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TRANSCRIPT: Brookfield Asset Management Inc. 2022 Investor Day
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PRESENTATION

Suzanne Fleming, Brookfield, Managing Partner, Branding and Communications

Good afternoon, everyone and welcome to Brookfield's 2022 Investor Day. Thank you for joining us today, both of those of you in the room and those of you who are watching online.

My name is Suzanne Fleming, and I oversee Communications for Brookfield. As you may know, this year we're doing things a little differently. Today we're going to focus on BAM and then, at the end of the month in Toronto, we'll have a listed affiliates Investor Day.

So today we're going to start off with a macro update by Mark Carney. After that, we'll move on to an update on the overall business from Bruce. That will be followed by updates on our three key pillars of our business: Brookfield Corporation, Insurance Solutions, and the Manager. And as part of the Manager, we'll focus on a couple of spotlights for you today, one is infrastructure, and one is renewable power and transition.

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We'll take questions at the end of the day. And for those of you online, you can just fill in the box on the screen. And for those of you in the room, we'll have a mic roaming around. And if you can just make sure that you get the mic before you ask the questions, that will make sure that people online are able to hear the questions.

And as always, we'd like to remind you that in responding to questions and in talking about new initiatives in our financial and operating performance for the Brookfield companies presenting today, we may make forward-looking statements, including forward-looking statements within the meaning of applicable Canadian and U.S. law. These statements reflect predictions of future events and trends and do not relate to historic events. They're subject to known and unknown risks. And future events may differ materially from such statements.

For further information on these risks and their potential impacts on our companies, please see our filings with the securities regulators in Canada and the U.S., which are available on our website. And with that, I'll hand it over to Mark.

Mark Carney, Brookfield, Vice Chair & Head of Transition

Good afternoon everyone in the room, good morning for some of you online, and good evening for others online. I've got 20 or so minutes to give a macro update. I'll try and preserve a few minutes for questions if I can. Obviously, there's a lot going on in the macro side. The focus of this is to explain a bit of that, but really drive it towards what are the implications for our businesses. And Bruce and others will pick up directly on that.

Now, I want to start with a bit of historical context. Some of you may know, I live in Ottawa. If you know anything about Ottawa, you know that nothing happens in Ottawa. I now have that round in. But the other day, something did happen in Ottawa, which is that the most famous portrait of Winston Churchill was stolen from the Chateau Laurier where it's hung since the early 1940's when it was taken - so it's stolen, a major crime had happened.

And it reminded me that this portrait was taken at a time when that Churchill described as the "hinge of fate," if you've read the volumes of "The Second World War, The Hinge of Fate." This is the turning point in the war. It's the point at which a string of losses just begin - the early days of a series of victories for the allies. Not obvious at the moment or at the time, but ultimately the case.

Now, I'm going to make the argument that we are living through a hinge moment in history. Not as momentous as what Churchill lived through, but a time that has profound implications for inflation, interest rates, investing. And let me expand now.

A big picture context, when you talk about macro, the first thing that comes to mind these days is inflation. And one of the issues in virtually every economy is - inflation isn't just the first thing that comes to mind for a very sophisticated audience, financial professionals or central bankers, or policy makers, or businesspeople, but it's people on the street, people in the shops, students, others. Inflation is front of mind, and that is a huge problem.

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As Alan Greenspan used to say, price stability is when people don't take inflation into account in making their economic decisions. The fancy term for that in economics is rational inattention. Well, it's not rational not to pay attention to inflation, it's essential to pay attention to inflation. And I'd argue that, and we'd argue that it's important to understand the underlying drivers, which are part of the shift in the macro environment because inflation is not just high because of energy prices and other short-term factors, it's broadly based. You see that in core inflation metrics. I could put up trimmed means. I could put up a variety of different approaches to show that underlying inflation is very firm in most industrial economies with the exception of Japan.

Now, we're all aware that there were very tight energy markets prior to the war and ended up with the onset of the Russian invasion. There's a rupture in those energy markets. Very tight correlation, everywhere ex-North America, and straining the budgets of households, of governments, and the carbon budget as well. So this is obviously feeding through into inflation, but it's not the whole story and, in fact, it's not the most important component of the story.

The hinge moments are the reversal of a decades long, really three decade-long, virtually my entire professional career period of steady integration, economic convergence, largely deregulation, reduced financing costs that has gradually been slowing, starting to reverse, and now has decisively come to an end. And I would argue that February 24th, the Russian invasion put an exclamation point on it or said differently puts a bracket on a period of history that began with the fall of the Berlin Wall on November 9, 1989.

What are some of the implications of this? And it's an acceleration of a process. First, this shift from steady integration, globalization to degrees of fragmentation. I wouldn't say it's absolutely reversed, but degrees of fragmentation. We'll get into that.

Secondly, very importantly, there's this decade-long process, not just trade integration - integration of capital markets, free flow of data, largely free flow of critical technology or increasingly free flow of critical technology. And now that integration, those degrees of integration are being weaponized. So, we see financial sanctions as a consequence of the war. We see restrictions on cutting-edge technologies, of cutting-edge elements of the tech stack and, obviously, fragmentation of data as well.

Thirdly, one of the points that is rammed home by recent events is that the energy system, the global energy system we have, is unreliable. It's unaffordable. Anyone in Europe can see that. It's inaccessible. We have almost two billion people who are living in energy poverty, and it's unsustainable. And so, as we'll show a bit, we see an acceleration of the shift from energy insecurity towards sustainability. And then most fundamentally and thematically, there's a broader shift from efficiency towards resilience.

I sort of put this out schematically. The way to think about it is we go through a three-decade-long period where there is a shift towards this sufficient frontier, the efficiency and down that curve, but because of a series of shocks, starting with the financial crisis, there's a greater emphasis on resilience. So, what's the response to the financial crisis? It's to layer on additional capital, additional liquidity at the core of the system so that the banks particularly can withstand big financial shocks. And it works. At least it's

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worked thus far. It's been tested through COVID. It's been tested through the energy crisis, and the core of the system is responding.

But there have been other shocks to health, obviously, with COVID, geopolitical shocks, which will bring a response in terms of higher defense spending, shocks to supply chains partly because of COVID, partly because of weather, and then most recently because of geopolitics leading to geostrategic onshoring. I'll come back to that. And then, of course, climate and addressing the issues with climate change, both the physical risk and the transition risk. That is about building resilience.

The point from a macro perspective, I'll come back to the investment implications of all these, the point from a macro perspective is all of these responses can be thought of as an insurance premia - money spent, they'll be more resilient tomorrow.

Insurance premia, yes, they cost money, right? Sachin, that's one of the better. You invest those premia, but they cost money. And that will be a persistent element of inflationary pressure over the medium-term. So central banks have to change the way they're behaving.

And some of the new realities to bring it together, I've just touched on a bit of the inflationary consequences of this process of deglobalization and the emphasis on resilience. There's also some pretty important changes to labor markets. So, the natural rate of unemployment or the NAIRU, the non-accelerating inflation rate of unemployment, has likely gone up because of scarring in labor markets due to COVID, as well as the acceleration of economic change during the COVID period. Think of the acceleration of digitization across the board.

I'm going to talk in a minute about how the tradeoff between growth and inflation has become more difficult and then as well make this point about where does policy need to be, where does monetary policy need to be, in order to be neutral or as central banks want to, at the moment, to be restrictive. We'd argue that those levels have gone up independent of these other factors.

And then the final point, and this is a critical point, I mentioned in the slide previously, a shift in the way central banks are reacting, the way they're behaving. Full disclosure, for the entire period, virtually the entire period when I was a central bank governor, the biggest risk in advanced economies was the risk of a deflationary liquidity trap. And so central banks were in a position where there was a bias to easing because the risk was we would slip in that way and we'd have debt deflation and a very, very deep recession, if not a depression, coupled with a low level of r-star - that's equilibrium interest rates meant interest rates at rock bottom, and large amounts of quantitative easing.

Now, that has changed. We've come out of the liquidity trap, and the biggest risk for central banks now is that inflation expectations become the anchored - the fact that everyone is thinking about inflation, living through inflation, beginning to wonder how long this is going to go on creates tremendous risk because it means that there's going to be more pain tomorrow to get those inflation expectations back and if tough decisions aren't taken today. So that's a huge shift in terms of the approach of central banks.

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I mentioned, and I think we're familiar with this, that labor markets are exceptionally tight. This is a chart for the U.S., which just shows longer time series from just before the financial crisis of unemployment, which a little more than four percent pre-financial crisis times seemed very good then. It's back below that level now. But critically, what is the case and there's different ways to show this, but the economy is running much hotter today than it was then, even though the pace of economic growth is much less. And you see it in the so-called "job opening rate" or "vacancy rate," which relative to the level of unemployment is at an all-time high.

Now what the Fed is trying to do is to tighten policy and have that vacancy rate come down without the unemployment rate going up because they're conscious that every time the unemployment rate in the United States has gone up by half a percentage point, it's been followed by a recession. Technically, it's 0.38, but roughly half a percentage point.

Monetary policy is a blunt tool. It doesn't target one of those lines. It affects both of those lines. There's never been an adjustment to vacancies of that speed consistent with this. And so, what it feels like in all indicators is that the economy is running too hot. That level of equilibrium unemployment, u^* , has moved up from its level pre-COVID to where it is today. And we can all understand reasons why.

Now, I spent a long time on the slide for little apparent return, but I just wanted to put it up, which is this broader process of globalization and inflation. And what happens with globalization is two things. First, you get a steady degree, we had a steady degree of integration of product markets, think supply chains into China and that is a process that shifts in this tradeoff between whether the economy is running hot, whether we're in excess demand or an excess supply, and the impact on inflation.

But what happens, as well, is the prospect of competition, the prospect of outsourcing later, and further integration flattens that relationship and statistically, this is pretty well-defined. So what that also means and what it meant up until very recently is that monetary policy could take risks on running the economy hot. That's an American term. It is really only tried in the U.S., but the Fed look to reduce not just the aggregate level of unemployment, but the level of unemployment into certain sectors because there wasn't that much risk, it was thought, to inflation.

Unfortunately, they did that at a time that we started a process of de-integration not just short-term shocks from COVID and supply chains, but actually this process of fragmentation trade, technology, and others. The relationship is steepening and running the economy hot, gets you burned.

In addition, what had happened as well is - and this is Larry Summers' secular stagnation or at least one version of it, it might be the right one, which is that we had dynamics where both the degree of investment globally fell by about two percentage points of global GDP over the course of 25 years. Think dematerialization of production, think lower public investment, but also the degree of savings went up higher in part because of the demographics, in part because of higher debt post-financial crisis particularly for households, so they're more sensitive to interest rates.

And last point, it's a little technical, but it's usually important, disaster hedging. There's a huge, huge demand for risk-free assets because of the risk of deflation. And that runs quite substantially from this

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period post the financial crisis. And what's happened since not everything has changed, but enough has changed. So in terms of investment, and I will come to this as I shift into the implications, we think there's an investment boom coming in certain areas, and it's important to focus on those areas.

That investment I talked about earlier that governments are making in resilience is more demand for capital, whether it's defense spending, healthcare, et cetera. And in addition, two of those factors on the savings are shifting. Demographics are the same, to be clear, but the sensitivity of U.S. households in particular to interest rates has gone down. They have a lot of excess savings. They have less floating rate debt. They've locked in most of their mortgages. And we're out of the liquidity trap - that disaster hedging demand is not there anymore, okay.

So what do you need to do? Well, the direction is clear. We need to have higher interest rates importantly in context of history still relatively low, but the point is to have tighter financial conditions. Inflation control requires not just restrictive monetary policy, but financial conditions to portray not just the future path or the short-term path of interest rates, but to widen the risk premium.

We don't yet have big risk premia in the bond market, we don't yet have a term premia to speak of or, prospectively, a higher level of that equilibrium interest rate. We don't have it yet. And it's been the case in equity markets that they have incorporated the discount rate in valuations, but much less until very recently on earnings that would be consistent with higher inflation and slower growth.

Just to put this in context, and this is longer, this goes back to 1970, we see the secular decline in some of the bounce back. The context of the bank of England is measured in centuries, so if we go back 325 years, gilt rates have averaged just under 5% in the U.K., and that's probably the right context to think medium term in terms of where discount rates could go. Okay.

We pretty much know where we're headed - a downturn. These are forward PMIs, so we're just representing forward indicators. We know where we're going, but the timing is uncertain. It's a lot like air travel these days. It's going to take a little longer for a full recession to come into place, but we expect that there will be a further slowdown globally.

But this is not 2008. We do not expect a deep self-sustaining downturn. I mentioned the core of the financial sector being strong, that investment and resilience is worth something. There aren't big imbalances in households, in the corporate sector as well as in the advanced economies. There are some issues in housing, but the core is strong. But a key point is this also isn't 2001. This isn't the post tech, the dot com crash, because back then there were not inflationary pressures. We're at the start, in fact, of a deceleration of this process of integration with the accession of China. And we were really at the start of the secular fall in equilibrium interest rates. We're in a different position where monetary policy has to be restrictive into and through a downturn.

So, just to finish up, a couple words on what does this all mean for investment. We certainly feel this new paradigm, this swing in the hinge will favor operators of high-quality renewables, infrastructure, real estate, and businesses at the backbone of the global economy. Keywords there, operators and high quality because when we look at corporate profits, we see headwinds coming that put a premium on that

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operating expertise, higher financing costs, higher energy costs, higher labor costs because of change in labor markets, investments in supply chain resiliency. All of that adds costs and you need to manage them well.

One of the most interesting developments in terms of the shift towards resiliency is for critical infrastructure, critical manufacturing, building resilient value chains. And this is a huge catalyst, we think, for increased investment, jobs and growth, but very much investment in the advanced economies. It's actually reinforced with the energy transition because when companies are thinking about reorienting their value chains, one of the first questions they have is whether or not that process is going to get their carbon footprint down.

And we'd underscore two things. One, it's more than an anecdote, it's a case study. The partnership with Intel for the construction of a semiconductor facility in Arizona - a major investment. Bruce and others can talk more about that. But underscoring that, that is the first.

European governments, U.S. governments committing over \$100 billion, actually, to back the reshoring of critical semiconductor manufacturing. And they don't have the money to invest beyond that. In fact, that is a general point.

Governments are constrained. What do they have to invest in? They have to invest in health, they have to invest in defense, they have to pay short-term income support, particularly in the U.K. and Europe during the energy crisis. The bill in the U.K. is probably going to top 150 billion pounds, almost eight percentage points of GDP for one year. And they're already constrained, so that means relying on the private sector as this investment super cycle gathers space across data, distribution, transportation assets, and decarbonization.

And as you might have expected, I'm going to finish with decarbonization - make a couple of quick points. First, the transition has been accelerating, whether its countries committed to net zero, emissions covered, companies with net zero plans or financial assets committing to net zero all have gone parabolic. Equally importantly, the response to the Russian invasion has been to accelerate policy around the energy transition - Europe looking to triple the pace of renewable deployment this decade. That means they'll be running at a five times rate by the end of this decade and taking really tangible steps.

And we see this every day. Natalie can speak to it in our business around permitting and other factors to make this happen.

The U.K. doubling down on offshore wind and nuclear, we think is a bright future for nuclear. And, of course, here in the U.S., the Inflation Reduction Act, that's real. We can tell you from our business, that is real in terms of shifting incentives from electric vehicles to carbon capture and storage.

And then the plumbing of the financial market, a series of acronyms, they all matter, but the punch line is that they're mainstreaming the transition to net zero, whether it's across climate disclosure, stress testing, net zero plans. This is about not just getting to green, but more interestingly and almost a bigger impact,

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we would say on the near-term, it's going to where the emissions are, getting capital to get emissions down from high emission assets.

So with that, I said I'd finish with - yes, I have one minute and 45 seconds for questions, so if you make it yes/no. But we think the hinge of history is swinging, and we think we're well-positioned for it.

So if anyone bounces a question in online, but I'd love to take one from the room before I hand over to Bruce. Thanks.

QUESTIONS AND ANSWERS

Unidentified Participant: Where does deglobalization leave Brookfield relative to China?

Mark Carney: It's a very good question. First, it's relevant. It's relevant in certain areas. And, Bruce, you can expand on this if you wish.

There are certain areas that are squarely in the lens of a more charged geopolitical environment for business. So certain elements of the tech stack, explicitly, certain elements of consumer businesses, as well. However, core elements of the business there, infrastructure, for example, continues to build. It's got to be high-quality; it's got to be well-targeted and very much as well with climate in transition, critical supply chain.

A lot of the solutions, and I could say it this way, that the one area where there is still - one of the areas maybe, but the one I'm most familiar with where, there's still deep intensive cooperation geopolitically between the major powers in China is on the net zero transition. So, there's an opportunity set, but you have to be more focused.

Okay. I'm down to eight seconds. Yes, okay, I'll just do in fairness to those online, so people know they can do it for others at the end. The question is, is there a loosening of labor market or prerequisite for getting inflation back to target? The short answer is yes. And to give just some order of magnitude, think in the U.S. of unemployment moving somewhere between, somewhere up towards around 5% to balance inflation and one of the key questions is going to be whether inflation is brought back all the way to target. The Fed and the chair are adamant that that's what they will do, but it's a different environment when, if things really start to shift.

Okay. So, with that, histories swinging and makes history and has the best perspective on the business, Bruce Flatt. I'll hand over to Bruce immediately, and thank you for your attention.

Bruce Flatt, Brookfield, Chief Executive Officer

Good afternoon, everyone. And I would add my thanks to Suzanne and Mark. To everyone that came today and everyone who's online, we're always excited about telling our story every year, so thank you for being here.

I'm going to come up twice today, actually three times. But right now, I'm going to talk just a general overview of what we're planning for the business over the next while. I'm going to make five summary points and then I'll go into a little bit of it. But 25 years ago, we shifted the business towards asset management. Today, there's really three things that are the calling card of what we do every day: scale, flexibility, and our global presence. And when you listen through the day today, please think of those three things because every day that's what we're trying to capitalize on when we're putting money to work for our clients and we're trying to deal with companies that we're helping.

Third point, the buildout, as Mark just mentioned, of infrastructure and the transition to sustainable energy are enormous tailwinds behind our business and for various reasons, we happen to have really large businesses in those areas. We are positioning ourselves and have always done, but increasingly to be a partner of choice for global corporates and for management teams that want to take their business private. And all of these things have an excellent backdrop for the overall business that we have.

So the punch line, throughout the day you'll see a lot of numbers, but I'm just going to give you one, \$198. Five years from now, if we compound at 17%, which our plans sum up to, the underlying value of the business should be \$198. There's a lot of work between now and then, as there always is, and Nick will explain how we've done over the past when we presented these plans.

In the short-term, we had an excellent 2022 so far and it looks like the rest will be pretty good. \$118 billion came in. We have \$110 billion of capital to deploy. We acquired a large insurance business - Sachin will talk about that. Operating cash flows are good and, maybe most importantly, our businesses are cash flow-based, they're positively disposed to inflation, and in the environment that Mark just described, we do well. So that's probably the most important thing to take away.

Now more than ever, if you think of all those things Mark laid out, scale, stability, diversity really matter, and we'll try to touch on some of those in the presentations. The world is experiencing an enormous buildout of global infrastructure.

And Mark talked about it. You'll see some of the numbers of what it is, but it's enormous amounts of capital that is going to get put to work, to reshore things into countries where they weren't before. To rewire energy infrastructure in Europe. To build out decarbonization. It's a massive amount of money.

The transition to sustainable energy on top of all of that is really, really large. And the great thing today is that solar/wind prices are the lowest cost energy in almost every country in the world, and that's dramatically different than five years ago. And take privates in markets where pricing is going up and

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down in volatile environments often offer us opportunity with very little competition, and that advantages our business.

The differentiators that we have spent our time building up are significant. Our global scale, our deep operational expertise, our reputation as a partner, our client relationships, and our large capital base combine to give us a big moat when we're operating every day.

Maybe most importantly, there are a couple of things. We started off operating businesses. We still run an enormous number of the businesses. We've built businesses over the years, and that differentiates our capital every day but also, when we go and talk to management teams, we understand what their issues are, and that does differentiate the franchise.

Our scale, our flexible capital, and the history of partnerships also differentiates us and is bringing us to a new level in the relationships that we're building. We're at an inflection point in the business because, as you know, capital compounds upon itself and when it gets larger, the numbers that increase get exponentially bigger.

Over the past 20 years, our Manager has achieved significant scale. \$750 billion of assets under management, \$400 billion of fee-bearing capital, \$4 billion of fee revenue, but the inflection point exponentially grows now. Our growth will increasingly, therefore, be driven by our three key pillars, which we're going to focus on today, working together to capitalize on this global scale.

The synergies of the three together - Asset Manager, Insurance Solutions, and our Capital - should and will and have made much more than three. Capital separation of the entities, which we are achieving shortly, will give us efficiency of capital structure but because of the way we're doing it, the businesses working together will add to much more.

Our asset manager is more diverse and growing faster than most others. With interest rates low-ish, that will continue to favor the businesses that we're in. Flows to alternatives, we believe, will continue to be strong. We're well-positioned around the drivers of deployment of capital over the next 10 years. We're constantly growing and trying to build further businesses for our clients. And the broader franchise should enable us to pursue a scale that not that many others can do. That should allow us to have \$2 trillion of assets under management in five years and \$1 trillion of fee-bearing capital.

Insurance Solutions is scaling rapidly. From a business that didn't exist for us three years ago, we're building that business significantly, and Sachin will talk about it. But all I'll say is that in addition to the capital we get and the things it can do for us, we are learning how to be better for our insurance clients and create products for them that are designed for their balance sheets. And so, there's a meshing of both assisting our asset manager and building out our insurance solutions business.

We should be able to earn, because of our Manager, greater returns on the capital that we have in our own business, and the flexibility that we have broadly to present solutions to counterparties is increasing. We should be able to grow to a \$400 billion business in insurance and, in the longer-term, possibly much more.

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In our Capital business, we have one of the largest discretionary pools of alternative assets globally, no restrictions. We're only focused on return. Our strategy should compound at a baseline 15%. But in addition to that, we can put our capital work in all of these businesses and baseload the future returns of that business.

With the excess capital, cash and capital, that we generate within the business, which over the just the next five years is just under \$50 billion, we'll continue to support continuity vehicles out of our funds, so it's a natural evolution of the business, help our Manager do scale transactions, which they would not otherwise be able to do, and it gets us new businesses, and patiently wait for the next pillar of opportunity, which, as many of you were with us years ago, we had one, then two, then three, then five, six, and there will be another one someday.

By 2027, that balance sheet should be \$300 billion of permanent equity capital, so \$300 billion, \$400 billion, and \$2 trillion working together should be very powerful. Underpinned, most importantly, by very little capital debt at the top level, a 13% debt to capitalization and many levers to pull for liquidity within the business, which we intend to keep. All of this should drive strong growth, as I mentioned, 17% compound return over time.

I'll end with this slide. The next frontier for us is scale permanent capital, the insurance float, an exceptional asset management business, and our operating businesses all working together to compound at excellent returns over the longer-term.

With that, I'm going to turn it over to Nick Goodman who will talk specifically about what we've called the Corporation.

Nick Goodman, Brookfield, President & CFO

Thank you. Thank you, Bruce, and good afternoon, everyone. And so as Bruce said, I'm going to focus my remarks on Brookfield Corporation sort of pro forma for the separate listing and distribution of the 25% interest in our asset manager, and lay out for you what we have as the vision for the Corporation and the value proposition, and hopefully convince you why we're so excited for the future.

I'll start with a summary and then do a review of the past because I think looking back always sets really important context for the future. We'll then touch on the future and then bring it all together into the combined numbers.

In summary, and we've reiterated this point a few times recently, but when you look back over 20 years, by sticking to our core principles and remaining disciplined in how we have deployed capital, we've been able to deliver really, really strong returns over that period of time to our shareholders - 19% annualized returns over the last 20 years.

And as we look forward, we are absolutely positioning ourselves to be able to deliver similar, if not, better returns. And Bruce touched on this, but the main drivers are, one, continuing to grow and scale the

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existing key pillars and global operating champions that we have today, and they should be able to compound at 15%++ over the long-term and it's about taking that cash flow that we're going to generate over the long-term and the excess capital that we have, and leveraging our global scale and investment capabilities to reinvest that cash and enhance returns.

Let's do a review of the past. Twenty years ago, and we can say this with confidence because recently we dug out the business plan from 20 years ago and worked through it. And it said in the plan it had a singular objective upfront. It was to grow cash flows and compound capital in order to deliver 15%+ returns to our shareholders over time.

Over that time, we have grown our AUM significantly from \$3 billion in 2002 to \$750 billion today. That's a 32% compound annual growth rate over 20 years. And that's reflected in the growth of our distributable earnings, growing by a factor of 12x from less than \$0.5 billion 20 years ago, to touching \$5 billion today.

Now over that period after factoring dividends that were paid, we've generated \$13 billion of excess cash flow that has been reinvested back into the business. By executing on this plan, we've been able to compound the plan value of the business by a 16% compound annual growth rate over 20 years from \$4 a share in 2002 to \$82 to \$94 today.

And when you factor in that growth in plan value, the average dividend yield that we've paid and the benefit of the spin-offs we've executed over time, that's a total compound annual return on an intrinsic value basis of 18%. And it's that growth and that performance that's allowed us to deliver significant outperformance relative to the benchmarks and obviously a very, very strong return for our shareholders.

So, let's look to the future. And as we look forward our objective remains exactly the same. It's to deliver compound annual returns of 15%++ to our shareholders over the long-term. Yet today we're doing that from a base where the franchise is stronger than it's ever been, and our value proposition is better than it's ever been.

With the distribution of the Manager, we believe with some separation or decentralization of management, all businesses will be set to scale significantly and that the Corporation will have further time to focus and enhance our capital allocation and reinvestment. But what is an investment in Brookfield Corporation moving forward? What is the value proposition? And what do you get as a shareholder of the Corporation?

Well, you get a few things. One, you get access to our very, very large-scale perpetual capital base, \$135 to \$150 billion of perpetual capital today that is generating very stable and growing cash flows of \$5 billion. And we're in a very unique position where, with our global investment manager, we have access to an almost unrivaled proprietary pipeline of investment opportunities to redeploy our excess cash and capital.

The other thing that we're very focused on is if you look at the business today and the scale that we've achieved, and I'll spend some time on this, we have grown global operating champions across the business and wherever we're invested and we are very much focused on taking our capital, and repeating that, and finding the next global champion.

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But to achieve our plan, we stick to our playbook. Nothing much changes. We continue to scale our existing three key pillars that Bruce laid out and our global champions. We invest our excess capital for value and it's important, so we repeat it. All of that will be underpinned by a conservatively capitalized balance sheet and significant liquidity.

So, the three key pillars that we'll continue to scale, and we'll will do a deeper dive into asset management, insurance and capital, the asset management business today, as Bruce laid out, is at another inflection point and is facing probably the steepest growth its ever had and has faced our next step change growth.

What's important to highlight here for the Asset Manager is, as we complete the spin and separate listing of the 25% interest, the carried interest that resides in the manager today, the historical carried interest, that will remain with the Corporation. So historical carried interest remains with the Corporation, and the future carried interest will be shared. One-third - and when I say future, that's existing flagship funds and all future funds will be shared - one-third to the Corporation, two-thirds to the Manager. And we're doing this because we believe that it creates a really strong alignment of interest for the business moving forward and fortifies the synergies that we're looking to crystallize over time.

Our Insurance Solutions business, as Sachin will touch on, from a standing start three years ago now has an equity capital value of about \$10 billion and over \$40 billion of assets. And with the economic backdrop that we have today and the access to investment and the operating platform that has been built, we believe the growth prospects for that business are incredibly strong.

And the Capital that we have is \$60 billion. And, as you know, that's invested across our four operating global businesses - our renewable power business, our infrastructure business, our private equity business, and our real estate business.

Now, each of those businesses, not by accident, but by design share all the same key characteristics. And it's really important to focus on these because this underpins the stability of the cash flow that they are able to generate. They are backed by stable, largely contracted and growing revenues. With minimal maintenance Capex in many of these businesses, they are highly, highly cash generative. They have high barriers to entry with market-leading positions wherever they are operating, and they're all very, very long-term or perpetual in nature. Importantly, each of these businesses offers the continuous opportunity to reinvest and redeploy capital so that we can further compound our returns.

And lastly, and we touched on this, and this is a consistent theme, but underlying all of this is operational expertise and excellence. Everything that we look to do from underwriting transactions, to building business plans, to executing business plans is predicated on our operational capability. These businesses today, the four that I just touched on, are currently generating \$2 billion of distributions annually to the Corporation.

And each of them - and if you think about how long they've been in operation in the sectors they are invested in, have delivered excellent returns over a very, very long period of time. And this just shows you

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with our ability to reinvest capital and compound these returns, how powerful that will be over the long-term.

Now, embedded in everything that we do is obviously our ESG principles. I don't think you can achieve the kind of returns that we have achieved and have the success that we've achieved without having ESG principles that are the roots of everything that we do. So, they are very much operationalized within our business. We're now doing more work to elevate our reporting, tracking, monitoring, and reporting our emissions across the business. And we're also making large commitments to the Net Zero Asset Management initiative commitment. We will be producing our first TCFD report for the 2022 year, out in 2023. And we're very much committed to being a leader in this space because we believe it is absolutely critical to our long-term success.

So let's look forward. And as we look forward, this is going to be through the lens of the Corporation. The Corporation is comprised of our capital, 100% of our insurance business, and 75% of the asset management business. Now this page frames for you the growth of the existing businesses that we have today, and I just laid out for you the stable growing profile of that cash flow and what underpins it all. And you can see here from those businesses we can scale our capital, and coming through these numbers is some of that carried interest that remains behind, scale the Asset Manager and scale our Insurance Solutions business, and by executing on these plans, which we have a strong track record of doing, we can compound the distributable earnings for an existing business at 20% a year. And that takes our distributable earnings from \$3.7 billion to over \$9 billion five years from now.

Free cash flow over that period of time for the Corporation should be around \$34 billion. Now, we've laid out for you, I think, in the letter at the turn of the year on the distributions that we plan to pay, Bruce will touch on it, but the Manager will have a payout ratio of around 90% and a great growth profile.

On day one, we plan to kind of keep the distribution whole at \$0.14 a share a quarter divided by the two entities, so the Corporation continues to pay a dividend and it will continue to grow albeit from a lower base.

After the payment of those dividends, that leaves the corporation over the next five years with over \$30 billion of cash flow, just cash flow, no excess capital, but just cash flow to reinvest into new growth opportunities. Stating the obvious but absent those growth opportunities, that capital will be available to return to shareholders.

And what's really important to understand is that's the growth from the base business. But what this business offers in addition to that is being able to leverage the synergies of the overall franchise to significantly enhance our returns. With our 2,000 investment professionals positioned around the world, 180,000 operators, we have access to a very, very unique investment platform that can significantly enhance our growth potential.

With the global reach, we are very fortunate that we can allocate and deploy capital globally where we see scarcity and value through any point in a cycle. And obviously, that is all leveraging the very flexible and large capital base that we have at our disposal. And we believe that when you put this together, it

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offers something incredibly unique and the ability for us to pursue growth that we believe over time and, if we execute properly, very few others can do.

So, what are those kind of unique investment opportunities? Bruce touched on a few at the beginning, but we have the opportunity to take excess cash and we reinvest back into the business. And I just laid out for you the returns that those businesses have delivered. So it's a proven track record on returns, and it's a proven track record on the ability to deploy.

We have the ability to participate in a diversified pool of private funds in our asset management business again, and Bahir will touch on this when he lays out the financials for the Manager, but it's a proven track record in returns, and we know their ability to deploy capital, again, excellent opportunities for outperformance for the Corporation.

We have the ability to sponsor continuity vehicles for funds that are maturing or for certain assets and participate in core investments, something that's very attractive to the clients of our asset management business.

They make large commitments to our private funds, but they always have the desire to put more capital to work and Brookfield as a partner can look to do that in scale to support the asset management business and deliver excellent returns. We'll look to complete scale transactions that don't fit in to any of the funds. As I will touch on, we're always on the lookout for that next global champion and the ability to incubate businesses.

And with the scale of the capital that we have at the Corporation, with our clients in the asset management business, and the investment pipeline that we see, we're always looking for that next mega opportunity to further accelerate growth.

The talking about incubating businesses, as many of you know, we have built many businesses in the past to global scale over many, many years. We have four global operating businesses today that have been built over a very long period of time from nothing at some point, and we've done that through discipline, operational excellence, and, again, underpinning it all with a conservative capitalization.

But if you look across renewable, infrastructure, private equity, and real estate, we have four global champions today. Our asset management business started with nothing 20 years ago, and with our discipline in investing, the capital from the Corporation, and our global investment reach, we have scaled up business to one of the leaders, the global leaders, and one of the largest alternative asset managers today, and Sachin will touch on it but we're doing exactly the same thing today with our insurance business. Again, from a standing start three years ago, it is developing into a global champion with our platform in the U.S. now and looking for further global growth.

But whatever sector this new champion is in, whatever geography, whatever market, the criteria are exactly the same from what we own today. Stable, largely contracted growing revenue, high cash generation, high barriers to entry, long term or perpetual, continuous redeployment opportunity, and the

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ability to enhance returns through operational excellence - all of these will be core to wherever we turn our attention next.

And increasingly, as we've touched on the scale of capital needed for de-globalization, decarbonization, we are seen as a partner of choice, and it's a partner of choice because of the combination of everything I just laid out.

It's the access to scale capital from our asset management business, our own scale capital that we have and the investment platform and operating excellence that we have, we believe we can look to pursue transactions on a scale, again, that are largely unrivaled. And we've put it up on the page just as an illustration of what it could be, but it could be significant and we ensure we will find something of scale over time.

Again, we keep reinforcing this because it is so crucial to everything that we do. All of this is underpinned by the balance sheet, which is very conservatively capitalized, and we have access to record levels of liquidity right now.

So, bringing it all together for you. You'll hear this through the day, but our Manager is poised for its next phase of step change growth. Our insurance business is fast becoming the next global champion.

We're always hunting for the next big idea. And with the \$60 billion of capital, we have substantial cash flow generation every year coming into the business. And it's our ability to take that cash flow and excess capital, recycle it into higher growth opportunities will allow us to outperform our plans and deliver really strong returns to our shareholders over a long period of time.

So, if we achieve our plans, here, we have included the distributable earnings five years from now. I walked you through the bridge from the \$3.7 billion to \$9.3 billion, and again, keep in your mind that this is through the lens of the Corporation pro forma the distribution of the 25% interest of the Asset Manager.

But if we achieve our plans, DE could be further enhanced to approaching \$13 billion, \$12.65 billion five years from now, by taking that excess cash flow, just the excess cash flow, not capital recycling, but just the excess cash flow we generate and reinvesting it into growth.

That's a 28% compound annual growth rate and distributable earnings over five years. On a distributable earnings per share basis, that is growing - that's growing DE per share from \$2.25 a share to \$7.70 a share five years from now.

The Corporation plan value should be approaching \$300 billion five years from now. That factors in the growth of the capital, the growth of the Manager, the growth of the insurance business, and also factoring in the ability to take excess cash and reinvest and compound over time. That's growing from \$120 billion to \$135 billion today to \$257 billion to \$286 billion, to be precise, five years from now. That's a 16% compound annual growth rate over five years.

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Now, on a per share basis, this is a busy slide, I accept, and there's a lot in this bridge. But we're taking share price today grossing up to plan value, backing out the 25% distribution of the Manager to get to pro forma plan value and then growing from there.

You can see the 16% compound annual growth rate plan value to plan value that can be further enhanced by the reinvestment of excess cash and capital. If you look at the total return from market price today to our plan value five years from now, that's a 26% total return over the next five years.

Now, again, this is the lens of the Corporation. But if you hold your shares from the distribution of the Manager because shareholders today will own both, you'll own your share in the Corporation and you'll receive your shares from the distribution. If you retain both, then that total annualized return plan value to plan value is enhanced from 16% to 17%. And it takes the plan value per share of the overall franchise from \$82 to \$94 to \$175 to \$198 a share.

So, in conclusion, plan value of the overall business today is \$82 to \$94 a share, as I just touched on. Over the last 20 years, we have delivered compound annualized returns of 19% over 20 years.

Going forward, it's our absolute focus to deliver similar or higher returns. And we can achieve this in two ways. One, by scaling our existing businesses, which have a proven track record of stable and growing cash flow generation and reinvestment opportunity, and two, taking excess cash flow and capital and reinvesting it, and reinvesting it into things that have a proven pipeline of investment opportunity and also always being on the lookout for the next big idea and the ability to build our next global champion.

If we execute five years from now, the plan value is expected to be in the range of \$175 to \$198 a share. And our conservative balance sheet underpins all of this, and will absolutely be the approach moving forward.

We think all of this when we think about Brookfield Corporation, what Bruce laid out for you and what I've discussed, the scale and the synergies that we have in this business, if we execute properly, we believe the Corporation is a very, very attractive proposition and poised to deliver excellent returns over a long period of time.

So, with that, I welcome you to Brookfield Corporation, proposed symbol BN on New York Stock Exchange and TSX, and we're very excited for the future. And with that, I'm going to hand over to Brian Kingston to give an update on our real estate business.

Brian Kingston, Brookfield, CEO, Real Estate

Thank you. Good afternoon and welcome, everyone. As Nick said, I'm Brian Kingston. I'm the CEO of our Real Estate business. And this afternoon, what I thought I would touch on is a bit of a summary of how the business has been performing over the last year as well as the broader market, touch on the progress in some of our strategic initiatives and then again, look forward to our plans over the coming years.

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So, to start with - in summary, the performance of the business has been excellent over the past year despite what you may read about in the press about the impacts of higher inflation and higher interest rates, and Bruce and Mark briefly touched on this a little bit, but for our business, it actually provides a really unique hedge against inflation because when you own high-quality assets, oftentimes you're able to pass that through in the form of higher rents.

Importantly, and you're going to hear about this with all of our businesses, the scale and the breadth and the size of our business presents us with investment opportunities that aren't generally available to other investors.

It allows us a tremendous amount of financial flexibility to deploy our capital where we see the better returns. And frankly, it allows us to take advantage of what we're seeing right now in markets and in some cases where there's dislocation.

To start with an overview of our real estate business, we have about \$35 billion of capital invested in real estate today - \$15 billion of it is in an irreplaceable core portfolio of assets like the one that we're sitting in today.

\$8 billion is invested in our various real estate private equity funds and a further \$12 billion is invested in a portfolio of shorter-term hold, development and transitional assets. The core assets, the core portfolio provides a stable baseline of growing and stable cash flows as well as value appreciation while our more opportunistic investments drive higher returns.

The core portfolio is roughly split 50-50 between office and retail, but our investments through our real estate funds gives us a broad exposure to a wide range of sectors including multifamily, logistics, hospitality, and a wide variety of geographies, as well. And the other way that this helps diversify our risk is that we're oftentimes investing alongside of our institutional partners which helps invest in larger scale.

Like with all of our businesses, our real estate business is a leader when it comes to ESG. We have a target of zero greenhouse gas emissions in our real estate portfolio by 2050 or sooner. And by 2030, about 50% of our core office business will be completely decarbonized.

Importantly, all of our portfolio companies have a plan to get to net zero and we track over 100 key performance indicators to monitor that. For example, Bay Adelaide Centre in Toronto was able to reduce its greenhouse gas emissions by 68% by using a deepwater cooling system in replacement of traditional air conditioning systems. Canary Wharf in London uses 100% of its electricity from renewable sources, which helped them reduce their greenhouse gas emissions by 49% since 2012.

A 100% of our office in retail assets are rated with one or more environmental certifications and our average score with the global real estate sustainability board rating was 85%, which puts us really best-in-class amongst all of our global peers.

And more than just the E within ESG, we think that it's important for a global real estate business like ours to have strong support for both our communities that we work in as well as our employees.

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Last year, we put \$25 million toward a program to support black and minority-owned businesses within our retail portfolio. And we're always ensuring that our people are operating at the highest standards of health and safety. Last year, we provided over 127,000 hours of training

Again, the scale of our platform and the fact that we have these local operating businesses all over the world, really makes us an ideal partner of choice or landlord of choice for many of the Global 100 and other financial institutions around the world.

Space decisions for these companies are oftentimes made centrally and so, the fact that we have long and deep relationships with them gives them comfort in working with us in other places around the world. For example, we're EY's largest landlord. We have over 5.5 million square feet with them in eight locations in the U.S., Dubai, India, and Australia.

So, stepping back, we've made a significant amount of progress on our strategic initiatives over the past 12 months. So, for those of you who were here last year or were online, we touched on one of those key initiatives was returning some of the incremental capital that we had invested in the privatization of Brookfield Property Partners.

And over the past 12 months, we've completed over \$14 billion of real estate dispositions. Importantly, these were all done at a premium to our carrying value. And after repaying debt, we were able to return \$4 billion of capital to our investment partners and a net \$2 billion to Brookfield.

About half of that \$2 billion came out of our core and transitional portfolios. Earlier this year, we sold a half interest in One Manhattan West, which was a newly completed office tower here in New York, fully leased to EY, the National Hockey League and Skadden Arps.

In Australia, we sold the remaining 50% interest in an office building we owned down there that's leased on a long-term basis to a government tenant. Both of these were done at extremely attractive pricing from our perspective, really just underpinning the interest in these high-quality assets that are located in the best markets.

And importantly, we increased our interest in both of these assets two years ago with the privatization of Brookfield Property Partners at a 25% discount to our carrying values so the returns that we earned on that investment were even higher than what you see here.

The other \$1 billion came from capital that was recycled from our private equity funds. Brookwood Hotels was a portfolio of extended stay hotel assets here in the U.S., which performed exceptionally well during COVID and, in fact, benefited from it, running at 85% occupancy throughout the pandemic as these assets became a replacement for traditional multifamily assets. We were able to sell this portfolio in one transaction at more than three times the original purchase price in a very competitive auction process.

Associated Estates was a publicly-traded multifamily REIT that we privatized at a discount a couple of years ago and had been programmatically selling off asset by asset or, in some cases, small portfolios of

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assets as the rents have gone up and the interest in the sector has really exploded. Importantly, both of these investments were well above our original underwriting.

In addition to all of those, we have several transactions that are currently under negotiation and progressing toward closing that should they complete by the end of the year, we'll repatriate another \$1 billion net proceeds to Brookfield, which really puts us on track to hit our objective of over \$25 billion over the next 10 years.

Some of the proceeds from those asset sales were reinvested into new higher returning strategies, such as life science assets here in the U.S., a portfolio of hospitality assets in Spain, and logistics assets in the U.S., Europe and Asia. All of our investments in these sectors are expected to return 20%+ over the next five years.

So, just touching on real estate as an inflation hedge, I think one of the unique things about it is as we see construction prices going up and we're seeing this increasingly right now, new projects are being pulled back. As construction goes down, availability drops, and so there's less new supply coming into the market, which means rents go up and the value of the existing assets is higher.

In office markets today, we're seeing a tremendous amount of leasing activity over the past 12 months, which may sound counterintuitive or different than what you're reading about in the press.

But it's not uniform across all asset classes. This activity has really been focused on only the best quality assets. And increasingly, what we've seen over the last year has been a large number of tenants relocating out of Class A and Class B assets and taking the opportunity to upgrade to trophy.

However, because of that limited supply that I've mentioned earlier, these tenants are oftentimes chasing the same asset or chasing the same space, which has led to the widest spread between premium office rents and the rest of the market that we've ever witnessed.

In a survey of 2,700 leases completed in 12 U.S. office markets between 2019 and 2022, rents in premium buildings increased 3.5% last year and are up 6.8% year-to-date this year and if you contrast that with Class A and Class B rents, which actually declined over that same period.

One of the key beneficiaries of this flight to quality is our new development here in New York, Manhattan West, which is a 7 million square foot mixed use complex on New York's West side.

The last tower, a 2 million square foot office building, is currently under construction and is slated for completion next year. We've developed it over the past 10 years and when completed will cost about \$7 billion in total to build and will be worth north of \$10 billion, creating over \$3 billion of development profit for Brookfield and our partners.

Leasing has been strong at the complex. For the last 12 months, we've completed over a million square feet of leasing, and if taken, the final tower to 60% leased a year and a half before its final completion.

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We've witnessed a similar phenomenon here at Brookfield Place as well. Over the last 12 months here, we've completed nearly 400,000 square feet of new leases at rents that are in the mid to upper 70s per square foot and for those of you that have followed it, that is an all-time record for Lower Manhattan.

So, increasingly, what we're seeing is these types of assets that provide strong amenities, a mixed-use element to them, the best environmental standards are increasingly in demand and are increasingly in shorter supply as they become more expensive to build, which is great for the assets that we own.

Retail - we're also seeing a return to the mall, a return of the in-person shopper. So, following a period of time during the pandemic, which had stay-at-home orders and forced store closures, e-commerce sales growth peaked in early 2021 and since that time, we've seen that growth come off dramatically.

Physical retail, on the other hand, has picked up as shoppers were able to return to in-person shopping again and where we sit today, retail sales growth in physical bricks and mortar stores is actually growing faster than e-commerce this year.

And so, where we sit is that consumer spending this year is up about 7% over last year, which was an exceptionally high year. And we're currently 31% above where we were pre-pandemic. What that has led to is a record number of new store openings. For the first time in almost five years now, we'll have more new stores opening in the U.S. than closures. And these net new 2,600 stores will require an estimated 23 million square feet of space.

We're seeing this happen in our own portfolio where in the first quarter of this year, we completed almost 8.5 million square feet of new leases, which is well above our pre-pandemic levels.

So, as we touched on a little bit earlier, obviously, inflation has moved from this benign period that we've all been living in really under the last 20 years to dramatically higher. And what we've seen is that our - I had Mark Carney do this slide for me, by the way, what we've seen is that our tenant sales very closely follow that inflation as you would expect. Importantly, for us, many of our retail leases are tied to those sales, and we participate in that uptick in sales through increased percentage rents.

The other advantage that inflation has for our tenants and as sales go up is that their occupancy costs or the percentage of their sales that they're paying in rent has actually declined to a 10-year low, which means there's a lot of scope for us to increase rents in the future.

And we're seeing it for the second quarter of this year, rents were up about 2.5% in our retail portfolio. And for our prime space, which is generally leased to luxury retailers, the increase is even more dramatic as their sales performance is really outperforming the broader market. In that prime space, it's generally about 4% this year.

So, looking forward in the business, not just because Nick told me to, but our capital will earn 15% over the coming years, and it's really through a combination of holding this irreplaceable portfolio of assets, reinvesting proceeds that we're receiving from our funds as those funds return capital and reinvest into new ones and monetizing that portfolio of development projects and shorter-term investments.

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Our core assets generally earn 9% to 12% and have performed very well over the last 20 years. These are iconic, irreplaceable assets that are always providing us with opportunities to invest incremental capital in them to continuously improve them and expand the size of the precincts.

Ala Moana shopping center, for example, in Honolulu, is in the midst of a build out of residential on some of the excess land in one of the most attractive residential markets where land is very difficult to secure. We sit on 24 acres of excess land that can be built out into residential.

Similarly, Canary Wharf is now entering the third phase of its lifecycle, which is heavily focused on residential. We're building condos and rental apartments and it's really turned - with the completion of the Crossrail train line, which connects Canary Wharf much more closely with the rest of the city, it's really turned it into a dynamic seven day a week center.

In fact, the retail footfall within Canary Wharf is now higher on the weekends than it is during the week. And so, these precincts continuously provide us with opportunities to build them out and continue investing capital in them, which allows us to compound at that 9% to 12% return.

In addition to that, we're always creating new precincts as well, including ICD Brookfield Place in Dubai, which was completed last September. As we sit today, it's about 86% leased to high-quality tenants like EY, JPMorgan, UBS, and Apple and with discussions that we currently have underway, we expect to be about 93% occupied by the end of this year. The building has won numerous awards, including being the largest and tallest LEED Platinum building in Europe, the Middle East, and in Africa.

And most importantly, the value of the building is about \$400 million above what it cost us to construct over the last five years, earning us a very attractive yield on it while we're holding it and ultimately, that development profit will be realized.

Our investments in our funds are typically targeting shorter-term business plans with higher returns, and we have an excellent track record in this regard. Since 2006, Brookfield's real estate private funds have earned an average of 25% returns and have repatriated over \$29 billion of capital for our investors and for Brookfield.

And so, this \$8 billion that we currently have invested in these funds is expected to return about \$13 billion to us over the next five years. Some of that will be recycled into future vintages, but the balance is available for us to invest in other real estate opportunities or indeed across all of our platforms.

So, trying to bring all of that together, and this sort of - this is a slide similar to last year, but our \$35 billion of capital that's invested in real estate right now will continue to grow as earnings increase and we compound growth. But our plan is to repatriate a significant amount of that capital through sales of development projects as they're finished, turnaround strategies as those assets are stabilized, and the natural recycling that happens within our fund LP investments.

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Some of that capital will be reinvested into our real estate business and new future investments. But the balance is available for us to invest across all of our platform, including launching new platforms like our reinsurance or a transition fund, or continuing to support our existing platforms.

So, with that, I'm going to turn it over to Sachin to talk about our insurance operations.

Sachin Shah, Brookfield, CEO, Insurance Solutions

Thank you, Brian, and thank you, everyone, for joining us again this afternoon. I'm Sachin Shah. I'm the CEO of our Insurance Solutions business and I'm just going to give you a quick recap of what we've achieved and talk a little bit about where this business is going.

Let's start with where we started about 18 months ago. It was really conceptually thinking that we could be a great partner to insurance companies for a number of reasons, but probably the most important was our strong capital base and our depth of investment expertise that we've built up over multiple decades of investing our own capital and the capital of others.

And really over that time, over that last 12 to 18 months, we've set the foundation for a business that we think we can grow into a very large player in this space over the next decade. First, and maybe starting from the right, we entered into a strategic partnership with American Equity Life, a mono line annuity writer in the U.S., and completed a large reinsurance transaction with them at the same time.

We also started to establish ourselves as a meaningful partner to insurance companies through reinsurance and over the last year and a half, we've completed over a dozen reinsurance transactions in pension, risk, annuity, guaranteed income, and multi-year guarantee type products totaling over \$12 billion of reinsurance.

And lastly and, maybe most importantly in terms of establishing what we're trying to achieve, we acquired a sizable platform in the United States, American National. American National was a company with 100-year history in insurance, writing life annuities, providing property and casualty services in the United States, licensed in all 50 states in New York. And if you think about that company, it was a public company, concentrated shareholding, but really importantly, they were excellent and are excellent at writing products and managing risks, administering claims and the reason the partnership between us and them made natural sense was where they needed help was their investing capabilities. And so, we were able to transact with them, take the company private, and then drive the next stage of growth. All of this is underpinned by approximately \$10 billion of permanent capital that we have standing behind the business today.

So, we have the foundations in place. We have an A-rated balance sheet, it's important, it demonstrates financial strength to our insurance counterparties. As I said, acquiring American National plus the people that we've hired over the last two years, we have over 4,000 insurance professionals now just in the United States - managing claims, administering policies, managing risk, actuaries, pricing. And that really is consistent with all of the businesses that we built at Brookfield where operational capabilities is really important to driving the business forward.

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And you would have heard me talked about this last year, but all of this was happening in the period where interest rates were at historically low levels and even though they are low and highly constructive today, we were really in an unusual rate environment in the last two years where the tenure was trading sub-1%.

And one of the great upsides we have right now is that we were able to accumulate a sizable portion of assets, \$25 billion of the total \$40 billion of assets we have, we acquired in cash and short-dated liquid assets and we made the conscious decision to hold them as such so that we could reinvest them if the market started to turn, if rates start to go up, if inflation started to appear in the system.

And obviously, all of that's happened. You've heard the comments from Mark and Bruce and others. And so, we have not only the foundations in place, but we have tremendous upside, and I'll touch on what that means.

Let's get into a little bit about why the sector is really interesting and why our investment capabilities and our financial strength could really be a value-add in the space. Today, just in the U.S., and my comments are going to be very US-centric for today, but this applies generally to most developed nations around the world.

Today in the U.S., the 55 and over crowd has accumulated almost \$100 trillion of wealth, so very meaningful. It sounds like they're in a great position. But as we know, there is an income inequality, there is concentration of wealth in fewer hands, and therefore this group, although highly wealthy, is not averagely dispersed.

And so, what we're sitting on is a tremendous deficit in terms of retirement dollars needed by the average American. Over 50% of employed people in United States lack an employer-sponsored retirement plan today and the cohort of people, 55 today, it'll be 75 million people by the end of the decade who will be 65 years or older.

So, you can see that the need to plan for retirement, the need for income over a long period of time, and the need to fund long-dated obligations requires the insurance community to provide those products and those solutions, and is all underpinned by investment capabilities and a strong balance sheet.

And obviously, the markets do provide some ability to out earn inflation but as we've seen just in the last six months, \$3 trillion of retirement savings in the United States have been wiped out through market volatility.

On top of all of that, not only are we in a deficit position but you've got rising health care costs, you've got increasing tax rates in most of the Western world and then the specter of inflation. And so, all of that is decaying the savings of the average person who's looking to figure out how they can ultimately fund their retirement years.

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On top of that, corporate pension plans and the obligations sitting inside corporations today totaled \$12 trillion, and that number over the next decade will grow to over \$20 trillion. So, that's the obligation that sits on corporate balance sheets that needs to be properly invested.

And all of this has been driving demand for what I'd call accumulation products in the insurance space and you're seeing, as a result, this real need for investing so that people can buy effectively insurance-wrapped accumulation-type products that pay out over a long period of time.

And I guess, the one option is to buy an NFT in a cartoon monkey, but our view would be that probably the more prudent option would be to look to insurance-wrapped tax-advantaged guaranteed streams of income and therefore for us, the backdrop to all of this is very, very compelling.

So, why us and why does this make a lot of sense for us? I touched on it a little bit but let's start with our investment franchise. You're going to hear about it after me, you've heard about it before my comments.

Obviously, we have many decades of experience investing money for our clients - pension plans, endowment funds, sovereign wealth funds and insurance companies. Almost 200 of our clients today are insurance companies looking for those investment solutions that we provide.

So, it's a really natural fit. We've been, for decades, investing money for those who need to find long-dated obligations and we've built the organization around the world and the investment people around the world and the multiple products to provide that exact service.

Our credit business is formidable today. Our partnership with Oaktree and the history and the track record they have, our liquid and illiquid strategies that are really adjacent to our core businesses in real estate and renewables and infrastructure and private equity, all of these things are today already servicing the insurance community and we have over 270 credit experts in the business.

I touched on this last year, but just today in the business, we generate over \$50 billion of real estate and infrastructure credit opportunities just inside the Brookfield ecosystem. And all of that is highly applicable to insurance pools of capital. Much of it actually gets sold off into the insurance community, and today, it provides us tremendous advantage to be able to deploy capital and invest to back long-dated liabilities.

And obviously, as we grow this business, we're going to have to continue to grow our credit capabilities. So, in addition to real estate and infrastructure, we are growing in NAV lending, we're building a royalties business, we're building out our land lease capabilities underpinned by our real estate and as a result, we think that we can continue to meet this increasingly growing demand for what is private credit today. You hear that term being thrown around a lot, and it's really about borrowers looking for opportunities to borrow with counterparties who can shape lending products directly to them. This is a trillion-dollar demand market today and over the next decade, most people would expect it should double in terms of demand.

So, that's the investment side of the business. Now, let's get to the insurance side of the business and what we're doing to build out the platform. As I said, we started about a year and a half ago. At the time,

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we would have had a small pension business. Largely in Canada, we did about \$2 billion of total business over a period of time before that.

In light of the transactions we've completed and the platform we are building today, we've got a very diversified business - \$40 billion of insurance reserves across life, annuities, P&C, pension risks and reinsurance as a counterparty.

Importantly, each of these has the ability to grow on its own and then drive new business for us. So, over the next 10 years, we would expect to increase our annuity writing capability, work with P&C counterparties to manage increased amounts of float on their behalf, build out our reinsurance capabilities. We think we can do \$25 billion a year of reinsurance.

And our pension business, which started in Canada and already is now averaging \$2 billion a year, we think we can grow that to \$5 billion a year in terms of pension reinsurance off corporate balance sheets. So, very sizable business and we think the growth runway in front of us is immense.

None of this is possible, though, unless you have a good team underneath you. As I said, we have 4,000 insurance professionals, we have an in-house pricing team, we have actuaries, we have claims people and so, this gives us really the foundations to build this business out.

And today, as I said earlier, our business has an A-rated balance sheet over \$40 billion and has \$400 million of distributable earnings. And as I said earlier, we have just in the business today pretty tremendous upside. That \$400 million of earnings today includes the fact that \$25 billion of our capital is invested in short-dated liquids and cash and if we just reinvest, which we're doing now over the next year and a half to two years, if we reinvest that money into today's rate environment, in today's credit environment, we would expect, if you assume we can reinvest it at somewhere between 150 to 200 basis points of a higher spread today then we would have been able to do a year ago. That should add \$350 million to \$500 million to our distributable earnings today. So, we have a very clear path of taking the \$400 million of distributable earnings today and doubling it over the next few years.

On top of that, as I said, we intend to grow the business. We think over the next five years, we can increase insurance floats to over \$200 billion. We have \$10 billion of permanent capital sitting behind the business today to get to over \$200 billion. We intend to invest another \$10 billion to \$15 billion into new pools of capital.

And again, depending on the spread, we can earn over the cost of funds, we can generate - if we can hit that 150 to 200 basis points spread through the build out of our private credit franchise, we can generate another \$3.5 billion to \$4.5 billion of distributable earnings out of the business.

So, it's very, very meaningful upside in the business. Obviously, there's a lot of work to do in that regard but as you can see, we have the ingredients today to allow us to achieve success. And those ingredients, obviously, as you've heard, it's really the financial strength of the corporation, our deep investment capabilities through the Asset Manager and the operational depth we have an insurance solutions today with our platform, our A rating, and a long track record of people who've been doing this a long time.

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So, maybe just to summarize, obviously, we've started off strong, and it's put us in tremendous position to grow the cash flow of the business. The opportunity in front of us is tremendous. There is a long runway here of wealth accumulation products that need to be sold into the market and a depth of investment expertise that needs to be matched with that.

We think we can go our distributable earnings to over \$3 billion over the next five years. And if we do that, that means we are compounding our capital at 20% returns on a year-over-year basis, which is really the long-term goal in this business. And lastly, as always, execution is paramount and we intend to work on this business like we've done with all of our other businesses at Brookfield.

So, maybe with that, I will announce a break. And we have 15 minutes from now, so I think it's 3:05, so we'll be back at 3:20. Thank you.

BREAK

Bruce Flatt, Brookfield, Chief Executive Officer

Okay, we're back. So, the rest of the day is focused on the Manager, which will be the spinoff entity. And of course, everyone who has been a shareholder for a long time, have owned 100% of this business. In the future, the Corporation will own 75%, and you directly will own 25%. So, we're in the midst of creating a separate security for our pure play alternative asset management business.

But most importantly, I'm going to give you the attributes that it has which we think make it quite special. It has a market-leading position. It has a very strong growth profile. I'll give you some points, Craig will tell you about some, and Bahir will sum up with others.

It has a best-in-class long term annuity stream. It's diverse and very resilient. It has a robust liquidity position. It's asset light. It will have a very attractive dividend payout. And most importantly, it's going to have substantial synergies with the broader Brookfield ecosystem.

The special distribution will give shareholders access to this leading alternative asset manager. We hope that it will be better understood and appreciated by the market. It will have optionality for inorganic growth, without having to dilute, which we all loathe to do at the corporate level, further adding scale and diversification to our broader platform.

The special distribution, most importantly, is really simple to execute. Many things in this market, volatile market are tough to do, this one is simple to do because we're giving it to you, like we have many times before successfully. We're distributing 25%. It will be a one for four. Every four shares you own, you get one share. It will be done tax-free at least in the United States and Canada, and will comprise most of our employees we have in the business on the investment side, which is around 2,000 investment and asset management people.

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The Manager, as stated earlier, will own 100% of the fee-related earnings in the business with upside from two-thirds of gross carried interest created over time on new funds. This Manager will be an industry leader or is an industry leader in renewable power, transition, infrastructure, and real estate.

We have a preeminent credit franchise through our partnership with Oaktree. We're growing private equity and our insurance solutions business, as Sachin described, is getting bigger every day.

We have a best-in-class cashflow stream heavily weighted to fee-related earnings, a track mark record of creating new products to service the clients that we have and embrace ourself to them and we target 15% to 20% growth in distributions, and we'll tell you how.

Importantly, our scale and footprint differentiate us. The Americas, we have \$500 billion of assets. Europe and the Middle East growing fast, \$136 billion. Asia, yet to be fully tapped, \$106 billion.

A thousand investment people, 270 people calling on our clients and helping them navigate everything we have and we operate out of 18 global offices.

As stated, about everything we do, ESG is integrated into the investment process, but we have to do better. This is really important to our investors. It's really important to our clients. And therefore, we have to be leading in this regard.

The growth profile, when you start small and you grow larger, it usually, it gets harder to grow faster. What I'm going to tell you today is that the growth profile is as good or better than it's ever been before even after 20 years.

Our fee-bearing capital more than doubles over the next five years. Fee-bearing capital more than doubles over the next five years. Not many businesses have that kind of profile. It grows to a trillion dollars over that period.

As important, fee-related earnings more than doubled over that period from \$2 billion to \$4.4 billion based on all of our plans.

Secondly, the balance sheet will be incredibly powerful. Cash and financial assets, \$2.8 billion; debt, zero. I'll say it again; debt, zero. Annual free cash flow, \$2 billion. Again, not many businesses in the world that have that profile.

If you combine those number of things, you combine the plans we have and you distribute out 90% of the cash, we go from \$1.8 billion of dividends to shareholders to, in a quick five years, \$4.1 billion of distributions being sent out to common shareholders of this company. Underpinned by stable high quality and growing cash flows, hence, the reason why we can be so confident in showing that slide to you.

Because the annuity-like cash flow streams that we have are very known, very stable, and very consistent. \$182 billion if from long term private funds, \$133 billion is from perpetual strategies. 80% of the cash flow

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streams in this business is long duration. That's very different, as you know from many asset managers out there.

On top of that, the margin and fee base we had has been highly stable and resilient. We expect it to continue that way.

Our synergies with the Brookfield ecosystem will and should differentiate this Manager from others. The corporation will continue to seed strategies that we have on a new basis, it will continue investing in things we do, and will continue to differentiate us from others.

On top of that, significant capital from our insurance business up top will flow to this business to seed businesses we have to earn them returns to match their liability profile.

Key takeaways. We are creating a security for a pure-play, asset-light manager. Our growth profile for the next five years is highly visible, concentrated around the highest-earning-type strategy you can have in alternative asset management. This should attract a premium valuation. We will continue to reap the benefits of the synergies with the Corporation which will allow us to hopefully to do things that others can't.

So, I will end on saying to you before the others go through more details on this. Welcome to the new Brookfield Asset Management. For a brief period of time, you may be confused with the old Brookfield Asset Management. But months from now, you will forget the other one and this one will be called BAM. So, welcome to that new symbol in the future. And with that, I'm going to turn it over to Craig Noble, who's going to talk to you in more detail about some of our strategies and clients.

Craig Noble, Brookfield, CEO of Alternative Investments

All right, great. Thank you, Bruce. My name is Craig Noble. I'm the CEO of Alternative Investments and I am here to talk to you about how we will grow our fee-bearing capital over the next five years by roughly 20% per year, reaching \$1 trillion.

Over the last 15 to 20 years, we've built out our asset management platform. We've become one of the super brands in the alternative space as investors have looked to allocate really across the alternative spectrum. And now that our foundation is well-established, we've turned our attention to scaling it up and executing upon our plan.

Last year when I was on this stage about a year ago, I described the four keys to our playbook: deepening existing client relationships, originating brand new relationships and bringing them into Brookfield, expanding distribution channels, and developing new complementary investment strategies.

Now, these four things really feed upon and reinforce each other as we develop new strategies. We can do more with clients. As we have new strategies, we can bring new clients into Brookfield, and then we

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can focus on expanding the relationship, so they really are reinforcing. And product innovation has been a key element of this.

Before I get to the forward-looking plan, I'll give a bit of a report card on how we've done since I was last on stage.

First of all, it's been a very busy year. We brought in about \$118 billion of capital, the vast majority of that coming into our Brookfield and Oaktree branded private funds.

We have deepened existing client relationships. We have 190 crossover investments in that period of time. That's when an investor has typically been in one of our fund families and has added an investment into another area.

We have 250 re-up investments. So, where an investor invested consistently in one fund family and then re-upped into a subsequent vintage at a larger dollar amount.

And we've done more and more with our top investors. For example, our top 25 LP relationships, they've on average each given us additional \$900 million of capital into our funds over the last year.

Second, bringing new clients into Brookfield. We've brought 260 new institutional clients into the firm. That's across 33 investment strategies and from 35 different countries. And of course, once they come into one fund, we then focus on expanding the relationships.

Third is new distribution channels. Last year, I outlined a few areas including insurance and wealth. Over the last year, we've brought in \$13 billion of capital from over 80 insurance partners. We've established 15 new banking relationships in the wealth channel. So we're off to a great start.

We've also made progress in areas such as mid-market institutions. Some of the regions where we've been underrepresented, family offices.

In the fourth area of the report card, in a year where we had our largest fundraising period ever, 55% of that capital came into our newer funds so these are not our traditional flagship funds, which have also continued to grow but more than half came into our newer funds that we've launched over the last few years.

Going forward, our priorities is more of the same. We've done the hardest part of building the asset management foundation. Investment returns have been excellent and we're in the right part of the market where more capital is flowing into alternatives, which we expect will continue.

In fact, compared to building the asset management business from scratch over the last 15 to 20 years, this next phase of elevated growth is more straightforward and less complicated, although we certainly have to execute on every element of the plan.

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We will do more with existing investors. Today, we have roughly 2,000 institutional investors, many of the largest organizations around the world. And what I hear from them consistently is they want to do more business with fewer managers, so there is consolidation among GPs. They want a true partner and institutional collaboration so there's a lot more that we can do with them.

Given that our asset management business is actually relatively young, and we've been growing our client base rapidly over the last several years, two-thirds of our investor base are invested in only one investment strategy, in only one.

For example, an institution might be in our global real estate fund across several vintages, but they've never branched out into one of our other real estate funds, or into private equity or credit or transition.

We planned to move this to flip the numbers, bringing it from one-third, up to two-thirds. That translates today into on average across all of our investors that are invested in 1.7 of our strategies across the entire range of clients. And we plan to bring that from 1.7, upwards of 5.

We think this is doable over the medium term. We're making progress every month. And if you look at the statistics across the industry, we think that this is very doable.

Across Brookfield and Oaktree branded funds for example, when we formed the partnership just a few years ago, there was very, very little overlap across our clients. And since then, there's been real tangible cross-pollination and overlap, amounting to billions of dollars of additional capital being brought into the firm.

So, in summary on this topic, I'd say that given we have relationships with so many of the largest institutions that our asset management business is relatively young, and the crossover penetration is very low, this gives us a 10-year runway of elevated growth.

However, while we do have a large client base, if you look globally around the world at all of the large institutions who are allocating to alternatives, less than half of them are investors today. Less than half. So this translates into an incredible opportunity to bring new investors into Brookfield.

We're talking with them every day. We're making progress but it will take time to bring more and more of them into the firm.

Our new fund offerings are instrumental in making this happen. Our energy transition fund is one example. We raised \$15 billion in size. 30% of that capital came from new investors to Brookfield.

Our SuperCore infrastructure perpetual fund is another example. We raised roughly \$5 billion of capital over the last year across 110 different investors. Half of those investors were brand new to the Brookfield system.

Our regional funds are playing the same role as some investors prefer to allocate capital on a regional basis instead of global. So, being very helpful in opening doors.

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An important part of our asset management business is our fundraising and client service organization. We're up to 270 people globally across 18 hub offices. It's important to have our relationship managers in the local markets close to our clients. We have a dedicated team for our Brookfield private funds, another for the Oaktree funds, our public securities and most recently, we've added a Brookfield Oaktree Wealth Solutions in the wealth channel.

There's significant leverage in this existing platform as we add more clients, have more strategic relationships, and more crossover opportunities amongst our LPs.

We will continue to add to the organization. But most of the heavy lifting in this area has been done. We will need more relationship managers as we add more clients. We will add some product specialists as we roll up more products. And we'll just generally need to make sure that we keep up with the growth but as I said, most of the heavy lifting has been done. It's been 15+ years in the making, and is very difficult to replicate.

One of the areas we're very optimistic for the future growth is in the wealth area. Individual investors are woefully under allocated to alternatives. Less than 5% of their portfolios by most estimates. Long term growth here is going to be strong.

Earlier this year, I'd say the momentum took a temporary pause given the uptick in interest rates and inflation, and the volatility in the market but we're confident in the long-term trend and in fact, over the last couple of months, we've seen some of that momentum return.

And I think the volatility that we've experienced will actually have the effect of increasing the overall allocations to alternatives by individual investors because of the attributes that they have.

This is a new area for us over the last couple of years, and the success takes time. Our first step a little over a year and a half ago was forming this division. We brought together about 60 people, got organized. Since then, we've launched several dedicated funds for this channel. We've added the headcount. We'll be up to 120 by the end of the year, which is a doubling of the size of that part of the business. So, it's a meaningful commitment and amongst the largest in the alternative space.

As I've said, we've developed some dedicated funds offering liquidity and structures that are more accessible to individual investors, which we think is important to broaden the scope.

One example is we're in the process of developing, I'll call it a semi-liquid strategy, similar to a non-traded REIT but for the infrastructure space. We'll launch it in the next six months or so. The reception from our partners, our distribution partners has been very strong and then later in the year, we'll have a broader global launch.

So this hybrid liquidity infrastructure fund for individual investors, I believe, has the potential to be a category killer given our first mover advantage, the desire amongst high-net-worth investors to access

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infrastructure, and clearly our reputation and experience in the infrastructure space. So while this does take time to build out, we're very happy with our progress to date, and excited about the future.

As we built our asset management business, the vast majority of our capital came into these three different fund families; our Global Core-Plus Infrastructure fund family, Global Opportunistic Real Estate, and our Global Private Equity Buyout fund family. The growth in these funds from one vintage to the next was very good and we expect that to fully continue.

Our infrastructure funds for example started with the first vintage, \$3 billion in size. Next was \$7 billion, and then \$14 billion, and then \$20 billion and our current fund raised is already at \$20 billion based on just the first close so we do expect that it will also be materially bigger.

It's the same trend and outlook for our flagship funds in real estate and private equity and credit. They'll continue to be an important part of our growth.

But over the last five or six years, we've also set our minds to executing on the strategy of diversifying our product offering so that we can be a one-stop solution provider to institutions looking to allocate across the alternative spectrum.

So, fast forward to today, we have 51 investment strategies. 15 of them have very recently been launched. This is across all five of our lines of business. Our strategies, all in the alternative space, but they do range from equity and credit, core, core plus, income-oriented, value add, opportunistic, both control and non-control, and various degrees of investor liquidity.

This chart, the dots on the page actually depicts less than half of our strategies but you can get a sense of the importance we placed on diversifying our offerings within the alternative space, and the importance this has of growing our client relationships.

In addition to being, I'll call it a one-stop shop solution for investors allocating capital, this also allows us to be a partner of choice for corporations and others seeking capital solutions. We can provide any type of capital that they want; debt, equity, structured financing, buyout capital, and really is an important part of the business.

We will add future offerings going forward. But once again, most of the heavy lifting has been done, and we're really turning our attention to scaling up each of these funds.

Still on the topic of product development. You'll recognize this slide from last year. We've made some advancements moving from the left to the right of the page as funds have moved from in development, to recently released, and now more and more that are in that scaling up period.

Several are dedicated to the wealth channel but the vast majority of them are for our institutional investors. This is again not a comprehensive list but gives you a sense of the importance we place on product innovation, how we've been able to grow not just the flagship funds, but some of our newer

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strategies, which again accounted for more than half of our capital coming into the past year, and our strategy or approach to developing step-out strategies that are extensions of our existing expertise.

Our transition fund is a great example of that. Natalie will talk about it in a few minutes. But I'll take a moment to touch on two other examples of how we develop new strategies.

First, our special investments strategy; really stepped out from our global buyout private equity business. We were finding several compelling opportunities that didn't fit any of our existing funds. This was because they were generally non-control oriented structured financings with downside protection, sometimes having elements of contractual returns. So, we formed a team, we did several transactions with Brookfield capital, and institutions coming alongside of us, more in an SMA or separately managed account format, so not in a fund.

Then in 2020, we raised our first fund. We had 20 investors, most of which were crossover investors, as well as the material amount from the wealth channel.

The team's gone on to invest in nine deals, which I would generally describe as I said before, structured equity with downside protection, non-control, and an element of contractual returns.

First time fund is always the toughest. We're very happy with the size of the fund we raised, the support from our LPs, the deployment, and the returns to date.

The second example is our Oaktree Global Credit Strategy. This is a diversified credit strategy that allocates across nine of Oaktree's existing strategies. It's overseen by Bruce Karsh, one of the cofounders of Oaktree. And it serves as a one-stop solution for investors looking for a liquid credit solution that's very actively managed.

It's ramped up quickly to \$7.5 billion, combination of crossover and new investors. And about a year ago, there was further enhancement or another step-out if you will, to have Global Credit Plus, which introduced a sleeve of private performing credit alongside of the liquids.

So, this type of product innovation is something that investors are increasingly asking about and it's something that we're doing across the business more broadly, as well.

Okay, so now let's take a step back and talk about the macro environment, what we're seeing in the industry, what I'm hearing from clients, and our view of the future. And I'll describe why we believe our business is very well-positioned given the drivers of capital flows around the world.

This backdrop applies to our institutional capital base, our retail individual investors, our own internal insurance business, as well as our third-party insurance partners.

Given that Sachin touched on items three and four, I'll talk largely about the first two.

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First of all, we're in the right place in the market. Capital continues to flow into alternatives because it has to. Returns are higher than typical stock and bond portfolios. Most strategies have an element of predictable income. There's low correlation to the broad capital markets, which means it's a good diversifier. And there's the ability to earn outsized returns through truly active management from the best managers. And of course, inflation and inflation hedge nature of the cash flows of most of the companies has quickly become a top priority of investors over recent quarters.

Some of the most advanced institutional investors are already at that 50% to 60% range of their portfolios allocated to alternatives and we believe that that will become much more common place over time.

This translates into a roughly doubling of the amount of assets dedicated to the alternatives space through 2030.

And the tailwinds are equally strong in the retail or high net worth space. Less than 5% of individual investors' portfolios are allocated to alternatives. There's a strong desire to increase those allocations because the benefits have become clearer. And for us, really, it's a matter of providing the right access, the right structures for those investors to be able to access these strategies, a lot of education, and a little bit of patience, as these channels take time to develop. But we're off to an excellent start.

Our five main asset management businesses are well-positioned. Natalie and Hadley will come up and spotlight our renewable and transition business, and our infrastructure business shortly, both of them benefiting from the trends of decarbonization and digitization, and onshoring with trillions of dollars of capital needed just for those three themes alone.

Our private equity business is also performing very well. Returns going back over 20 years, 28% gross IRR, 2.1 times multiple of capital. And our approach has been refined over the last couple of decades, with the key tenets of a truly operations-oriented approach to create value, focusing on the highest quality businesses, meaning clear market leaders providing essential products or services, and investing on a value basis.

Our portfolio companies have performed very well through the recent market volatility and high inflation, which speaks to the high quality their business is, and the pricing power that they therefore enjoy.

And the support from LPs has been strong. The first close of our most recent global buyout fund at \$8 billion, which nearly matches the total in size of the prior vintage, and that's just with our first close.

Our real estate business is also doing very well. You heard much of the details from Brian earlier. I would just say from an asset management perspective, we have 12 investment strategies, 700 institutional clients, strong returns, and we're completing now the fundraise for what will be our largest flagship fund to date.

In the recent years, we've also developed real estate secondary strategies, launched regional funds, we've grown our real estate debt business, and launched the Brookfield non-traded REIT.

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And our credit business and partnership with Oaktree is excellent. We've raised \$16 billion for the most recent ops fund, the largest in its history. And other areas of Oaktree are performing extremely well, including their performing credit strategies, which dovetailed very nicely with the growth of our insurance operations.

So now that our asset management business and foundation has been built, we're focusing on scaling it up, and of course, executing our plan.

Each of the business segments here shown on the page is a leader in its own right. And each has further runway to grow. As you can see from the statistics on the page and on a combined basis, we have a broad product offering, with strong client relationships among many of the largest institutions globally. But given the relatively young age of our asset management business, we're still in the, I'd say early to maybe middle innings of bringing new clients into Brookfield. And we're in the very, very early innings of increasing the size and scope of each of those relationships. It just makes us all very excited about the future and what we can do over the next decade. We think we're in the first year or two of a period of accelerated growth.

Our growth over the last five years has been strong and you can see this is how it translates into growth, getting to a trillion dollars across each of the businesses, which Bahir will get into the numbers in more detail.

So, in conclusion, as I've mentioned, our plan is to continue with our growth profile. At roughly 20% a year, this would take us through \$1 trillion of fee-bearing capital over five years. And we're very well-positioned given the global drivers of capital, including the wave of capital that continues to flow into alternatives, and the positioning of our business.

We spent the last 15 to 20 years building out the foundation of the asset management business, and we're now turning our attention to scaling it up.

Thank you and I'll now welcome Hadley on stage to talk about our infrastructure business.

Hadley Peer Marshall, Brookfield, Managing Partner, Infrastructure

Thank you, Craig. There's a lot going on in infrastructure. So what I'll do is I'll take a deeper dive into the market themes we're seeing, how we capture these types of opportunities, and then also the value add to Brookfield.

You have heard us say this many, many times but we are truly experiencing an infrastructure super cycle, whether it's a staggering growth and data consumption, which by the way, my children are part of; or the shift away from traditional fossil fuels; or the acceleration towards e-commerce. These and other long-term trends will require tremendous amounts of capital.

This landscape is not only providing an attractive investment for Brookfield, but we believe it will do so for multiple decades.

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Now, when we think about this super cycle, we have three themes in mind that are really driving deployment. They have this past year, and will continue to do so.

We've labeled them the three Ds: digitalization, decarbonization, and deglobalization.

So, I'll start with the first D, which is digitalization. And when you think about it, it's really our society and our economy's reliance on computers and the internet, which is supporting rampant growth.

If data were a commodity, it would be the fastest growing commodity in the world. In fact, data generation doubles every 18 months. So, let's take the year 2025, only two and a half years from now, and assume that the data generation will be up 450 billion gigabytes. We will need to invest \$1 trillion in order to store, process, and transfer that data.

Now, a good example of Brookfield's involvement is in our German tower transaction that we recently announced, in which Deutsche Telecom is selling 36,000 towers and that release of capital is being reinjected into their business. In addition, this marquee portfolio is benefiting from the densification as 5G technologies continue to be rolled out.

Now the next theme is decarbonization. And there's true urgency. We've heard this in the past from Mark Carney. There's true urgency around decarbonization as governments and companies look to meet their net zero targets.

Shortly, Natalie Adomait will come up and talk about our Global Transition Fund. And as part of its mandate, it's looking at supply side opportunities. And what I mean by that is really industries and companies who are emitting emissions and looking to decarbonize.

But there's also a demand side to that equation as well where we're investing on the infrastructure side. And that's about consumers looking for energy efficient solutions in order to decarbonize.

You can categorize it into three main buckets. Electrification, which is the most obvious one and we're playing a role by building residential infrastructure for platforms in North America and in Europe that will provide products and services for consumers looking to transition from traditional heating sources to net zero solutions like heat pumps and district energy.

Now, utilities are in need of upgrade, especially around the aging infrastructure in order to meet the new build renewables that're coming online. We're seeing this play out actually in our Greenfield development of transmission lines in Brazil, which is transmitting about 90% of electricity based on renewables and that's a similar dynamic that we're seeing play out in FirstEnergy and AusNet, two of the investments we have.

Now finally, we're also looking at ways to upgrade how the world consumes and produces energy through long-term solutions like hydrogen. There's a pathway for hydrogen to be the most cost-effective way to decarbonize heat, which is a great opportunity for SGN, our distribution utility in the U.K. In fact, in the U.K., there's one of the few hydrogen-ready pipelines in the world.

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Now, the last D, deglobalization, the opportunities there are really coming from the supply chain experiences that we've been faced for the past few years, as well as the growing geopolitical situation on the backs of what's happening in Europe that's creating concerns around our energy security.

Natural gas has been playing a key role as a bridge to the net zero targets that we have, but it's also very important in our global energy security, which is making our critically located infrastructure plays around processing, transportation, and distribution of natural gas even more valuable.

Now in the supply chain side, we should be through the peak issue that we've experienced, but we'll need to invest in upgrading our transportation infrastructure in order to make it more resilient, as well as meet that rising demand that we see.

We're investing in deploying capital in this area in order to debottleneck and to help meet that rising demand. And it's all in the backs of the theme of shifting from just in time, to just in case.

Now finally when you take the supply chain issues and the geopolitical energy security issues, you really see a focus around onshore manufacturing. Semiconductors is a good example, and I'm going to steal a datapoint that Mark Carney used earlier, which is that about \$100 billion of capital is being deployed through different programs in the U.S. and Europe, in order to support that onshore manufacturing.

And then of course, you've heard about our Intel partnership, in which we're building a fabrication facility in Arizona for semiconductors.

Now, I've spent some time talking about these main themes but I think it's also important to talk about how we plan to capture these types of opportunities. And I'll mimic some of the points that Bruce shared earlier.

I mean, we are an asset owner, and we really use that asset knowledge, but also, we rely on our scale, our flexible capital, and our long history of successful partnerships as key ingredients to our deployment.

Now, scale is not just about the size of capital we have and we do have \$20 billion of dry powder, plus co-investment, plus BID, which can allow us to eliminate some of the competition, as well as pursue large scale transactions. But it's also about the size of our team.

We have 300 investment professionals with deep sector knowledge that can help de-risk our investments from the underwriting phase, through the asset management, all the way on to exit.

But we also have an unparalleled global presence, with boots on the ground in 14 cities and the regions we invest in. So that's North America, South America, Europe, and Asia-Pacific. And that's important for two main reasons. One, it allows us to put investment themes quickly into action. And then two, we're aware of local trends on a timely basis, and can build local partnerships that really support our proprietary deal flow.

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Now, I joined Brookfield about seven years ago. And at that time, we just had BIF from a source of capital that would deploy out of. It was looking to raise about \$14 billion and since it scaled up but it's also served as the foundation for us to expand on to other product sets.

We can now invest in mezzanine credit through BID, or Core, Super-Core opportunities through BSIP, and then of course through Core-Plus opportunities using BIF. So that toolkit is very helpful, but it's also further enhanced by the capabilities we have outside of it, including the insurance solutions, BAM Re, that Sachin talked about where we can invest in senior debt opportunities; and then on the other risk spectrum, infrastructure private equity-like opportunities through BCP, our flagship private equity fund.

Now, the key here is that we can look at all different types of attractive infrastructure opportunities and find a home for them, increasing our market share and that's quite important to our business. Few alternative managers can match this capability.

Now finally, the last point I want to make is that we are well-known as a successful partnership. I talked about how we've got 300 investment professionals, and they have deep relationships with the various owners of infrastructure around the world. And they can use the toolkit, or our flexible capital, and convert those relationships into partnerships, and repeat partnerships.

Now, we're not often the highest bidder, but we are viewed as a compelling partner. I've got some of these partnerships up here and what they find compelling is our long-term operational track record, our ability to execute quickly, our certainty of funding, and then of course going back to our scale and flexible capital.

Now, the key is it really does help support our proprietary deal flow. In fact, about two-third of our deals come from proprietary deal flow, through these bilateral discussions we have.

Now, I'll take a step back because I've talked about the market themes, the three Ds, and our competitive advantages. And that's provided a significant amount of growth to our business.

We have four strategies to date that are market leaders, strong investor demand, and are at scale.

On the market leader side, I think that BIP is a good example, in which there's truly no comparable global diversified infrastructure company like BIP, and it's supported by our private funds. BIF is raising some of the largest funds in the world, and is about to close about \$20 billion in just this year.

Then you got BSIP and BID, and they're ramping up very nicely. I think BSIP is about \$3 billion of closings this year, add to the cap that they've already raised, and then about \$4 billion for BID.

This is all totaling to about \$30 billion of fundraising for this year, obviously supporting the strong investor demand we have.

Now, the good news is our deployment is keeping pace with our fundraising. We should, if you look over the past two years, we deployed about \$30 billion of capital. Now, I've talked about BIF and Intel, and

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Deutsche TeleCom transactions. But BSIP recently closed one of its largest transactions, AusNet, which is a regulated utility in Australia. And we put to work actually more than \$5.5 billion of capital, including co-investment. And BID recently closed one of its largest transactions. It provides \$750 million to Neptune, which is a global portfolio of floating storage regasification units.

So when we think about this track record, we should be able to increase our annual run rate of deployment above that \$15 billion.

Now, we can raise the money, we can deploy the money but really our success is in our track record. We've been able to generate returns at or above our expected targets for all of our strategies in the various markets that we've experienced, showing the resiliency of the portfolio.

These excellent results further supports the strong investor demand we see coming in. And when you add it to the rate of deployment combined with three Ds, competitive advantages, should continue delivering significant growth for our business.

So, where does that take us? We expect to double our fee-bearing capital by the year 2027, so five years, to \$150 billion. BIP will continue to grow. We've got private funds more than doubling. And we're adding more products that are currently in the pipeline, all to help facilitate that \$150 billion. And that will help us achieve the targets that Craig laid out just a few minutes ago.

Plus, our historical deployment, the market themes that we're seeing and the competitive advantages should give us high conviction that we can deliver this growth and the value to Brookfield Asset Management.

So, I'll stop there on that last point, and invite Natalie Adomait to come up and talk about our renewable power and transition platform.

Natalie Adomait, Brookfield, Managing Partner, Renewable Power & Transition

Great. Good afternoon, everyone and it's great to be here on behalf of the renewable and the transition group to speak with you today.

Just before the break, Nick spoke a bit about how in addition to growing our fee-bearing capital for BAM through the expansion of our existing strategies, we're also using our expertise and our capital to start new strategies in high growth areas and I want to talk to you today about one of those, which is transition.

The way we did this in transition was through the launch of BGTF last year, the Brookfield Global Transition Fund, which today is the largest fund focused on decarbonization globally. This took our transition franchise from zero to \$15 billion in just 18 months. And this is a space which represents a fantastic opportunity to create long-term value for BAM. Thanks to significant macro tailwinds for the strategy and the strong initial deployment that we've seen within the fund, we expect this business to scale to over \$200 billion within the next 10 years.

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I'm going to go into the tailwinds for this strategy a little bit later. Mark also talked about them earlier today, but before I do that, I want to spend a little bit of time coming back to our renewable and transition business, because one of the reasons why Brookfield is so well-placed to invest in this space is because of the fact that we've actually been investing in decarbonization for years.

Through Brookfield Renewable, Brookfield is already one of the largest investors in renewable power. At the end of Q2, we had almost \$70 billion of assets under management, and 75 gigawatts of capacity in either operation or development around the world. That places Brookfield Renewable among the top five publicly listed renewable companies on the market today, but it's actually the only one, only portfolio that size that also has presence across all major continents.

Now, the reason I start here is because having capability in renewables is a critical prerequisite to success in transition investing. You can see on the slide here that three quarters of global carbon emissions can be traced back directly or indirectly to power generation and the energy sector. Every business across every sector needs electricity or energy to run, and therefore the easiest place to start when thinking about decarbonization is thinking about clean energy.

That's also why for more than five years, our renewables platform has been strategically expanding our franchise into other decarbonization asset classes. Our renewables platform already gave us a clear leadership position, but we've also grown our portfolio now to include distributed generation, storage, green hydrogen, and CCS, carbon capture storage.

And in addition to growing our portfolio of asset classes, we've also built a leading team of experts. We've got over 3,000 technical and operating experts within our business, over 100 investment professionals, and a growing team of ESG and impact specialists. All of this gives us the ability to offer our partners informed and flexible structured decarbonization solutions to meet all needs.

Now, having a decarbonization strategy in today's landscape no longer seems novel, because this is but this is something we've been strategically building towards for over five years. And that means that we benefit from having the largest franchise today in an unrivaled first mover advantage that comes with that.

Now, the key differentiating factors that make us successful in transition are not unique. They're the same ones you've heard about all day, and they're applied across all of our verticals at Brookfield.

We leverage our global presence, our access to capital, and our deep operating expertise to position ourselves as the credible, long-term partner of choice for corporates looking to decarbonize.

Now, we often get asked how we apply these to investing in the transition and I'll share with you now our secret sauce which actually isn't so secret because we love to talk about it. But it is something that's particularly well-placed and allows Brookfield to be a unique investor in this space.

When we speak with corporates or partners who are looking to decarbonize, we always start about having conversations around clean energy supply. We leverage our global renewable development portfolio that

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we have, to develop customized scope-to solutions for their businesses and then once that relationship is established, we're able to engage with those corporates to understand their expected changing energy needs.

We'll learn about plans that they might have for electrification, or to blend in low carbon fuel sources into their energy mix. And that allows us to offer them either support and funding of those projects, or introductions to our portfolio companies who might specialize in the asset classes that they require. The result, we have an attractive and bilateral investment opportunity set with the ability to generate strong returns and additional decarbonization impact.

Now, one example of this is the deal we struck earlier this year with Amazon. We signed an agreement with them to develop, build, and supply renewable power under long-term contracts for their datacenters to help them to achieve their scope-to reduction targets.

From there, our team is now working with them to find ways to build on those initial projects and create long-term partnerships. That's just one example, but it's representative of similar projects and agreements we have signed with many more organizations around the globe.

To date, we've executed over 700 PPAs or power purchase agreements, representing over 600,000 megawatt hours all with corporates like those listed on the page here across every industry around the globe.

And our delivered expansion of our business is all in response to the massive opportunity we see in transition, which you've heard about a few times today. The next 30 years will see an unprecedented \$150 trillion needed to be invested in clean energy and decarbonization solutions. And the stakeholder support and momentum behind this investment need is larger than it's ever been.

As we sit here today, over 7,000 companies have set net zero targets and over 140 countries representing 90% of worldwide emissions have made commitments to keep emissions well below 2 degrees Celsius in line with the Paris Agreement's goals.

Those commitments are now translating into new regulatory support and incentive programs like the Inflation Reduction Act that Mark mentioned earlier. And this will enable projects in the decarbonization space to be built faster at more attractive economics, and on a de-risked basis.

And in the last 12 months, this has also been further supported by additional macro and geopolitical tailwinds, driving and increased focus on affordability, and on energy security. And I want to touch on each of those two elements quickly, because we really believe renewables is a key solution into addressing those and we're seeing a step change in the focus on renewables as a result.

First, I'll touch on affordability. And the reason this is turbo-charging renewable growth is because renewables continues to be the lowest cost solution available to meeting electricity needs, and the increasing growth in electricity demand around the world.

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I'll give you two examples, and the first one is in the offshore wind space.

Historically, as projects were being developed, this is a sector that required large subsidies or feed-in tariffs from governments in order to support the development of these projects. What's interesting is that in Europe today in the offshore wind space, we're seeing that change. And in fact, in a recent tender that we participated in the Netherlands, this was a zero subsidy tender, meaning there was no ongoing support from - or revenue support from the government as a result of these projects, and instead it relied on the developers to actually go out and sign long term corporate, and industrial contracts to support the revenue for those projects. That's a great result for consumers and for the government but it's also a great result for developers like Brookfield that have this deep contracting expertise.

A second example on how renewables can address affordability is in the deployment of distributed generation. We see this as an immediate low-hanging fruit in almost every market, as this is a technology that can be developed behind the meter, and therefore typically offered at or below utility market prices. It's an immediate commercial opportunity for consumers to address and reduce their energy bills.

Within Brookfield, we have one of the largest global distributed generation footprints focused on consumer and industrial clients. We have platforms in Europe, U.S., Latin America, and Asia, and all of those are poised for the immense growth opportunities we're seeing in that space.

Now, the second element I talked about, or I mentioned was energy security. We're seeing a heightened focus on this topic across the global, but in particular, in Europe, in response to the Russia-Ukraine crisis. This crisis has shined a spotlight on the opportunity that renewable energy and biofuels like hydrogen can play in reducing or eliminating dependence on fossil fuels from foreign nations and as a result, politicians have introduced new regulations where we expect to see the timeline required for permitting new renewable projects to come down significantly.

It's for these reasons that we've developed BGTF, which as I mentioned before, is the single largest fund focused on accelerating the transition today and it's also the largest impact fund in the world.

BGTF will seek to make investments into emission reduction and emissions avoidance projects on a global basis, which have the ability to generate both attractive financial returns, as well as positive impact.

In transition, we are able to drive real impact without taking any discount on financial returns. Value creation and decarbonization are in fact complementary.

And of course, all our investments will continue to observe the same investment principles we apply in all of our power underwriting and across all of our businesses. We are focused on investing in high quality businesses and proven technologies where we have strong cash flow visibility and downside protection, and we are able to exercise our significant control and influence to generate value under our investment period.

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In terms of focus, our investment strategy is unique, and we will go where the emissions are. We will look to invest in and alongside some of the world's hardest to abate but critical sectors, like power, industrials, transport, and energy.

In the power space, we are looking for opportunities where we can buy businesses with existing thermal generation with the goal to help them decarbonize. Our strategy would be to retire and convert some of that existing thermal capacity while simultaneously leveraging our expertise to build out new renewables.

And in the industrial sector, we're seeing opportunities to partner to codevelop blue and green hydrogen projects, replacing the need to develop traditional fossil fuel energy. And we're even supporting the decarbonization of the energy sector, entering into partnerships to codevelop CCS, enabling the development of viable long-term business lines as those companies begin the difficult shift away from traditional fossil fuel development over the next 30 years.

And in addition, to transforming heavy emissions businesses, we're also dedicating capital at scale for proven low carbon products and solutions which will be required by those organizations to support their net zero goals. In the power sector in addition to investing and scaling new renewable capacity, we're investing in battery storage and, in particular, we're seeing opportunities to do this in the U.K. and in the U.S.

We're also seeing large opportunities and new asset classes like hydrogen, biofuels, recycling and carbon capture. And on this last asset class, we already announced two investments and partnerships to help scale carbon capture rollout in both the U.S. and in Canada.

But now that we have a bit more of an understanding of BGTF what we're seeing there, I want to come back to what this all means for BAM, and I'd summarize it down into these three key areas which I'll talk through.

The first is the opportunity to continue to grow our assets under management within the transition space. Due to the large market opportunity, the \$150 trillion I mentioned earlier, we've always believed that BGTF will be just the first in a series of funds within the transition space.

Now, our early success and the pace of deployment that we've observed has only increased our conviction and we expect that we'll be back in the market in the near term with our next fund.

In addition to that, we will look to continue to expand our product offering as you've seen us do with other Brookfield verticals in the past through the launch of perpetual vehicles, credit vehicles, and vehicles specifically dedicated to our private wealth channel.

Both of those factors, of course, will contribute to the growing AUM for the benefit of BAM overtime.

Now, the second opportunity is we don't expect the transition to stop just at BGTF. We also are seeing increased opportunities and opportunities to enhance value across all of the Brookfield verticals. We're already seeing those opportunities to leverage our industry-leading expertise and decarbonization to

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make more educated investments into a wider set of opportunities across infrastructure, private equity, and real estate.

You just heard Hadley speak about the opportunities she's seeing to support electrification projects and to repurpose infrastructure assets to make them hydrogen ready, like what they're doing with SGN in the U.K.

And at the same time, we're leveraging the expertise we've built in the renewable and transition vehicle to enhance value within our existing businesses across our other verticals. For example, in a real estate business, they've just completed their first development of a net zero or their first building which achieved net zero in development status and the - and the reason for that was done with an eye on value creation to ensure that we would have enhanced marketability, and indeed it's resulted in an increased tenant demand as a result.

Furthermore, in our private equity business, we're seeing the opportunity for our renewable and transition group to engage with our private equity businesses to offer long-term PPAs which is resulting in energy security for those businesses and energy's stability for those businesses while also resulting in emissions reduction for them which will enhance value when we come to exit.

The third and final point is how we'll leverage BGTF to attract new investors into BAM, enabling us to execute on the strategy that you heard Craig talk about just before. 30 percent of investors into BGTF were new to Brookfield. And in fact, a number of the largest investors in BGTF were new.

So, launching BGTF enables us to expand our investor base and with new LPs who will be able to cross-sell new products to in the future, benefiting our franchise in the long term. And furthermore, BGTF also enabled us to grow our exposure to private wealth family office and retail clients which again comes back to the key strategic focus that Craig mentioned a little bit earlier.

Now, it goes without saying that our ability to raise \$15 billion in just 18 months for a new fund series was a huge success and this success, as well as our current deployment phase already puts us well ahead of our plans from last year with the continued growth of the transition franchise, fee-bearing capital to BAM is expected to double again through 2027, continuing our historic growth trends and providing a step change in our value to BAM.

Ultimately, our success is due to a combination of two things. The strong demand for transitional line strategies coupled with Brookfield's brand reputation and our undisputed leadership position in renewables. This will continue to propel us to be able to grow our business to a \$200 billion franchise within the next 10 years and maintain our position as a leading investor in this exciting space.

And with that, I will transition you over to Bahir who will talk about financials.

Bahir Manios, Brookfield, Chief Financial Officer of the Manager

Excellent. Thank you, Natalie, and good afternoon, everyone. I'm here today to take you through the financial profile for our Manager entity.

I'll start off by doing a bit of a recap or a summary of 2022 and as a few of my colleagues today outlined in their remarks throughout the day, this has been an exceptional 12 months for our Manager business as we've executed very well on a number of our key objectives.

We've had the largest fundraising year ever over the last 12 months and the performance across our business has been excellent and really showcasing our style of investing which is quite often noticed or appreciated during volatile times. And it's because of that performance, our carry generation over this past year has been very strong and the outlook remains robust.

Over the past few years, we've been laying the foundation that should set us up for the strongest period of growth yet in the next five years and that should lead to fee-bearing capital reaching a trillion dollars by 2027. Our distributable earnings should grow on a per annum basis by 17%, and that should lead to a doubling of the valuation that's ascribed to our Manager business from its current levels.

Our fee-bearing capital this year grew by \$67 billion or 21% compared to the prior year. That's a record for our business. This growth was entirely driven by increases in capital flows from our long-term private funds and our perpetual strategies.

Key contributors included capital raise from our fourth vintage of the real estate flagship fund, deployment within our latest opportunistic credit flagship fund, capital raise from our transition fund, growth coming from our perpetual affiliates, namely our infrastructure vehicle, and lastly, significant growth coming from our various perpetual strategies.

Bruce touched on the various attributes of these types of products earlier in his remarks. Our focus on these two types of products will lead to where our result to this manager entity having very sticky and predictable cash flow streams going forward.

Hadley and Natalie also gave you a great spotlight on our style of investments in real core assets. The majority of our infrastructure, renewable and real estate assets, have inflation linked revenues. So, this environment is really enhancing the cash flow streams that come out of these businesses and they're also increasing the replacement cost of the assets that we own.

In addition, our private equity business is focused on investing in essential, industrial, and services businesses that generate resilient cash flow streams that should grow across economic cycles.

And so, the great results that we've had on the fundraising side coupled with the excellent performance that we've had in our businesses that's led to strong valuations across the group, led to our various key

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drivers that we outline here on the slide growing at a record pace during the year compared to the prior year.

Plan value for the manager pro forma the distribution currently stands at \$53 to 73 billion and that's after applying a factor of 25-35 times on our current fee related earnings of \$2 billion. That plan value has increased by 20% compared to the prior year.

At these investor days, we typically do a look back on a couple of key metrics and see what we projected at this event five years ago for those metrics and compare them to what we actually did. We often set outstretched targets for ourselves that we believe are achievable.

If you look here, we projected a total cumulative fee-related earnings of \$6.7 billion in in the last five years.

As you can see, we've outperformed on that, as actuals have come in at \$7.2 billion and this was the result of delivering better than planned fundraising numbers in addition to the discipline that we've shown from a cost management perspective which has kept our margins relatively stable over the last five years.

We also exceeded our plans from a realized carry perspective. As you can see, we projected realized carry of \$2.7 billion over the past five years and that came in \$1 billion higher in actual terms. That's an outperformance of 37%.

This was driven by strong performance and robust monetization activity over the past five years. Examples of recent successful monetizations include the sale of a U.K. student housing business within our real estate group, the sale of a West Coast Port business in our infrastructure business, and a sale of a global facilities manager within our private equity group.

So, with that as a summary, we'll look forward. I noted up front in my remarks that the strong growth that we expect to see in this business should double the valuation of our Manager. The components of the valuation for this business going forward are quite simple. They're focused on two drivers, the first being fee-related earnings and the second being carried interest.

So, starting out with fee-related earnings, there really three key components that drive results in a positive manner. First, it's all about raising more capital from our clients. Second, it's earning consistent fee rates on that capital that we manage, and lastly, finding ways to continue to strengthen our margins through the operational leverage that we have and through discipline from a cost management perspective.

First on fee-bearing capital, that's anticipated to grow significantly in the next few years. Our expectation is that we should more than double the fee-bearing capital coming out of each one of our existing businesses and that's in addition to the newer business lines such as Insurance Solutions that's going to help propel the growth of our credit franchise.

This should all lead to total fee-bearing capital reaching almost \$1 trillion by 2027 and that represents a compound annual growth rate of 20% in that period.

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And again, much similar to the earlier breakdown that I showed you, you can expect to see about 97% of this increase coming from our long-term private funds and our perpetual strategies as opposed to liquid strategies. And again, just to reemphasize the point, that's going to lead to our overall cash flow streams being very sticky and predictable in nature.

So, how are we going to achieve this? I'll highlight three items from the slide. On the long-dated side, we expect to see significant growth coming from the five flagship funds that we will continue to scale further and further over the years. Craig provided you with an example of how our infrastructure business grew its fee-bearing capital over the years for its flagship fund.

Natalie gave you a great spotlight on BGTF and how that's going to go. That was the largest fund ever raised, first-time fund ever raised at \$15 billion. Through the plan period, we expect to grow that by at least a double if not three times. And a similar story also exists within our private equity and real estate businesses that have scaled dramatically over the years.

Our credit business is also expected to see meaningful growth both on the Oaktree side of the business in addition to the various strategies that we manage within our real estate and infrastructure side of the house. Those strategies overtime have grown by three to four times in the past few years.

And we're also finding ways to quite rapidly grow our other strategies as we continue to diversify our overall product mix. Examples of that will be the buildout of our secondaries business within our real estate infrastructure and private equity groups and our special investment strategy that Craig alluded to earlier in his remarks.

On the perpetual strategies, we've had tremendous early success selling our perpetual real estate and infrastructure funds to clients and we think we can significantly scale up these products given the success that we've had on the flagship funds.

Our infrastructure perpetual fund will get to about \$10 billion by year end and we started this business three to four years ago and so, we see that strategy growing by two to three times over the plan period. And we're also doing lots of work on other few complementary products that we've also received very good feedback on thus far which we think we can scale up over the next five years.

Our public affiliates should grow their capitalizations as they continue to grow their base business cash flows which will commensurately lead to higher distributions and higher fees in the future. And then you see here also the growth coming from our Insurance Solutions business.

Much of that's going to be organic versus inorganic, as Sachin alluded to in his remarks earlier. On margins and fee rates, as I noted before, we expect to see those be consistent over the plan period. And so, when you put that all together, we expect to more than double our fee-related earnings over the next five years and that's driven predominantly by a more than doubling of our base fees that are expected to reach almost \$8 billion by 2027. The second pillar of the Manager value proposition comes from carried interest.

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Here, again we have three components that drive this up. First, the amount of carry eligible capital that's correlated to the amount of fundraising that we do as we raise more funds, this capital base will keep getting bigger and bigger overtime. Investment performance which is self-explanatory. And lastly, monetizations. We can't realize on this carry if we don't execute well on our asset sales strategy.

As Bruce and Nick noted in their remarks earlier, our carried interest on a go forward basis will be shared between the Manager and the Corporation. This creates a very strong alignment between the two companies which will benefit the Manager greatly in the future.

And so, we expect our carry eligible capital to continue to keep growing commensurate with the fund - the amount of fundraising that we're going to be doing. The larger the funds that we raise, the larger this balance is going to be overtime.

Our carry eligible capital is expected to grow by an average annual return of 22% over the plan period. And ultimately, getting to \$465 billion by 2027. So, building that base, achieving exceptional investment performance and executing on our asset sales strategy will drive this realize carried interest going forward.

It's not easy to drive exceptional investment performance for a very long period of time but we have a great track record to highlight that we're very proud of as an organization. We've been managing these strategies for 10, 20, and in the case of credit, over 30 years.

Our track record really speaks for itself. Our infrastructure returns have been excellent, especially for the stable risk profile for that asset class. Renewables at 13% is very strong, considering the lower risk profile. And as you can see, private equity real estate and credit have posted exceptional returns for a period of between 15 and 35 years.

If we achieve our target returns, we should realize a total carry of \$46 billion over the next 10 years. As our funds continue to ramp up in size, our carried interest realization will continue to grow. And as you can see, the realized carried interest in year six to ten is more than double what they are for years one to five.

This slide shows you the breakdown of how the \$46 billion will be split between the Corporation and the Manager going forward. And if you put this all together and if we achieve on our plans, our distributable earnings for the Manager should be almost \$4.5 billion by 2027.

And that will drive a very attractive dividend profile. That's going to be highly predictable as 90-95% of our cash flows that are underpinning this dividend will be derived from fee-related earnings. And again, those fee-related earnings are going to be predominantly generated from longer dated private funds and perpetual strategies.

These cash flows are not only going to be growing at a very strong rate commensurate with the planned FRE growth, but also have a tremendous amount of upside from the realized carried interest in the later years, if we execute on our plans.

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So, if we put that all together for the valuation, we project the plan value of \$117 billion to \$155 billion in five years. That translates the \$71 to \$94 per share. Almost 90% of this valuation is derived from the value that's ascribed to the stable and predictable fee-related earnings in addition to the cash that we have on hand that will be compounding over the next five years.

For our plan value, we're using multiple range of 25 to 35 times on fee-related earnings. This range is based on our own intrinsic view of value that we use from a planning perspective and takes into account street estimates used across our peer groups.

It's not meant to be a debate on the value that you should be using to ascribe to our business. It's merely used just as an indication to help you look at the building blocks of the value proposition for our Manager entity.

And as you can see here, if you put the growth in our plan value together with the material dividends that we expect to be paying out, it should lead to a highly predictable 19% annual total return for the next five years. So, in summary, I hope I've left you with the following three key takeaways.

The first is we're well-positioned to deliver on exceptional growth in our manager entity. Second, the sharing mechanism of the carried interest between the corporation and the manager should lead to a very strong alignment between the two companies. And third, our cash flow profile is very highly predictable and thus will underpin a very attractive dividend profile.

And just one more point, I wanted to emphasize that the plans that I just walk you through are only done on our current base business that is in place today. But as Bruce noted earlier, our plan is to look at acquisitions, should they make sense for us.

That should drive fairly significant inorganic growth if we execute on those plans which would be a material upside to the results that I just walked you through. And so, with that I join Bruce in welcoming you to the new Brookfield asset management ticker symbol BAM and we'll open it now up for Q&A.

Thank you for your time this afternoon.

QUESTIONS AND ANSWERS

Bruce Flatt, Brookfield, Chief Executive Officer

I thought Bahir was going to take questions. So, Nick and I are available to take questions. I think you're still mic'd, right? Okay. So, are there any questions in the room? There's one over there. Can we have a mic, please?

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Alexander Blostein, Goldman Sachs

Great. Hi, Bruce. Thanks. Good afternoon - Alex Blostein from Goldman Sachs. You guys have a lot of tailwinds at your back right now especially when it comes to a lot of real asset strategies, and you outlined a pretty compelling five-year view.

I was hoping you could bring in maybe a little bit closer. You've just kind of wrapping up a really successful flagship fundraising cycle but as you look into '23 and '24, what do you think will be the biggest drivers of growth for the asset manager over the next, kind of, two years versus the five-year view?

Bruce Flatt, Brookfield, Chief Executive Officer

So, look, I would say there's a lot of - in the industry, there are some questions about fundraising that are out there and I guess the focus of most of those questions are related to technology/growth investing and the good news or bad news is that our technology/growth investing businesses are small and growing but not yet relevant to the overall franchise.

So, I'd the first thing that's really important is this business is underpinned by real asset businesses infrastructure renewables, real estate, private equity businesses, revolving around those in other industrials in services. And as a result of that, the fundraising environment, the business environment first is still very good and secondly, the fundraising environment, in fact, is good and in fact, most people have focused back or soon will be focusing back on those types of businesses.

For a period of time, everyone was distracted by growth in technology investing. It was highly attractive and returns are going up and up and up and only when the tide turns does the focus, once again, come on to cash flows and that's happened many times before and I think we're going to see that over the next 12, 18, 24 months and it should be good for most of our businesses that we have in the fundraising for those businesses.

Bob Sackhauser, Private Investor

Bob Sackhauser - private investor, a longtime investor. I have two related questions. The first one is a Brookfield has done a number of multi-billion-dollar transactions which seems, in a very short period of time, and I wonder how you do due diligence and arrange the financing so quickly. And the second one is you're investing on average one or \$2 billion a week and have three quarters of a trillion under management which is a fairly large amount and how do you personally, and Brookfield itself, keep track of all that's going on?

Bruce Flatt, Brookfield, Chief Executive Officer

So, I think I got the drift of it. And I would say the following. We have - we've been doing this for a very long period of time. It's been growing organically for 25 years. So, while it seems like a lot today, it's been built very methodically over a long period of time.

Look, I think you've been here for most of that and been an investor for most of it. So, I just say that as you know, we have many people to keep track of these things. We try to compartmentalize and break

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things down all the time and keep doing it and by spinning things out, like we're doing with the asset management business, it again - one more time breaks it down and decompartmentalizes it and focuses the management and those investors that want to own that specific security on those exact things.

And I think that gets away from the large conglomerates that didn't do that in past. So, I'd say that's what we've always tried to do, and it's been helpful to us to focus our management. So, I'd say we keep track of it by continuously breaking down the businesses.

As to the amount of money that we're putting to work in our businesses, here's what I would say. We use to put, when we started out \$5 million or \$10 million of transaction and then it was \$50 to \$100 million and then it was \$500 million to \$1 billion and now it's sometimes \$10 billion or \$20 billion at a crack and what you often think you're taking more risk with larger transactions, but it's the same skills at work and often you get better businesses.

We're partnering today with the best in the world. We hope to continue to partner with the rest of the best that we haven't partnered with. And when you partner with the best in the world, they're bringing unbelievable access to incredible businesses.

Think of who we put on the screen today of companies we partnered with in the last 12 months. Those are incredible franchises. And by partnering with them, we're with the best of the best. So, I think it gets - what I would say is, as long as you're disciplined and we keep focused by part - by doing bigger transactions, it doesn't introduce more risk, it actually introduces less because we're able to partner with the best in the world.

Brett Reiss, Janney Montgomery Scott

I'm Brett Reiss with Janney Montgomery Scott. Two questions. I just want to make sure I understand with respect to infrastructure and best investments having anything to do with hydrocarbon. The company's basically going to take up a pass on those and that would include, let's say, liquefied natural gas or renewable natural gas. It's one question. And may I sneak in a second one?

Bruce Flatt, Brookfield, Chief Executive Officer

Why don't you give me your second question and then I'll answer them.

Brett Reiss, Janney Montgomery Scott

OK. If you're able to execute on your plan and the market price of your stock for an extended period of time, is trading at a huge discount to your plan value, are you open to doing what is necessary to narrow the discount like buying in stock?

Bruce Flatt, Brookfield, Chief Executive Officer

I'm going to take the first one or the second one first. Thank you for the questions.

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I hope everyone that's here and online thinks of us as responsible stewards of their capital. Over a long period of time, we've tried to do the best with the businesses we have which also means make a lot of money for your shareholders or as much as you can with taking not as much risk as you should or taking low risk and build the businesses.

But in addition to that, ensure that over time, we've delivered - done our best to deliver that to the owners of the security. If our securities don't trade at where they should, we will, over time ensure that we either functionally restructure them to make sure they do or to use the capital within the business to buy back shares for the owners' benefit.

And as Nick noted, I think there's \$45 billion of cash generated over the next five years within the Corporation. That cash, if it doesn't trade properly, will be just given back to the shareholders by buying back stock. So, we're here to build a business and deliver to the owners of the company full stop.

Second, I'm going to answer this and if I answer it wrong, I'm going to get Natalie to come up and re-answer my question. I'm going to look at her. We invest in - our investments in transition should not be thought of as only investing in non-carbon things.

We're investing in the transition of the economy. That's very, very different than only investing in renewables. We've been investing in renewables for 25 years. We've been building renewables, when they weren't in fashion. What we're doing today is investing into we may be buying coal plants but our goal of buying a coal plant is overtime responsibly to put capital to work to take the coal plant, ease it down, run it off, close it down responsibly and build other non-carbon power to replace it.

It has to be done in a responsible fashion and I think the success of the transition fund in going out to investors is that we're going to do this, earn a decent return and do good things but also do it responsibly. It's one thing to say we should all be carbon free. It's another to actually execute and we have the people and capabilities to execute. So, we will be investing into carbon intensive things and converting them, including we will be investing some of the technologies that you mentioned.

Brett Reiss, Janney Montgomery Scott

Thank you.

Bruce Flatt, Brookfield, Chief Executive Officer

Natalie wants to interrupt.

Natalie Adomait, Brookfield, Managing Partner, Renewable Power & Transition

(Inaudible -- microphone inaccessible).

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Bruce Flatt, Brookfield, Chief Executive Officer

You gave me a thumbs up. Okay. Natalie says thumbs up.

Unidentified Participant: I have a number of questions that revolve around carried interest. The government has been successful in passing the legislation they had originally proposed. What would happen the impact in terms of the value of BAM asset and do you have any expectations about changing the way you go about your business if, in the future, carried interest legislation is also ultimately passed?

Bruce Flatt, Brookfield, Chief Executive Officer

I think I heard - the first one is on the Inflation and Reduction Act. So, look, I'd say we run our business that we try not to deal with anybody in government in any country in the world. We try to be apolitical. We try to be good stewards of capital in a country, operate with the highest standards of governance and just run our business and not ask anyone for anything.

From time to time, there are good policies passed in countries and it helps businesses you're in and I would say the Inflation Reduction Act in the United States is going to be very good for many of the things we own in the U.S. and it's going to be very good for the trends of the things that we're doing with companies out there. So, I'd say net-net, it's good. If it didn't happen, you just wouldn't get the extra benefit. We didn't underwrite anything assuming we were going to get that passed through and that I would say is sort of a statement about all of our businesses around the world everywhere.

On carried interest, it's not relevant to us. It's not - it really - we won't change our business at all or anything if it's passed or not passed and it's not really relevant to our entity in the business or to any extent.

Cherilyn Radbourne, TD Securities

Hi. Cherilyn Radbourne from TD Securities here. Clearly, spinning off a pure play asset manager that trades well does create optionality for growth because you can potentially use it as an M&A currency but Brookfield has a pretty unique value-oriented contrarian culture, so I wonder if you just speak about, A, the extent to which you feel like you might need to buy versus build in certain areas. I guess what - B, how exclusive is the club of other managers that you would consider partnering with as you did with Oaktree in 2019?

Bruce Flatt, Brookfield, Chief Executive Officer

First, I'll say we feel no compelling - we feel no compulsion to do anything. We have an amazing - I hope you agree - we have an amazing business that has amazing growth prospects behind it with incredible tailwinds that will do - as long as we just execute on what we're doing and don't mess anything up, we will do really, really well for everyone. And everyone that owns a share of that Manager will do really well.

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So, we have no - there's no compelling reason for us to do anything except if we find something that could be more additive to our business and I won't comment anything in the future because I don't know what will come and the world is vast and we're not everywhere and we don't do everything well. So there are opportunities for us to look at things and with the capital scale in businesses that we have, there could be some great things that are out there.

And if I reflect on just the Oaktree transaction we did, we bought a very high-quality business at a reasonable price and we've been able to, with them, do way more with the franchise, I think, than what they would have been able to do on their own and while they run it, we can be helpful to them.

And I think that may be the case in the future with something else, I just don't know what it is today. And as Bahir said, we baked none of this into our numbers.

Andrew Kuske, Credit Suisse

Hi, Andrew Kuske, Credit Suisse. Bruce, what's the balancing act between fund size, so how big can a fund get versus the velocity of capital, so the amount that you have to deploy and then eventually return, and versus also in an extension of the product shelf and I think there are a number of slides for the product shelves expanded quite a bit in certain verticals, so how do all those things relate together where you're standing right now?

Bruce Flatt, Brookfield, Chief Executive Officer

So, as we continue to broaden out the franchise and make them bigger, of course, it's good for us because we earn more returns for - or more fees and we earn more returns for the Manager. But really what's important is that as we broaden out, we can do more things for more people.

When we used to visit companies and often our people call me and say can you - can you help us get an introduction to so and so? And we go there, we thought - we had an idea and they say no, no, no, that's not the idea. So, we say, okay, door one doesn't work, how about door two or three. And door two or three is only available to us because we've widened out.

Hadley put that slide up there and infrastructure, there's five strategies. In the real estate, we have six strategies. When we widened out the number of strategies, yes, it's good for fees but what it really does is it opens up the set of opportunities and proprietary arrangements that we can make with counterparties to a whole different level because we're going in with many things.

And I would say, on the size, I wouldn't have said this 10 years ago because it wasn't the case and maybe we didn't know. But the size continues to differentiate us and make less competition when we walk in. We can walk in the door of Intel, and we can say with confidence, we can deliver you \$16 billion on one transaction. There are not many people that can do that.

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And therefore, that again, differentiates us. And I would say, the counterparties we deal with are more professional, they're higher quality and there among the best in the world and that just changes the risk that you get with transactions.

Andrew Kuske, Credit Suisse

And if I could have a follow-up and the follow up is really, as you have a broader product shelf, you wind up with greater commitments from your clients, so you have LP concentration and there's a broader industry trend developing concentration. Does that structure drive margins down?

Bruce Flatt, Brookfield, Chief Executive Officer

I don't think so. Who knows what the future says but the last five years, I think, we show a slide, the margins are the same. I might've said that - you might've thought that five years ago, didn't happen. I think - here's what I would say. We have 2,000 people in 30 countries with almost 200,000 people behind them running businesses. This is a highly people-intensive operation, and it takes a lot of hard work by all of them to deliver the results that you see. That's not found everywhere.

So, I think - I think the people that invest with us do it for a reason and they will in the future, still.

Rob Lee, KBW

Bruce, it's Rob Lee, KBW. Two questions, first one is going back to Oaktree. So, if I remember correctly, the endpoint of your five-year plan is about set to coincide with the time where you could own a 100% of Oaktree. So, does part of your plan include increase ownership stake overtime in Oaktree? Is there - are you kind of keeping that stable? And I'm assuming that would be funded from the 10% you're not distributing from the Manager and then I would have a follow-up.

Bruce Flatt, Brookfield, Chief Executive Officer

What I'm going to say is I suspect, overtime, where we're going to end up is that we're going to partner - Nick's going to answer the exact for your if we have one.

Nick Goodman, Brookfield, President & Chief Financial Officer

We do.

Bruce Flatt, Brookfield, Chief Executive Officer

But what I'm going to say is we partnered with Oaktree, we owned just under 65% of the business. The management team owns 35%. I suspect longer term, we're never going to own 100 percent of this business because we're in partners with the partners of Oaktree.

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They run a great business. It's been a fantastic franchise so far. We're recirculating stock. They are our partners and I think that'll be there forever whether it's 25, 30, 35, I'm not sure what that number is. It's going to be some portion that's owned by our partners and that's, if you look across our business, everyone's a partner. And that's where we're going to end up longer term.

Is that the actual plan?

Nick Goodman: The actual plan just assumes consistent ownership. I think we're about - we're then from 62 to 64 earlier this year and just staying at the 64. And remember, Rob, they have a put that to us, we don't have a call on their investments, so it's really in their hands whether they seek to put that to us overtime. We don't have a call on their share.

Rob Lee, KBW

Thank you.

Bruce Flatt, Brookfield, Chief Executive Officer

Was there a second?

Rob Lee, KBW

No, that was good. Thank you so much. Thanks.

Bruce Flatt, Brookfield, Chief Executive Officer

I think we'll take one more question because I'm getting one of these over there. But before you ask the last question, so I don't forget, because Suzanne threatened me if I - if I forget, for people that are here, cocktails are downstairs at PJ's on the waterfront, on the water. It's sunny outside and we have cocktails immediately after we finish here and you're welcome to stay as long as you want.

Please, last question.

Unidentified Participant

So, Bruce, my question is really about conflicts and I guess the question is it seems to me more and more, you could take any single investment and it might possibly go into four or five different funds and so, in terms of how those - how that allocation process works, are you going to have a conflicts committee? And alternatively, are you going to be owning different pieces of the capital structure of the same company? And if things go wrong in that company, are various funds going to be having different points of view about how they want to resolve those issues? So, just generally about conflicts.

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Bruce Flatt, Brookfield, Chief Executive Officer

So, first, we've had a conflicts committee forever. We're regulated by the securities regulators in many countries. The number one thing in asset manager is -alternative asset managers regulated on is conflicts with clients and making sure each one is taken care off. So, we're highly, highly focused on that. Point number one.

Point number two, we never take stratification in a capital structure. So, because we never want to be in a position where you have to make a - make two different decisions. And if it ever gets there, what happens is we may buy a piece of paper but somebody else has control of that piece of the capital structure - some partner who's a third-party to us and then we're not making decisions. So we're very focused on that.

And third, just to the – that a deal could go in various different funds, it may look like that from outside, but very, very seldom does it ever. Because remember, our nontraded REIT in real estate is earning cash returns and a little bit of upside. Our core plus is earning cash returns and wants more upside. Our opportunistic fund is earning 28% or 25% or 22%.

They're all on a spectrum of return and risk, let's call it, and as a result of that, most investments fit one or the other. It's possible there's little grays in the middle, but not very many. So, they fit one or the other and it's based on risk and reward that comes out of it so there's never - there's not very much overlap within the funds and we're very specific when we set funds up to make sure that we don't have conflicts like that.

So, I'm going to end by saying thank you for being a follower, investor, partner of Brookfield. We appreciate everything. We don't take it lightly for our clients, partners, investors. If there's ever anything that we can help you with, please send us a note. We'd be happy to talk about it.

And with that, I'll end our Investor Day for 2022. So, thank you for participating.