

TRANSCRIPT: Q4 2024 CONFERENCE CALL / WEBCAST

February 13, 2025 at 10.00 am (ET)

Corporate Speakers:

Bruce Flatt, *Chief Executive Officer*

Nick Goodman, *President*

Angela Yulo, *Vice President, Investor Relations*

PRESENTATION

Operator

Hello, and welcome to the Brookfield Corporation Fourth Quarter 2024 Conference Call and Webcast. (Operator Instructions)

I would now like to hand the conference call over to our first speaker, Ms. Angela Yulo, Vice President, Investor Relations. Please go ahead.

Angela Yulo, Vice President

Thank you, Operator. And good morning. Welcome to Brookfield Corporation's fourth quarter and full year 2024 conference call. On the call today are Bruce Flatt, our Chief Executive Officer, and Nick Goodman, President of Brookfield Corporation. Bruce will start off by giving a business update, followed by Nick, who will discuss our financial and operating results for the quarter and the year. After our formal comments, we'll turn the call over to the operator and take analyst questions. In order to accommodate all those who want to ask questions, we request that you refrain from asking more than two questions.

I would like to remind you that in today's comments including in responding to questions and in discussing new initiatives in our financial and operating performance, we may make forward-looking statements including forward-looking statements within the meaning of applicable Canadian and U.S. securities laws. These statements reflect predictions of future events and trends and do not relate to historic events. They are subject to known and unknown risks, and future events and results may differ materially from such statements.

For further information on these risks and their potential impacts on our company, please see our filings with the securities regulators in Canada and the U.S. and the information available on our website.

In addition, when we speak about our Wealth Solutions business or Brookfield Wealth Solutions, we are referring to Brookfield's investments in this business that supported the acquisition of its underlying operating subsidiaries.

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

Bruce Flatt, Chief Executive Officer

Thank you, Angela, and welcome, everyone, on the call.

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We had a strong year in 2024 with record financial results. Distributable earnings before realizations increased 15% to \$4.9 billion, that's \$3.07 per share for the year, and total distributable earnings increased 31% to \$6.3 billion. Nick will expand on these results later.

Our manager had over \$135 billion of inflows and further expanded its credit platform. Our Wealth Solutions business is now firmly established as a top-tier annuity writer in the U.S., and we are just getting started in the U.K.

Our operating businesses continue to generate stable and growing cash flows backed by our high-quality essential service assets and businesses. With the 55% return in stock market during '24, that moved our 30-year track record up to a compound annualized return of 19% for the 30 years. Said differently, \$1 million then became about \$189 million today. That is a lot of compounding.

Turning briefly to the economic environment. Markets were constructive for most of '24 despite increased volatility caused by potential policy changes and geopolitics. But with inflation tempered, short-term rates are stabilizing at levels consistent with more normalized economic conditions. We capitalized on this backdrop, financing approximately \$135 billion of debt and selling nearly \$40 billion of assets at strong returns.

Looking ahead, market conditions are becoming increasingly constructive, which should contribute to a continued recovery in transaction activity, especially for high-quality assets and businesses like ours. We expect to advance our robust pipeline of asset sales at attractive returns, which will lead to significant carried interest in the coming years. Nick will speak to that in more detail in his remarks.

At the same time with record deployable capital of approximately \$160 billion and a constructive market backdrop, the outlook for deployment is strong. This makes us quite confident in the outlook for growth in our earnings and cash flows, which should lead to increased intrinsic value for your shares. 2025 looks like it should be another good year.

Our strong stock performance in '24 was great. More importantly, though, the business' ability to consistently generate attractive investment returns has led to continued growth of our intrinsic value over the long term. The intrinsic value per share is now approximately \$100 per share, which underpins your shares and should allow you to earn a greater return than the underlying performance of our business over time.

In addition to that, this offers us an easy way to continue to add value per share by repurchasing shares. In 2024, we repurchased approximately \$1 billion of shares, with another \$200 million to date in '25. Our businesses also continue to get better. Our operations-oriented approach and our focus on high-quality cash-generative businesses has driven significant value creation for stakeholders. One such recent example is the dividend distribution and recapitalization of Clarios, which is the world's leading provider of advanced low-voltage batteries.

In our six years of ownership, which I might emphasize included a lot of market volatility, the Covid era included, profitability increased by more than \$500 million to over \$2 billion a year of annual EBITDA. This allowed us to reduce debt by \$2 billion and we solidified the business to service virtually all hybrids and electric cars.

All of this enabled us to refinance the business recently, funding a \$4.5 billion distribution to Clarios shareholders that generated a 1.5x multiple of our original equity. Just to be clear on that outcome, all owners including ourselves, received back 1.5x our original invested equity, and we still own 100% of the business.

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On the opposite side, our observation on the public markets is that we continue to see a shift from active to passive investing. Over the past few decades, much of the investing for regular, non-professional investors has transferred to passive index investing. While, on balance, indexing has probably been beneficial for the average investor, there have been implications for listed businesses.

This indexing impacts us in a couple of ways. First, increasingly, there are a group of companies that do not fit neatly into indexes and as a result, trade poorly relative to value. Our recent take privates such as Triton, Tritax EuroBox and Network International are all examples of companies that were excluded from indexes and therefore, were acquired at good value. Our collective knowledge and expertise, combined with our scale and resources have enabled us to execute these transactions, and we see more opportunities to come.

Indexing also affects our own companies. And while our main job is to make money for you, we also pay attention to how that value trades in the market to ensure that the value of the business is ultimately reflected in the share price over the longer term. Our efforts to simplify the structure of our asset management business and establish its eligibility for all relevant major U.S. indexes is the outcome of this reality.

In summary, and before I turn it over to Nick, our access to capital and the embedded growth within each of our businesses, in conjunction with the transaction activity picking up in '25 and positions us well to continue to deliver strong growth in our cash flows and intrinsic value per share over the long term. Thank you for your support and interest in Brookfield.

I'll turn it over to Nick.

Nick Goodman, *President*

Thank you, Bruce. And good morning, everyone.

We delivered record financial results in 2024, distributable earnings, or DE before realizations were \$4.9 billion or \$3.07 per share for the year, and this represents an increase of 15% per share over the prior year. Total DE including realizations was \$6.3 billion or \$3.96 per share, a 31% increase over the prior year, with total net income of \$1.9 billion for the year.

Focusing first on our operating performance, each of our businesses leveraged their strong operating platforms to deliver growing cash flows. Our Asset Management business generated distributable earnings of \$2.6 billion or \$1.67 per share for the year. Total inflows were over \$135 billion in 2024, driving an increase to fee-bearing capital of 18%, which ended the year at \$539 billion and this resulted in a 17% growth in fee-related earnings compared to the prior year quarter. Heading into 2025, we expect to hold final closes for our latest flagship funds and continue to actively deploy capital, which should contribute to strong earnings growth.

With that momentum, our manager announced a 15% increase in our quarterly dividend to approximately \$0.44 per share, which for context is close to \$300 million of incremental cash annually distributed to us from this business.

Our Wealth Solutions business is scaling rapidly amidst a very attractive market backdrop. Distributable operating earnings were \$1.4 billion or \$0.85 per share for the year, nearly double compared to the prior year. That was close to \$700 million of incremental cash flow and earnings this year and growing. Following the close of AEL, our Wealth Solutions business is now firmly established as a top-tier annuity writer in the U.S. When including the growth in our pension

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business, has the potential to originate over \$25 billion of predictable liabilities annually. During the year, we originated approximately \$19 billion of retail and institutional annuities, increasing insurance assets to over \$120 billion. We continue to scale our credit investment platform, leveraging our unique positioning around real assets.

During the quarter, the average investment yield on our assets was 5.4%, that's 1.8% higher than the average cost of capital. And as we continue to gradually rotate the investment portfolio spread earnings are expected to increase to approximately 2%, which will in turn grow annualized earnings from approximately \$1.6 billion today to \$2 billion in the near term.

It is worth emphasizing that this business continues to generate stable and growing long-dated cash flows by leveraging the investment capabilities of our Asset Management business, we're able to focus on long-duration investing in real assets and private credit that matches with our long-dated liabilities, which have an average duration of nine years and low annual churn. This is a key driver of selling best-in-class retirement income solutions for Americans. Furthermore, we continue to scale our strong operating platforms and progress our plans to expand into new markets with teams on the ground in the U.K. and Japan.

Our focus remains to compound capital and deliver 15% plus returns on our equity. Through our combined Wealth Solutions platform, we are raising close to \$2 billion of retail capital per month, which includes over \$450 million a month from our private wealth channel.

Our operating businesses continued to deliver stable and growing cash flows, generating distributable earnings of \$1.6 billion or \$1.03 per share for the year. Operating funds from operations within our renewable power and transition, and infrastructure businesses increased by 10% over the prior year, and our private equity business continues to contribute resilient high-quality cash flows.

In our real estate business, our core portfolio delivered 4% growth in same-store net operating income over the prior year quarter. And during the year, we signed close to 27 million square feet of office and retail leases. A few highlights of our robust office leasing activity include approximately 5.6 million square feet leased in India, 2.5 million square feet in Toronto and New York and 1.3 million square feet in the U.K. In our retail portfolio, our occupancy levels remain high at 96%.

Overall, rents on the newly signed leases in our office and retail portfolios were approximately 35% higher compared to those leases expiring in the fourth quarter. Also during the fourth quarter, our DE further benefited by approximately \$125 million from monetizing a land parcel within our North American residential operations. Given the positive market dynamics for high-quality assets, we expect earnings and valuations from our real estate business to continue to strengthen in the coming years.

Turning now to monetization activity.

We continue to see strong demand for the globally diversified portfolio of high-quality, cash-generating assets and businesses we own. In 2024, we monetized nearly \$40 billion of assets across the business.

In our real estate business, we closed the sale of a portfolio of U.S. manufactured housing assets for approximately \$570 million, crystallizing an approximately 29% IRR and 3.4x multiple of capital. Our renewable power and transition business generated record proceeds of \$2.8 billion from asset monetizations, returning a 2.5x multiple of capital and an IRR of approximately 25%.

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In our infrastructure business, we advanced a number of sales including the close of the previously announced sale of our fiber platform in France, delivering an IRR of 17%.

Monetizing assets is the last step of the life cycle of carried interest as it crystallizes a large component of the profit of an investment. And as a reminder, we adopt a conservative approach to realizing carried interest into our earnings.

Specifically, we only recognize carry once we have returned the invested capital of the entire fund as opposed to an individual deals to clients and have achieved a minimum compound return, resulting in a remote risk of clawback. This approach delays the carry recognition towards the end of a fund's life cycle that leads to a larger contribution when recognized. Today our total accumulated unrealized carried interest is \$11.5 billion, of which \$10 billion is directly owned by the corporation, and most of which we expect to recognize into our earnings over the next 5 years.

In 2024, we recognized approximately \$400 million of net realized carried interest into income. And more importantly, as we advance our investment plans and continue to monetize assets, we expect to generate approximately \$20 billion of cash flows directly to the corporation over the next 10 years. This will allow us to deliver further value for you by either reinvesting the cash back into the business or by returning capital through opportunistically repurchasing our shares.

Shifting to our balance sheet and liquidity. We continue to differentiate our business through the combination of our conservatively capitalized balance sheet and high levels of liquidity, with record deployable capital of approximately \$160 billion. Our financial strength enabled us to continue to opportunistically repurchase our shares at significantly lower prices compared to our view of intrinsic value. In 2024, we completed approximately \$1 billion of share buybacks, adding approximately \$0.80 of value to each remaining share. Alternatively said, you now own 1.5% more of the assets we own for each share, and you did not have to put up any more money. In 2025, so far, we have repurchased over \$200 million of shares.

In the capital markets, we had an active year, we executed approximately \$135 billion of financings, and notable examples include we accessed the hybrid debt markets, emphasizing our ability to raise capital from multiple sources.

At the corporation, we issued \$700 million of 30-year subordinated notes in December, which saw high demand from investors at relatively low spreads. We also closed a \$1 billion 7-year non-recourse asset level loan to a large institutional partner of ours, the proceeds of which will mainly be directed towards share repurchases.

In our real estate business, we financed approximately \$40 billion of debt across 182 investments globally, of which over \$12 billion relates to our office portfolio. Liquidity is coming back to real estate markets around the world and particularly for the high-quality portfolio of assets that we own.

Subsequent to year-end, our infrastructure business completed two large financings. This included the issuance of a \$6.1 billion investment-grade financing at our semiconductor facility joint venture in Arizona, which further derisked the investment with the original debt facility now fully termed out in the capital markets, two years ahead of plan and at a lower cost. Both of the financings we executed were oversubscribed, showcasing the depth of liquidity available for high-quality infrastructure assets.

Overall, 2024 was a strong year. As we look ahead to 2025, we expect that the positive momentum in our financial performance, combined with our robust balance sheet and liquidity, sets us up well to drive further earnings growth and create significant value in the business.

Lastly, I am pleased to confirm that our Board of Directors has declared a 13% increase in the quarterly dividend to \$0.09 per share payable at the end of March to shareholders of record at the close of business on March 14, 2025. Thank you for your time and I'll now hand the call back to the operator for questions.

QUESTIONS AND ANSWERS

Operator

[Operator Instructions] Our first question comes from the line of Ken Worthington from J.P. Morgan.

Ken Worthington, Analyst, J.P. Morgan

So much to ask here. But I think I'll focus on capital management. It would seem like a target-rich environment for Brookfield. I would love to better understand what makes the most sense for you now given your view of the future, especially in the context of improving cash flows. So in terms of insurance, could a large insurance deal still make sense, assuming a good fit in price? Or are blocks, bolt-ons and organic growth really sort of the exclusive path forward on the insurance side?

Then in infrastructure and renewables for Brookfield Corporation, given the size of the opportunity that you, asset management, your peers are all sort of talking about. And given the size of these deals, like Intel and now the French AI announcement, do you see increased indirect opportunity here such as BIP and BEP or even more direct opportunities for Brookfield Corporation from an investment perspective?

Nick Goodman, President

Ken, thanks for the question. I would say that as we think about capital management at Brookfield, there are a lot of highly attractive areas for capital deployment right now. We sit at the center of the capital flows and have the expertise to invest into these sectors and allocate capital for what we think will be attractive returns. I think to answer your question specifically on insurance, it will probably be a combination of everything. That's the way we tend to grow our businesses. We like to build platforms that can deliver organic growth at attractive returns. But then we also look at M&A that can enhance and provide sort of step change growth in the business, be it geographically or diversity by product.

So I think you'll see continued strong organic growth in that business, but still focusing on potentially bolting on M&A growth, and that could be geographic diversification of product diversification. As it relates to infrastructure and renewables, we've talked about this a lot with decarbonization and deglobalization and almost intersecting with each other, the investment opportunity is enormous. We have a unique combination of capabilities to play across that spectrum with the provision of renewable power, the data center capability and the real estate expertise.

I think the investment for that largely resides within our listed affiliates and our clients where we have significant capital available to us, but the opportunity is significant, and I expect Brookfield to be a large player in that, but the capital largely comes directly off of the listed affiliates and in partnership with our clients who have very significant appetite for these sectors.

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Operator

Our next question comes from the line of Mike Cyprys with Morgan Stanley.

Mike Cyprys, Analyst, Morgan Stanley

Maybe just one on real estate. I was hoping maybe you could elaborate a bit more on your expectations for monetizations this year. You sound pretty optimistic. Maybe you could unpack what sort of instills that confidence? How do you see sort of the impact from the recent uplift in 10-year treasury yield over the past six months and potential risks from tariffs and such. Maybe just talk a little bit about what gives you the confidence there? And how do you see the sort of pace magnitude and cadence of this evolving throughout the year?

Nick Goodman, President

Mike, so yes, I'll just make a general comment on real estate. I would say overall, globally, real estate markets continue to improve. I'd say that's based on a few factors, ones which we said we should be watching out for over the last couple of years. One is the underlying fundamentals continue to improve across sectors. Two, the depth of liquidity in the capital markets is getting better every day and the cost of capital is compressing with spreads tightening. And yes, the tenure may have corrected slightly, but spreads are continuing to come in, and we're seeing that across our portfolio and not just that, but the breadth of liquidity available across sectors is improving. I think that is the ingredients that you need for a pickup in monetization activity.

And on a global scale, we're seeing that activity. We've been selling assets in different sectors in different markets around the world. I expect that to continue and specifically in the U.S. as we see the capital markets continue to improve. The operating performance is incredibly strong. The demand for our assets is probably the most robust we've seen it. The tone is improving all the time. So we do expect this year to be an attractive environment for monetization. We have assets across the franchise that we will be looking to bring to market. The balance of that between fund assets or those directly held on balance sheet, we'll see how that plays out. But as we sit here today and with the tone in the market, we do expect it to be an active year.

Mike Cyprys, Analyst, Morgan Stanley

Great. And just a follow-up question, if I could, on the Wealth Solutions side. Maybe you could talk a little bit to the organic growth of annuities and flows broadly on the Wealth Solutions side. Maybe talk a little bit about where you are in the process of expanding distribution. What steps are you looking to take in '25 to drive continued growth from here? How might a credit ratings upgrade be helpful, if at all, how you might think about achieving that?

Nick Goodman, President

Yes. Listen, I'd say again that in the industry, in the broad industry, the tailwinds are strong with strong drivers and the most fundamental one being demographics. Within our business, we're seeing strong sales and strong demand and the momentum is continuing. When you talk about how we're setting ourselves up, we've expanded our distribution channels and our partners as well as the product lineup including sort of new proprietary products, and we're starting to see the benefits of that diversified capability.

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We've built out capabilities across PRT. We've done the largest deal, I think the second largest ever done in Canada this year. We did our first large transaction in the U.K., and we're doing large deals in the U.S. So that is broadening and diversifying our growth channels. We're also now set up to issue in the institutional market. We did our first FABN product, which is really an institutional annuity for \$500 million in the first quarter, and we expect that to continue to scale. And in January alone, we wrote \$2 billion of annuities out of the business.

So it feels like momentum is strong. I'd say the growth potential coming from the business is getting better every day as we continue to diversify into new products and growing into new markets. As for the rating, the entity is already fairly high rated. So we're more focused on broadening out the growth channels, but the business is heavily overcapitalized in all of the markets and all of our insurance entities. So we think we're really well set up to continue growing.

Operator

Our next question comes from the line of Robert Kwan with RBC Capital Markets.

Robert Kwan, *Analyst*, RBC Capital Markets

If I can just start to ask about the carried interest. So you've got the \$11.5 billion or \$7 billion net, and most you're talking about realizing over the next 5 years. So can you just talk about how you could see that pace of realizations annually? And if you want to talk about 2025, that would be obviously very interesting. Then just as that \$20 billion number you put out there over 10 years, is there any material amount of that you would see following into the 5-year period?

Nick Goodman, *President*

I think we laid out at the Investor Day the 10-year view and the 5-year view, 5-year closer to sort of maybe \$5 billion, the balance coming over the longer-term period beyond five years. And as you know it's really a matter of when, not if. The performance of the underlying investments is very strong. And as market tone continues to improve, and we work our way through the early return of capital, which are now in higher funds with larger investments we expect to get to the point where carry will meaningfully step up.

As it relates to 2025, it looks like it will be another sort of bridge year, similar to last year, maybe a bit higher. But then we expect a significant pickup to really come in '26 and '27. That's just a product of where we are in the life cycle of the funds. So the story hasn't really changed compared to what we would have seen in the last few quarters.

Robert Kwan, *Analyst*, RBC Capital Markets

Okay. Got it. Then just on the listed affiliates, just overall, the fundraising has been strong at BAM, and we heard that commentary yesterday. Just some of the listed affiliate valuations and just how they're trading struggling a bit. And just given you've done such a good job with growing the other fundraising channels, do you have some updated thoughts as to how you're thinking about the vehicles? Is the solution that maybe just participate in future funds at a lower amount? Or is there something larger that you're considering here?

Nick Goodman, *President*

Yes. Listen, I think with the listed affiliates, you have to not get distracted by the price at times and look at the underlying value creation that's being generated in those businesses, and they continue to invest for excellent value and deliver excellent returns. Just look at the returns we're

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generating on the funds. Those returns are also being realized by the listed affiliates. And price in temporary markets are volatile, but I mean you know a bit quite well the investor sentiment, people like the stock, the dividend has performed incredibly well over a long period of time. And we expect, as you know price is temporary, but the value we're creating is significant, and that will be realized in markets over time.

Operator

Our next question comes from the line of Cherilyn Radbourne from TD Cowen.

Cherilyn Radbourne, *Analyst*, TD Cowen

You mentioned that your internal view of intrinsic value has increased to \$100 versus \$84 in late September, can you comment on some of the major contributors to that increase?

Nick Goodman, *President*

Yes. Cherilyn, I would just say it's broad-based growth across the business. As you know BAM has performed incredibly well in the capital markets. We continue to scale the earnings on the Wealth Solutions platform. Those would be two large contributors to the growth in that value. And I just think it's continued execution of the plan. It's really earnings both coming from the underlying operations.

Cherilyn Radbourne, *Analyst*, TD Cowen

Separately, in terms of the private wealth market, as I understand it, Brookfield is very competitive in terms of its product offerings and shelf space that has been a bit more conservative versus peers as far as modulating intake to stay disciplined on deployment, does that give you any concern from a competitive perspective?

Nick Goodman, *President*

Not really. I mean the numbers that we are raising are significant. I think through our wealth platform within the asset manager, we raised about \$5 billion across 2024, and we see that probably accelerating this year. I don't think we're worried about being competitive. What we're worried about is building products that we believe are sustainable and can deliver attractive returns to clients over the long term. And so we'll modulate them and scale them as we see fit, but what we're most focused on is delivering a sustainable growth and returns for our clients and a product that will be durable over the long term. So we'll scale it up at the right time. But I would say we have amazing products for those channels in credit and infrastructure and others are coming to the market, and we're very well set up to scale significantly over the coming years.

Cherilyn Radbourne, *Analyst*, TD Cowen

A quick follow-up. Like, do you have any concern that there might be an accident elsewhere that could taint the market for everyone?

Nick Goodman, *President*

Listen, it's hard for me to say. I don't have insight into how everyone deploys capital, but it's like anything else, it's competitive and people are deploying capital and maybe mistakes will be made along the way but I don't have the insight into how everyone else is investing their capital.

Operator

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Our next question comes from the line of Mario Saric from Scotiabank.

Mario Saric, Analyst, Scotiabank

When it comes to Brookfield, I think the market has historically been very focused on the trading discount to intrinsic value as part of the investment thesis. That said at the Investor Day you did highlight a 5-year CAGR on DE of 25%, which I think still kind of flies under the radar a little bit. How do you think about the corporation's ability to exceed that 25% target in the short term, like let's say over the next couple of years, perhaps highlighting some of the puts and takes in terms of '25 and '26 versus the 5-year horizon.

Nick Goodman, President

Mario, I think the important part of that growth plan, 25% was the headline growth. I think 17% was the growth that we can deliver, we target to deliver from the existing platform pre-monetization carried interest. That's the amount, I would say more directly within our control, and we feel good about the 17% and the ability to achieve that. Maybe the slight chance of outperformance, but I think if we achieve that, we're doing pretty well over a 5-year period. The chance of outperformance obviously comes from monetization activity, cash reinvestment, which will be highly accretive. And as it comes in, we'll allocate it.

I think over 5 years, 25% growth, I think is a very attractive earnings profile for our business over the next five years, and we're very well positioned to achieve it.

Mario Saric, Analyst, Scotiabank

Okay. Then just coming back to the intrinsic value versus trading price. You're continuing to buy back shares year-to-date, the volume exceeded the combined second half of '24 despite the share price being up 55% in '24. So when you look at '25, are you open to putting a target out there like you did for '24?

Then I guess the second part of the question would be when you think about the intrinsic value per share growth driver in '25 in the business, what do you think is the one part of the business that you're most excited about today in terms of near-term growth that the market underappreciated?

Nick Goodman, President

Yes. Listen, I don't think we need to put a specific target, but all I would say is, yes, the share price has gone up, but so has the value of the business, and we continue to see a discount that is attractive for us to repurchase shares and we will opportunistically do that throughout the year. We've done over \$200 million already so far this year and we'll continue to be active. As it relates to the value of the business, listen, we look across the business and every part of the business is performing incredibly well right now.

I think the Wealth Solutions platform will continue to scale the organic growth platform there, as I talked about, is continuing to really perform well and exceed even our expectations we had a couple of years ago. So that's going incredibly well with the Asset Management business. As you heard from Connor yesterday it's poised to have a really, really strong year with fundraising from institutional, retail and high net worth. So I think when we look across the business, I think it's broad-based strength.

Operator

Brookfield

Our next question comes from Sohrab Movahedi from BMO Capital Markets.

Sohrab Movahedi, Analyst, BMO Capital Markets

Nick, I appreciate lots of liquidity. But is there a preference to monetize before investing?

Nick Goodman, President

Monetize what specifically, Sohrab?

Sohrab Movahedi, Analyst, BMO Capital Markets

Monetize assets. Yes, just monetize assets. I mean obviously I think we've heard also yesterday that it's a good market to both buy and sell. How important is it to preferential, I guess what's the preference, to monetize first or just remain opportunistic and we have -- roll with the punches?

Nick Goodman, President

Listen, I think we remain opportunistic. What is unique, and we've often said and one of the key differentiators of the corporation is we have significant scale capital available to us and significant liquidity with lots of levers that we can pull. So we're not dependent on monetizations to be doing acquisitions. I think we believe there's lots of potentially interesting things we'll be able to do, and it's not dependent on executing sales first.

Sohrab Movahedi, Analyst, BMO Capital Markets

Okay. So when you think about at least what some of us think through the uncertainty, whether it's around trade, whether it's policy, it doesn't seem to be just unique to the U.S. I mean I suppose it's creating this near-term uncertainty, which you guys like because it creates medium-term opportunities. But if you had to think through the various vectors or the silos of investing that you do? Like where is the opportunity greatest, and where are you being a little bit more cautious because of the uncertainty caused in the current environment?

Nick Goodman, President

Not to skirt your question, but I think the opportunity really is broad-based. The underlying fundamentals of each of the businesses and where the opportunities lie in terms of the sectors we want to invest in, they haven't really changed. The operations of our business, as Connor said, just on the call they're largely domestic, inelastic to demand.

With our operating capabilities, we believe that our operations are largely insulated from what's going on right now. But it does create volatility. And when we see that in the market and scarcity of capital in certain pockets, that could create better value entry points for the asset classes around which we're focused, but that's not specific to one sector or asset class, I don't think. I think for all of us. Independent of what's going on, we came into the year believing this would be a good year for deployment and for monetization, and it has not really changed based on what's happened in the last few weeks or month.

Sohrab Movahedi, Analyst, BMO Capital Markets

So just a quick one on that one. So it hasn't changed. So you are just as, I'll call it, optimistic today as you would have been, I don't know six months ago or four months ago when you had an outlook on 2025 for your business?

Brookfield

Nick Goodman, *President*

That's correct, Sohrab.

Operator

Thank you. As there are no more questions, I will now turn it back to Ms. Angela Yulo for closing remarks.

Angela Yulo, *Vice President*

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

Operator

This concludes today's conference call. Thank you for participating and you may now disconnect.