

VALUE CREATION

We create value for our shareholders in two ways. First, we participate in the increases in earnings and value of our Asset Management, Wealth Solutions, and Operating Businesses, which grows our intrinsic value and 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, investing in new strategic opportunities and share buybacks.

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 one of the leading global alternative asset managers, with over \$1 trillion of assets under management as at December 31, 2024 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 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 BAM¹;
- ii. Applying a multiple to target carried interest, net;
- iii. Our accumulated unrealized carried interest, net; and
- iv. Applicable valuation methods on our direct investments.

As at December 31, 2024, the market value of our stake in our asset management business was \$63.7 billion². Our asset management activities generate annualized carried interest, net of \$2.7 billion and fee-related earnings of \$2.5 billion, representing fee-related earnings growth of 17% over the prior year quarter. This increase was primarily due to growth in fee-bearing capital of 18% over the prior year and cost discipline as we scale our operations. Total accumulated unrealized carried interest before direct costs now stands at \$11.5 billion, of which \$10.0 billion is attributable to the Corporation, representing an increase of 13% over the year.

WEALTH SOLUTIONS

Our **wealth solutions business**, via our equity accounted investment in Brookfield Wealth Solutions Ltd. ("BWS"), is 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 portfolio of high-quality investments in order to generate attractive, risk-adjusted returns.

In our wealth solutions business, we create value by:

- Acquiring long-duration and predictable insurance liabilities on a value basis
- Applying a proactive risk management process to minimize the risk of underwritten liabilities through robust underwriting processes, reinsurance, duration matching and liquidity management; and
- Leveraging Brookfield's broader investment capabilities to earn attractive risk-adjusted returns on our insurance assets in excess of the cost of the insurance liabilities we manage

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. As at December 31, 2024, the value of our capital in this business was \$23.4 billion.

During the year, our wealth solutions business' insurance assets grew to over \$120 billion and annualized earnings in this business were \$1.6 billion. Spread earnings on the investment portfolio were 1.8% for the year and are well positioned to grow in the near term as we continue to rotate the investment portfolio.

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 primarily via our 46% 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 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 66% ownership interest in Brookfield Business Partners (“BBU”), 41% being directly held by the Corporation, and for which we receive quarterly distributions.

Real Estate:

Our **real estate business** is a diversified high-quality global real estate portfolio that owns and operates premier office, dominant retail, luxury urban retail and hotels, and multi and single-family residential properties in some of the best locations around the world and has a history of strong performance over long periods of time and through economic cycles.

Our capital in this business is via our 100% ownership stake in Brookfield Property Group (“BPG”), which today consists of an irreplaceable portfolio of premier properties in global gateway cities (“core”) and a portfolio designed to maximize returns through a development or buy-fix-sell strategy (“transitional and development), including our capital invested in our North American residential business.

DISTRIBUTABLE EARNINGS

ASSET MANAGEMENT

\$2.6B

WEALTH SOLUTIONS

\$1.4B

OPERATING BUSINESSES

\$1.6B



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 thereby 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 capital in our operating businesses was \$41.1 billion on a blended basis as at December 31, 2024, 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, 2024 (MILLIONS)	QUOTED ³		IFRS	BLENDED ⁴		CASH FLOW ⁵		
BEP	\$	6,965	\$	3,821	\$	6,965	\$	428
BIP		6,677		2,202		6,677		336
BBU ⁶		2,120		1,879		2,120		22
	\$	15,762		7,902		15,762		786
BPG		N/A		23,085		24,690		730
Energy Contracts		Various		664		664		(28)
Total Operating Businesses			\$	31,651	\$	41,116	\$	1,488

1. In February 2025, the Corporation exchanged its interest in BAM ULC for an interest in BAM Ltd. on a one-for-one basis. Following this transaction, the Corporation holds a 73% ownership interest in BAM Ltd., which in turn holds 100% of our Asset Management business.
2. BAM blended value is presented net of a \$1 billion non-recourse loan issued to a large institutional partner in December 2024.
3. Quoted based on December 31, 2024 public pricing.
4. For performance measurement purposes, we consider the value of invested capital to be the quoted value of listed investments, market pricing using industry comparables for our North American residential business values and IFRS values for unlisted investments.
5. Annualized distributions are calculated by multiplying units held as at December 31, 2024 by the current distribution rates per unit.
6. 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 66% ownership interest in BBU, 41% being directly held by the Corporation.