

# Value Creation

We create value for our shareholders in two ways. First, we participate in the increases in the earnings and value of our Asset Management, Wealth Solutions, and Operating Businesses, which enables us to increase our cash dividends paid to shareholders. Second, we are able to create further value by deploying the substantial free cash flows we retain towards supporting the growth of our three businesses, new strategic opportunities and share repurchases.

## Our capital is deployed across our three businesses



Asset  
Management



Wealth  
Solutions



Operating  
Businesses

Each of our businesses benefit from being a part of the broader Brookfield Ecosystem, leveraging our global presence, deep operating expertise and large-scale, flexible capital to achieve strong returns across market cycles.

## Asset Management

Our **Asset Management business** is a leading global alternative asset manager, with over \$1 trillion of assets under management as at December 31, 2025 across renewable power and transition, infrastructure, private equity, real estate and credit. The business invests client capital for the long term with a focus on real assets and essential service businesses that form the backbone of the global economy. The business draws on our heritage as an owner and operator to invest for value and generate strong returns for clients across economic cycles.

Our clients include some of the world's largest and most sophisticated institutional investors, including sovereign wealth funds, pension plans, endowments, foundations, financial institutions, insurance companies, and individual investors.

Within our Asset Management business, we earn fee revenues on the capital we manage for our clients, carried interest based on fund performance, and returns on the capital that we invest directly into and alongside private funds managed by BAM and other investments.

Our Asset Management business creates value by:

- Increasing fee-bearing capital, which increases our fee revenues and fee-related earnings;
- Maintaining cost discipline as we scale our operations; and
- Achieving attractive investment returns, which enables us to earn performance income (carried interest) and deliver strong returns on our capital.

We value our Asset Management business as the sum of:

- I. The market price of our 73% ownership interest in BAM;
- II. Applying a multiple to annualized carried interest, net;
- III. Our accumulated unrealized carried interest, net; and
- IV. Applicable valuation methods, such as discounted cash flow, on our direct investments.

As at December 31, 2025, the market value of our stake in our Asset Management business was \$61.5 billion<sup>1</sup>. Our asset management activities generate annualized carried interest, net of \$2.7 billion and fee-related earnings of \$3.0 billion, representing fee-related earnings growth of 22% over the prior year. This increase was supported by growth in fee-bearing capital of 12% over the prior year and cost discipline as we scale our operations. Total accumulated unrealized carried interest before direct costs now stands at \$11.6 billion, of which \$9.4 billion is attributable to the Corporation. We expect to realize \$6 billion of carried interest, net of costs, within the next three years.

## Wealth Solutions

Our **Wealth Solutions business**, via our equity accounted investment in Brookfield Wealth Solutions Ltd., is an investment-led insurance organization focused on securing the financial futures of individuals and institutions through a range of retirement services, wealth protection products and tailored capital solutions. Through its operating subsidiaries, BWS offers a broad range of insurance products and services, including annuities, personal and commercial property and casualty insurance, and life insurance. BWS seeks to match its insurance liabilities with a balanced portfolio of high-quality investments in order to generate attractive, risk-adjusted returns.

In our Wealth Solutions business, we create value by:

- Using our globally diversified operating platform to originate low-risk liabilities that deliver a highly competitive risk-adjusted cost of capital to support operations
- Applying a proactive risk management approach to minimize the risk of underwritten liabilities; and
- Leveraging Brookfield's broader investment capabilities to source high-quality investment opportunities across real assets (debt and equity) that are well suited to the underlying insurance liabilities

Our Wealth Solutions business targets a 15% annual return on equity and we value this business based on a 15x multiple of distributable operating earnings, which represents our view of the fair value of the business.

During the year, our Wealth Solutions business' total insurance assets grew to \$143 billion as retail and institutional annuity sales totaled \$20 billion for the year, with 85% of annuities written during the year having a term of five years or longer. We ended the year with \$12.7 billion of IFRS capital, which earns \$1.9 billion of annualized cash flows, supporting a 15% return on equity.

## Operating Businesses

### Renewable Power and Transition, Infrastructure, and Private Equity:

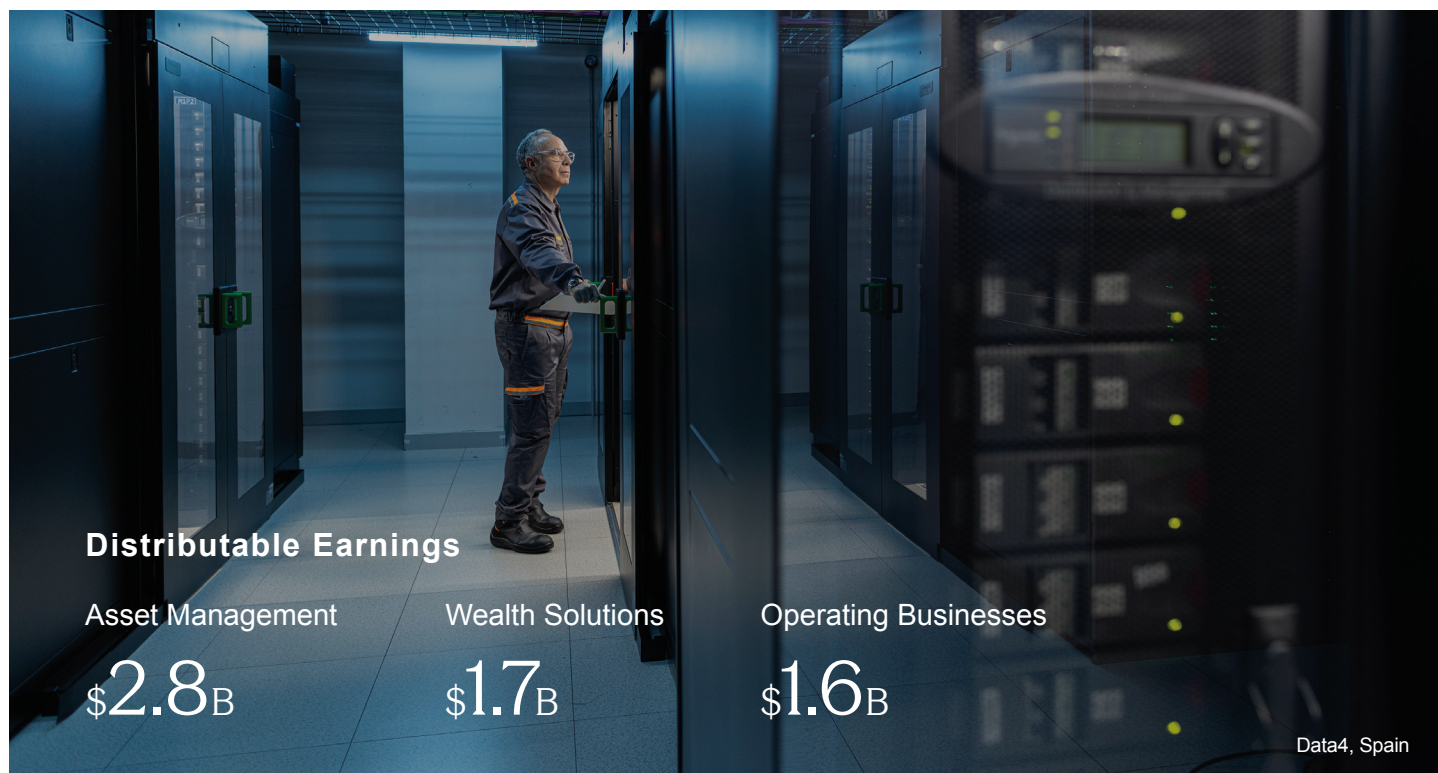
Our investments in renewable power and transition, infrastructure and private equity serve as publicly listed permanent capital vehicles that also act as our primary vehicles for making commitments to the private funds of our asset management business, providing each with a strong pipeline for growth. Each of these businesses share key characteristics of being highly diversified by sector and geography, generating stable and often inflation-linked revenue streams, high cash margins, market leading positions, high barriers to entry and opportunities to invest additional capital to enhance returns, all of which enable us to generate very attractive risk adjusted returns on our capital.

Our **Renewable Power and Transition business** owns diverse and high-quality assets across multiple continents and technologies including hydroelectric, wind, utility-scale solar, and distributed energy and sustainable solutions investments.

Our capital in this business is predominantly held via our 45% ownership interest in Brookfield Renewable Partners (“BEP”) for which we receive quarterly distributions. We also enter into energy contracts, which are our contractual arrangement with BEP to purchase power generated by certain North American hydro assets at a fixed price that is then resold on a contracted or uncontracted basis.

Our **Infrastructure business** is one of the world’s largest infrastructure investors and owns and operates assets across the utilities, transport, midstream, and data sectors. Our capital in this business is held via our 26% ownership interest in Brookfield Infrastructure Partners (“BIP”) for which we receive quarterly distributions.

Our **Private Equity business** focuses on owning and operating high-quality businesses that provide essential products and services, and are resilient through market cycles. Our capital in this business is via our 68% ownership interest in Brookfield Business Partners (“BBU”), 43% being directly held by the Corporation, and for which we receive quarterly distributions.



## Real Estate:

Our **Real Estate business** owns and operates a high quality diversified portfolio that includes office, dominant retail, luxury urban centers, hotels, as well as multi and single-family residential properties in some of the best locations around the world. It has a track record of strong performance over long periods of time and through economic cycles.

Our capital in this business is via our 100% ownership interest in Brookfield Property Group, which invests in an irreplaceable portfolio of premier properties in global gateway cities. We break our real estate into three buckets: Super Core, Core Plus and Value Add/ Opportunistic. We expect to hold a stake in the Super Core properties over the long term as these include premier assets in central locations with growing NOI. The Core Plus portfolio is of a similar quality to Super Core but as these assets are repositioned to enhance value, we expect to monetize them over time. The Value Add and Opportunistic bucket is expected to be monetized over the shorter term. In addition, we operate a leading land development and homebuilding platform (“North American residential”).

## Value of Operating Businesses:

We create value in our operating business by:

- Increasing cash income through organic levers; and
- Recycling the underlying assets

We measure the value created using a combination of market values for our public affiliates (BIP, BEP, BBU), comparable market data for our North American residential business, and fair values as determined under IFRS for the remainder of our real estate business.

Our IFRS capital in our operating businesses was \$34.2 billion as at December 31, 2025, and generated \$1.5 billion of annualized cash flows. The following table provides a breakdown of invested capital in our operating businesses:

AS AT DEC. 31, 2025 (MILLIONS)	QUOTED <sup>2</sup>	IFRS	CASH FLOW <sup>3</sup>
<b>BEP</b>	\$ 8,516	\$ 3,964	\$ 462
<b>BIP</b>	7,317	2,311	356
<b>BBU<sup>4</sup></b>	3,164	1,890	24
<b>BPG</b>	N/A	25,141	630
<b>Energy Contracts</b>	N/A	896	31
<b>Total Operating Businesses</b>	<b>\$</b>	<b>34,202</b>	<b>\$ 1,503</b>

1. BAM quoted value is presented net of a \$1 billion non-recourse loan issued to a large institutional partner in December 2024.
2. Quoted based on December 31, 2025 public pricing.
3. Annualized distributions are calculated by multiplying units held as at December 31, 2025 by the current distribution rates per unit.
4. In the fourth quarter of 2024, our Wealth Solutions business acquired a \$1 billion economic interest in BBU from the Corporation, reducing our capital in our Private Equity business. On a combined basis with our Wealth Solutions business, we hold a 68% ownership interest in BBU, 43% being directly held by the Corporation.