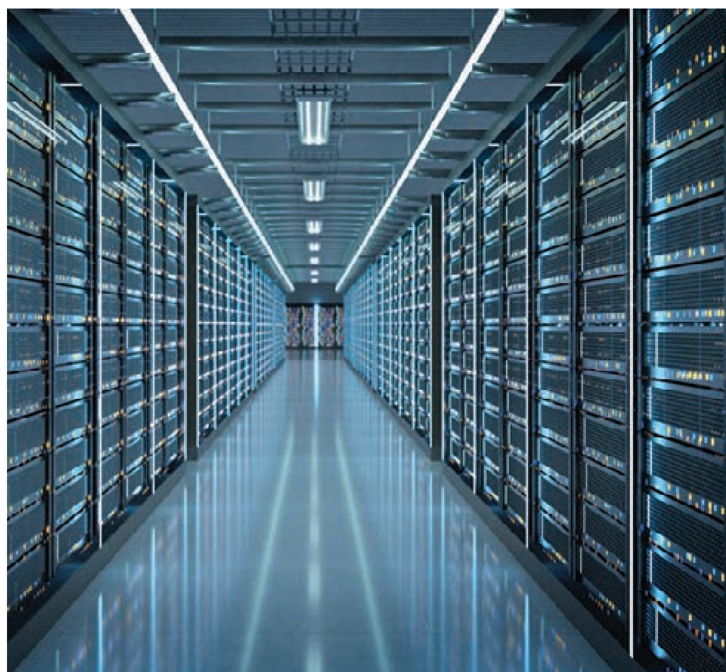
Compound Stock Market Performance of Brookfield Corporation

YEARS	Value of $1 Million Invested in BN	BN NYSE	S&P 500	10-Year U.S. Treasuries
1	$ 1,300,000	29%	27%	4%
5	2,100,000	16%	16%	–%
10	3,500,000	13%	12%	2%
20	22,300,000	17%	10%	3%
30	143,300,000	18%	10%	3%

The above table is based on the stock price of Brookfield, not the value. As a reminder, Price is a function of supply and demand for the quoted shares at any point in time, which is often influenced by news of the day/month/year. This has always been true but is even more so today with the information overload we are all subject to. Value, on the other hand, is the net present value of future cash flows based on assumptions for growth of a business discounted back to the present at an appropriate risk-adjusted interest rate. The Price of a publicly traded security is rarely the same as the Value; sometimes it is lower and sometimes it is higher.

As investors in Brookfield, we encourage you to focus first and foremost on the Value of the business and the compounding of the returns of the business, rather than our share price. We understand that as a shareholder (and not being in the business day-to-day), you may not intuitively focus on the fact that you are a part owner of each of our assets and operations.

However, it is worth remembering that the daily movement in the quoted Price of our business is irrelevant to our operations, and a discount to Value ironically presents an excellent opportunity to add further value, without much work, to an asset-and cash-rich company like ours. By repurchasing shares at discounts to their true Value versus the Price, we add further Value to the company. Keep at this for a long period of time and the miracle of compounding takes care of the rest.



As opposed to Price, what we do have control over is Value—and as you know, we publish our view of Value regularly. Looking back over the last 20 years, the Value of our business has grown at a compound annualized return of 23%. A holder of one share started with a split-adjusted share valued at $2.53, today has Value of $82.29. Assuming each shareholder kept the distributions and registered them for dividend reinvestment plans, a shareholder has also received $62.33 of distributions of cash and securities before tax (with many of the distributions provided on a tax-free basis) over that time. The total Value received over the 20 years is $144.62 or a 57 times return on capital. This is the miracle of compounding.

Value and Distributions Per Share as at and for the year ended December 31

Year	Value[2]	Cumulative Distributions Received[3]	Total Value	Year	Value[2]	Cumulative Distributions Received[3]	Total Value
2004	**$ 2.53**	$ 0.14	$ 2.67	**2014**	$ 21.14	$ 11.93	$ 33.07
2005	3.30	0.34	3.64	**2015**	22.81	11.94	34.75
2006	3.93	0.69	4.62	**2016**	27.98	15.17	43.15
2007	4.83	1.81	6.64	**2017**	34.41	20.85	55.26
2008	8.83	1.31	10.14	**2018**	39.51	18.49	58.00
2009	13.05	2.33	15.38	**2019**	56.73	27.66	84.39
2010	16.64	3.73	20.37	**2020**	65.90	31.67	97.57
2011	18.22	3.96	22.18	**2021**	75.65	50.48	126.13
2012	19.97	5.62	25.59	**2022**	69.00	48.07	117.07
2013	20.08	9.25	29.33	**2023**	**82.29**	62.33	**144.62**

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TWO MARKET PERSPECTIVES THAT CO-EXIST

Short-term interest rates have crested on a global basis, and if the bond markets are to be believed, it appears that 2024 will see the beginning of a reduction of short-term rates. In the recent period of rate increases, high-quality assets and strong sponsors have maintained access to capital when it was not that easy for some to procure. As an example of this, we financed approximately $100 billion of assets and businesses in 2023. This is largely due to the quality of our assets, the low level of leverage we utilize, and the sponsorship support we provide. In this next phase for rates, access to capital for high-quality borrowers, assets and sponsors should only increase.

At the same time, for higher-leverage borrowers and those without a strong reputation, debt access has been—and will continue to be—constrained.

The situation is most acute for borrowers who had floating rate debt, those with assets that were highly leveraged, or cases where a company was financed based on the belief that the business was going to grow into its cash flows at very high rates of return.

This environment provides exceptional opportunities for our lending businesses, both on the performing credit front and in opportunistic credit. We are seeing an increasing need for gap capital, and growing demand amongst borrowers for direct loans. In the next few years as loans come due, the demand for this capital should only grow. This opportunity exists because many loans over the past five years were written without covenants, so the loan maturity becomes the trigger point for default by the borrower.

Sponsors that are over-leveraged or businesses that are not generating cash flow to cover interest costs will provide alternative lending opportunities.

The deployment potential, therefore, is significant for both our Brookfield infrastructure and real estate credit products, our new SocGen-Brookfield Senior loan fund, our Oaktree opportunistic fund and the Oaktree direct lending funds. In addition, there are substantial opportunities in our control-oriented private equity style funds and our hybrid funds for private equity, infrastructure, transition and real estate that will make these vintages of funds exceptional. This is largely the case because many would-be competitors do not have our access to equity to invest, debt to finance the assets, or both.

In summary, there are two perspectives on the markets that co-exist. The dividing line for us is often with regard to quality; there are assets which we will not buy or finance almost at any price, irrespective of capital structure or advertised return profile. On the other hand, there are presently many good assets and businesses that do not have access to debt or equity due to excess leverage, absence of strong sponsorship, or growth plans that are not fully funded. Many of these latter investment opportunities are potentially compelling, and we plan to provide strategic capital to companies that are underpinned by extremely high-quality assets, underlying businesses and cash flow, while earning strong returns.

THE BACKBONE OF THE GLOBAL ECONOMY IS ALWAYS EVOLVING

Our organization is built around building and operating the backbone of the global economy. We have found that it is possible to earn good returns in this area with moderate risk. By doing that for decades, the results can compound to very meaningful wealth. When a business can do so over long periods of time, it will be a success. Despite our having stuck with the same strategy for a very long time, it is most interesting to note how the world has evolved over this time, and how we have evolved with it.

Of the more than $900 billion of assets that we manage, nearly half are in sectors that did not exist 20 years ago. The contractual and inflation-protecting nature of these assets is similar, but the types of assets we dedicate our capital to today look different from those of years ago. It is not that we do not invest in many of the assets from the past, but more that the incremental dollars needed to build out capacity are required in new sectors.

In infrastructure, we historically invested in roads, bridges, pipelines, and electrical transmission. Today, our largest investments are in fiber connections for homes and businesses, telecom towers that carry 5G capacity, data centers for storage of cloud data capacity and AI learning, and manufacturing plants for semiconductors that power the devices we use. None of these sectors existed 20 years ago.

In energy, 30 years ago we were building and operating power plants powered by water, natural gas and coal. During the ensuing 20 years, we sold virtually all of our natural gas and coal facilities and focused on developing a renewables business, long before it was fashionable. As wind and then solar became economic, we dedicated vast resources to become one of the largest developers of wind and solar in the world. With the transition of the global economy to net zero over the next 30 years, the scale capital required to complete this shift will be dramatic and we are investing heavily in these new areas. And with exciting new areas on the horizon, our business should continue to evolve—battery technologies are starting to follow cost curves similar to the ones wind and solar followed, and hydrogen could become a real investment asset class.

In real estate, our business made its name on owning the backbone of cities around the world. But increasingly, new sectors are demanding our incremental capital. We are building life sciences properties and lab spaces for global pharma, studios for movie making, and residential and hospitality to provide accommodations for a vast, growing, wealthier population. In addition, the types of office and retail assets that are sought-after are constantly evolving.

Our organization is built around building and operating the backbone of the global economy.

Today, companies seek office premises that foster collaboration, creativity and community among workers, while consumer buying behavior gravitates towards high-end luxury retail. Our premier properties dominate in these areas, and as a result, our space is in high demand.

In private equity, we have always acquired industrial businesses, and we still do. But increasingly, our focus is on areas where population is growing. We are now investing in the new backbone of the financial economy—for example, payment systems and online payment infrastructure. These businesses did not exist 20 years ago. We are increasingly investing around healthcare, as the requirements are so large. Entertainment and gaming are additional industries that will require vast backbone infrastructure.

The backbone of the global economy looks like it will continue to be an excellent place to invest for a very long time. We do, though, need to continuously evolve our focus as the investment required changes over long periods of time. The future looks like it will be greener, more digitally connected, increasingly diversified in sources for goods, and tilted towards the still-emerging markets. Rest assured, we will continue to remain focused on these themes and where we invest. We fully expect that 20 years from now we will still be investing in the backbone of the global economy, but it will likely look very different from what it is today.

WE ARE ALIGNED WITH THE LARGEST AND FASTEST GROWING COMPANIES IN THE WORLD

With the global surge in data demand, mega-cap technology companies have become the world's largest and fastest-growing businesses. Since 2020, the cloud computing segments of these companies have grown by over 30% annually, representing their highest growth segments and generating their highest margins. Demand for cloud computing from digitalization and the adoption of AI enabled tools is incentivizing these companies to continue investing heavily in their capabilities and capacity.

Over the last twelve months, the race to increase computing power has put a spotlight on the explosive growth in demand for computer chips. However, we believe most investors have yet to grasp that there has been an equivalent surge in the need for data centers and for securing an energy source required to power them.

We have significantly expanded our data center operations. Following the Data4 and Compass acquisitions, we now own and operate one of the largest global hyperscale data center platforms. Our operating footprint is across five continents and can give our hyperscale customers, who have global capacity requirements, a highly flexible and

consistent offering in multiple geographies. Our platform includes substantial contracted growth pipelines, as well as the ability to grow through greenfield developments and additional platform acquisitions. Perhaps most uniquely, we have the ability to leverage Brookfield's ecosystem to provide turn-key solutions that include renewable power connectivity.

Major cloud computing firms predominantly operate on clean energy and are rapidly moving towards their goal of 100% clean energy usage. Their consumption has grown by about 50% annually in recent years, making them the largest and fastest growing consumers of green power worldwide. The accelerating global trend of digitalization was already driving a step change in data center and electricity needs, but the power-intensive nature of AI is amplifying energy demand, and access to these forms of digital infrastructure are emerging as a significant bottleneck in the growth of cloud computing. For instance, incorporating AI into standard search processes can require up to five times more computing power.

It is widely estimated that global electricity consumption from data centers will increase to approximately 10% of total electricity demand by 2030 (from approximately 2% today). Combined with growing demands for electricity from the electrification of vehicles and industrials, demand is straining the capacity of the electrical grid. Distributed generation from renewable power sources provide the cheapest and most reliable form of 24/7 electricity production and is the solution to this growing electricity demand.

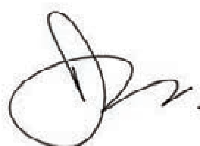
For the better part of a decade, we have been positioning our business to capitalize on these trends. By building a leading global development platform of data center, renewable power and real estate businesses, we are well positioned to meet the exponentially growing needs for this infrastructure for many years to come.

CLOSING

We remain committed to investing capital for you in high-quality assets that earn solid cash returns on equity, while emphasizing downside protection for the capital employed. The primary objective of the company continues to be generating increased cash flows on a per share basis and, as a result, higher intrinsic value per share over the longer term.

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

Sincerely,



Bruce Flatt
Chief Executive Officer

February 8, 2024

1. Distributable earnings before realizations, including per share amounts, for the 12 months ended December 31, 2019 to 2022 were adjusted for the special distribution of 25% of our asset management business on December 9, 2022.
2. This represents management's estimate of the intrinsic value of the business as at December 31 of each year. In certain years where management did not disclose an estimate of intrinsic value, we have presented an estimate based on relevant valuation metrics disclosed at that time or where no disclosure was made, we have presented the book value of shareholder's equity from the annual audited financial statements.
3. This represents cash and special distributions received on a cumulative pre-tax basis, assuming dividend reinvestment in the relevant underlying security.