

## **TRANSCRIPT: Q1 2025 CONFERENCE CALL / WEBCAST**

**May 8, 2025 at 10.00 am (ET)**

### **Corporate Speakers:**

Bruce Flatt, *Chief Executive Officer*

Nick Goodman, *President*

Sachin Shah, *Chief Executive Officer, Brookfield Wealth Solutions*

Katie Battaglia, *Vice President, Investor Relations*

## **PRESENTATION**

### **Operator**

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Good day.

Welcome to the Brookfield Corporation First Quarter 2025 Conference Call and Webcast. [Operator Instructions]

I would now like to hand the conference over to your speaker, Ms. Katie Battaglia, VP, Investor Relations.

### **Katie Battaglia, Vice President**

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Thank you, Operator. And good morning. Welcome to Brookfield Corporation's First Quarter 2025 Conference Call.

On the call today are Bruce Flatt, our Chief Executive Officer; Nick Goodman, President of Brookfield Corporation; and Sachin Shah, Chief Executive Officer of Brookfield Wealth Solutions. Bruce will start by giving a business update, followed by Nick, who will discuss our financial and operating results for the quarter. And finally, Sachin will provide an update on our Wealth Solutions business.

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**

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Thank you and welcome, everyone, on the call.

We had a strong start to the year. Distributable earnings before realizations increased 30% to \$1.3 billion. That was \$0.82 a share for the quarter, and \$5.2 billion or \$3.26 for the last 12 months. Each of our businesses performed well.

Our asset management business delivered strong earnings growth backed by continued fundraising momentum. Our operating businesses were resilient with stable cash flows, underpinned by largely contracted and inflation-protected revenue streams. Our Wealth Solutions business had a strong quarter delivering organic growth, scaling earnings and delivering on our goal of 15% ROE. In March, the business received its regulatory license to launch in the U.K., marking the first dedicated PRT license granted there since 2007. Sachin Shah, CEO of our Wealth Solutions business is with us today and we'll spend more time on the progress and growth of the business in his remarks. Focusing briefly on the macro environment.

We started the year with positive economic momentum. As all of you know since then, trade policy has created volatility in the capital markets. While our businesses and operations are not immune, they are generally insulated from the current environment. This is because we own and operate businesses which provide essential services and products without significant reliance on cross-border movement of goods.

We operate domestic businesses in 30 countries. We serve local customers in markets where we invest. Most of these businesses have highly contracted income streams, or regulated, meaning we can generally pass through increased cost to the end consumer. The global franchise, we have the operating expertise to successfully navigate change. As we have experienced in previous periods of stress, markets often move for reasons that don't reflect underlying fundamentals. This creates opportunities for experienced well-capitalized investors to invest for value. This approach has allowed us to deliver stable and growing results for decades. This period should be no different. Despite the volatility we have seen, the underlying trends of deglobalization, digitalization and decarbonization continue to drive our investment pipeline.

In this regard, we committed \$20 billion in the quarter to acquire some excellent businesses at very good value. Deglobalization policies promoting the reshoring of key manufacturing and supply chains are also now presenting opportunity. Breakthroughs in AI should also lead to further attractive opportunities for disciplined investors like us to continue to provide capital to fund these initiatives. With strong data center growth they need an enormous amount of power. Renewables continue to offer the most viable solution to meet this growing energy demand.

Our ability to provide scalable solutions across technologies and regions reinforces our position as a partner of choice. In total, with a record \$165 billion of capital to deploy, we are well positioned in the current environment to invest for value in all of these areas.

At the same time operating fundamentals for high-quality assets remains very strong. For example, in our real estate business, we continue to benefit from increased demand for premium assets, further supported by a muted supply outlook. This has resulted in strong rental growth and higher occupancy rates across our portfolio. We are experiencing a significant increase in lease-up activity for our top-tier assets in our global markets. For example, in our largest market, being New York, office leasing surged to its highest level since 2019. We completed 1.3 million square feet of leasing in the quarter. Rents in premier buildings are very high and going higher.

While it always feels like the first time we have navigated through many periods similar to the one we have in front of us today. It is important to remember at times like these, price fluctuations may seem significant in the moment, but they are likely to represent just small deviations in the overall trajectory of long-term wealth compounding. As an example, our shareholders have earned an annualized return of 18% over the past 30 years by simply staying invested in Brookfield. This has not been a straight line nor will it ever be, but compound returns are the secret to great long-term wealth. Crucial to our success over the years has been effective capital allocation and reinvestment of the Corporation's cash flows.

We have a broad perspective on the relative investment opportunities and capital needs across our entire franchise.

Our philosophy has, therefore, always been to largely distribute free cash flow up from our operating companies to the corporation and centralize the cash reinvestment decisions. This deliberate approach to capital allocation has been a key contributor to our ability to scale our business and withstand economic cycles across sectors that we invest in. This flexibility is one of our greatest strengths and is something that has been created methodically and meticulously over the years. This approach becomes even more valuable during periods of uncertainty when prices can diverge substantially from value and we are presented with attractive investment opportunities.

One of the recent examples is repurchasing our own shares in the market. And given the trading levels of our shares, which gapped down during the quarter, like all markets, we repurchased \$850 million of shares to date this year. This was the most shares we have ever purchased in the open market in a single quarter.

Looking ahead, we will continue to invest in a disciplined manner while remaining focused on adapting with the ever-evolving backbone of the global economy. Our business has proven to be a great compounder of capital across economic cycles and by staying the course, we are well positioned to generate strong and sustainable returns for shareholders.

Thank you, as always, for the continued support and interest in Brookfield.

With those comments, I'll turn the call over to Nick.

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**Nick Goodman, *President***

Thank you, Bruce. And good morning, everyone.

Financial results were strong for the first quarter, supported by continued momentum across our core operations. Distributable earnings or DE, before realizations were \$1.3 billion or \$0.82 per share for the quarter, representing an increase of 30% per share over the prior year quarter.

Over the last 12 months, DE before realizations was \$5.2 billion or \$3.26 per share. Total DE including realizations was \$1.5 billion or \$0.98 per share for the quarter and \$6.6 billion or \$4.17 per share over the last 12 months with total net income of \$1.5 billion over the same period. Each of our businesses continues to generate stable and growing cash flows.

Our Asset Management business delivered another quarter of strong results with distributions of \$684 million or \$0.43 per share in the quarter and \$2.7 billion or \$1.71 per share over the last 12 months. We continue to see strong fundraising momentum across our flagship funds and complementary strategies. Inflows during the quarter were \$25 billion, contributing to more than \$140 billion of capital raised over the past 12 months. Notably, we closed on approximately \$6 billion of capital for our latest real estate flagship strategy this quarter, bringing total commitments to \$16 billion and with the final closes from clients in wealth and regional sleeves still ahead, this strategy is set to be our largest pool of capital ever raised for opportunistic real estate. Our fee bearing capital grew to \$549 billion at quarter end, representing a 20% increase over the last 12 months. This increase contributed to a 26% growth in fee-related earnings reaching a record \$698 million.

Our Wealth Solutions business continues to deliver strong financial performance, generating stable and growing long-dated cash flows. Distributable operating earnings were \$430 million or \$0.27 per share in the quarter and \$1.5 billion or \$0.95 per share over the last 12 months.

During the quarter, we originated \$4 billion of retail and institutional annuities, and we continue to maintain a strong financial position in the business with statutory capital increasing to over \$16 billion and an ROE in line with our target of 15% plus, and Sachin will speak to this business in more detail. Through our combined wealth solutions platforms, we are raising close to \$2 billion of retail capital per month which includes over \$650 million a month from our private wealth channel.

Our operating businesses continued to deliver resilient and stable cash flows generating distributable earnings of \$426 million or \$0.27 per share in the quarter and \$1.7 billion or \$1.08 per share over the last 12 months. Cash distributions from our renewable power and transition, infrastructure and private equity businesses were supported by their strong operating earnings and underlying fundamentals.

As Bruce mentioned, our real estate business continues to benefit from growing demand for the highest quality assets, which contributed to high occupancy and strong rental growth across the portfolio. Specifically, in our core portfolio, we delivered 3% growth in same-store net operating income over the same period last year, and occupancy levels remain high at 95%.

During the quarter, we signed close to 9 million square feet of office and retail leases. A few highlights of our office leasing activity include 1.1 million square feet in India, 787,000 square feet in Canada and 2.3 million square feet of office leases across the United States with 1.3 million square feet leased in New York. Notably, given the supply constraints and strong demand for premium office around the world, we are consistently seeing leases being signed at rents significantly higher than expiring leases, which is a very positive signal for our portfolio. Finally, in our North American residential business, we continue to shift the business to a more capital-light model. And as part of this plan, we sold five master plan communities in the quarter, generating approximately \$640 million of proceeds.

During the quarter, we realized \$189 million of carried interest into income and accumulated unrealized carried interest increased to \$11.6 billion. The growth in accumulated unrealized carry reflects the implementation of our value creation strategies across our investments. And as we execute our monetization plan and return capital to investors throughout 2025 and beyond, we are well positioned to recognize substantial carried interest into earnings over the next few years.

And while uncertainty in the current environment may impact transaction activity, we do continue to see strong demand for the globally diversified portfolio of high-quality cash-generating assets and businesses that we own. In the quarter, we closed approximately \$22 billion of asset sales across the business with substantially all sales completed at prices in line or above our carrying values. In our real estate business, we closed the previously announced sale of our hospitality asset in Florida for over \$400 million of gross proceeds. In our infrastructure business, we completed the sale of a minority stake in a portfolio of fully contracted containers within our global intermodal logistics operation, and we remain on track to close on the remaining 25% interest in NGPL, a U.S. gas pipeline, representing an extremely successful exit from the business, generating total gross proceeds of over \$1.7 billion crystallizing an 18% IRR and 3x multiple of capital. Looking ahead, we have a number of sales processes underway diversified across strategies, sectors and geographies.

We employ a disciplined yet flexible approach to executing exit strategies with the objective of optimizing investment value, and we look forward to providing you with updates as they progress.

Moving to capital allocation. We continue to reinvest our free cash flow back into the business to drive growth and further enhance value. We reinvested \$3 billion back into our operations during the quarter. This included \$1.4 billion towards our operating businesses, primarily to opportunistically repay debt within our real estate business and approximately \$465 million to support commitments in our real estate and credit private fund strategies within our asset management business. Additionally, we continue to allocate capital to support the growth of our Wealth Solutions business with a further \$430 million being

allocated this quarter. In addition, we returned over \$700 million to our shareholders through regular dividends and share repurchases during the quarter. So far this year, we have repurchased \$850 million of shares in the open market adding more than \$0.40 per share of value to each remaining share. As Bruce highlighted in his remarks, we will continue to opportunistically repurchase shares when they are undervalued, carefully weighing this use of capital against other opportunities.

Moving on to our balance sheet and liquidity. We continue to maintain a conservatively capitalized balance sheet and high levels of liquidity with record deployable capital of \$165 billion. We were active in the capital markets and executed over \$30 billion of financings during the quarter including at the Corporation where we issued \$500 million of senior unsecured 30-year notes achieving our tightest 30-year spread to date. Other notable financings include the \$5 billion recapitalization of Clarios, \$10 billion of real estate financings, which included successful term financings within our office and retail portfolios, and several other successful issuances within our infrastructure and renewable power businesses.

Bringing it all together, our financial results signify a strong start to the year, and we expect to continue on this positive momentum as we execute on our strategic plans to enhance shareholder value.

With that, I am pleased to confirm that our Board of Directors has declared a quarterly dividend of \$0.09 per share payable at the end of June to shareholders of record at the close of business on June 13, 2025.

Thank you for your time and I will now pass the call over to Sachin.

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**Sachin Shah, Chief Executive Officer, Brookfield Wealth Solutions**

Thank you, Nick. And good morning, everyone.

It's been a year since I last joined this call. And with the significant growth in Brookfield Wealth Solutions since that time I am pleased to provide you with an update. As many of you know we set out in late 2020 to focus on building the next scale business for Brookfield. Our thesis at that time was that certain retirement, wealth and protection products within the insurance industry could benefit from our scale capital, investment discipline, strong operating culture and perpetual time horizon. Combining all of these attributes, with the tailwind of an aging population driving demand could set the stage for this business. Equally important, but maybe not as appreciated is that this business could be highly synergistic with all of the parts of Brookfield while scaling and delivering in excess of 15% returns on invested capital over a long period of time.

Fast forward to today and through a series of acquisitions and organic growth, our business has over \$140 billion of assets, \$1.7 billion of annualized earnings and statutory capital in excess of \$16 billion. The business is also highly complementary to what we do across the group. We benefit from access to Brookfield fund products, credit and equity capabilities and world-class expertise in infrastructure, real estate and renewable power, which have decades-long track records. This has allowed us to upgrade assets inherited when we acquired American National and American Equity, in particular, in real estate, where we have access to the highest quality and irreplaceable commercial real estate globally. This allows us to grow our annuity franchise with the confidence that our investment teams will constantly source new and accretive assets.

More important than even our investment capabilities is our capital base. We have invested permanent capital from Brookfield's balance sheet to build this business. We do not have any client money or private equity money in any of our insurance businesses. This means our capital is perpetual and 100% aligned with our policyholders.

It allows us to make decisions with a very long-term time horizon, which prioritizes simple and predictable liabilities, low volatility and a singular focus on capital compounding. We will grow this business as long as our returns on capital remain above our targets and as long as the risk profile of liabilities remains low and predictable over the long term.

With that in mind, we continue to scale our core U.S. annuity business. We are primarily focused on expanding the reach of our product offerings through both new product development and new distribution channels, including the larger bank channels. For context, banks and broker-dealers account for 60% of total U.S. retail annuity sales each year, but only 30% of our retail annuity sales last year were through this channel. Leveraging Brookfield's strong relationships, we expect to be on several of the larger bank channels over the next 12 to 18 months, which will support further growth in our business.

We are also in the beginning stages of our international expansion. We were recently granted a pension risk transfer license in the U.K. the first such license to be granted since 2007 and plan to bring our strong track record of servicing policyholders to the region. The U.K. represents the largest pension market in the world with over \$500 billion expected to come to market in the next decade. Our U.S. pension risk transfer business is just in its third full year, where our focus has been on small and midsized plans with a thoughtful progression towards larger planned deals. The U.S. pension market is expected to represent another \$350 billion to \$500 billion over the next decade, setting us up for meaningful growth in the coming years.

As you can see, we have built and are continuing to build a platform with diversified products and sales channels in various markets around the world. Last year, we wrote \$19 billion of annuities and pension deals across our business. While these numbers demonstrate the strength of our operating capabilities and significant growth in a few short years, we are still in the early days of our evolution. Based on the current rate environment and projected demand, we expect to write \$25 billion of combined retail and institutional annuities for the calendar year 2025.

Turning to investment returns. One of our great advantages is our ability to leverage the Brookfield ecosystem. This includes a vast network investment professionals across multiple asset classes and geographies. Our capabilities in real assets including real estate and infrastructure provide very attractive risk-adjusted returns through economic cycles, which is a tremendous benefit to both policyholders and the growth of our capital base.

We are also highly opportunistic, in particular, during periods of volatility. In that regard, we continue to maintain over \$15 billion of cash on hand and over \$40 billion of liquidity, which can be used for accretive transactions. Taken all together, our business is uniquely positioned to serve our policyholders and drive significant value, and we remain on track with the goals set out during our Investor Day in September of last year. Although our business is much larger than it was just a few short years ago, our fundamentals remain unchanged, and our focus continues to be on compounding capital in excess of 15% returns on our equity.

With that, I'll turn it over to the operator for questions.

## QUESTIONS AND ANSWERS

### Operator

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[Operator Instructions] And our first question will come from the line of Cheryl R. Radbourne with TD Cowen.

**Cherilyn Radbourne, Analyst, TD Cowen**

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First question is apart from semiconductors and pharmaceuticals, I find that investors I speak with are somewhat skeptical about the concept of broad reindustrialization in the U.S. Could you elaborate a little bit more on Brookfield's perspective on that and the opportunity to use the Intel deal as a template to facilitate the related funding needs?

**Nick Goodman, President**

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Yes. Sure, Cherilyn. Like I think the theme has been playing out for a while, and our expectation is we are seeing supply chains reorient around the world. We don't see that slowing down. And I understand it's a topical issue in the U.S., and we will see how much it plays out and what the infrastructure they have to support. But absolutely, we see it reorienting.

We have a number of discussions underway and we think it will present attractive investment opportunities for the business. We have a unique proposition. We have the capital, we have the scale and we have the operating expertise to deliver these solutions that maybe a few others have. So I think we are in a unique position to be able to have these conversations and we do see it being a driver of capital flows over the coming years.

**Cherilyn Radbourne, Analyst, TD Cowen**

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And secondly, we appreciate the enhanced disclosure on Brookfield's Wealth Solutions. One question that I have in that regard is with respect to funding agreements for the source of funds, can you explain how the characteristics of that liability differ versus straight up annuities and pension risk transfer deals and who is the typical counterparty there?

**Sachin Shah, Chief Executive Officer, Brookfield Wealth Solutions**

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Cherilyn, it's Sachin. I'm happy to take a shot at that. So the characteristics, I would say almost are a bit of a hybrid between an annuity and a pension deal. Where they're like an annuity is they tend to have a finite term, sort of 10 years is the standard product between 5, 7 and 10 years. They have a fixed rate and they, for all intents and purposes, look similar to a bond issue. But they do form part of your insurance capital base. So they're not issued out of the Holdco, they're issued out of the insurance subsidiary. Where they look like a pension is that the holders, typically fixed income buyers, cannot ask for their money back early. There's no lapse risk. And therefore, you don't have to build in surrender charges or anything of that nature.

So they kind of benefit from the best of both worlds. They're a fixed annuity with a set term, and there's no right to ask for the money back early. So we think it's a pretty attractive market. We did \$500 million in the first quarter, which was our inaugural issue. I would say we probably could do \$1.5 billion this year if the markets are constructive, and we like the rate. Then you should see this part of our annuity offering grow over time as an alternative to either annuities or pensions.

**Operator**

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One moment for our next question. That will come from the line of Michael Cyprys with Morgan Stanley.

**Mike Cyprys, Analyst, Morgan Stanley**

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Maybe just starting off on Wealth Solutions and greatly appreciate the enhanced disclosure there. So just around the \$25 billion of business you expect to do in calendar '25, I think you did maybe around \$4 billion this quarter, so that would suggest a meaningful ramp over the next couple of quarters. So I was hoping you could elaborate a bit on where you see that coming from, what you see contributing there to drive the ramp? Then related to that, you spoke about building out the distribution and product side as well. Maybe you could just speak to how you anticipate that playing out just around the distribution channels. Maybe remind us where you are today and how you expect the product set to evolve from here?

**Sachin Shah, Chief Executive Officer, Brookfield Wealth Solutions**

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Sure. It's Sachin again. First, on the remainder of the year. Q1 is typically a little slower in terms of both annuities and pensions when they come to market. So we were not surprised by that. And the reason our expectations haven't changed for the year is largely because of that sort of profile of the first quarter.

In terms of the makeup, I would say we should see progression in the U.K. We think we can do several billion dollars of pension deals in the U.K., focused on smaller plans. But the U.K. market doesn't have many participants and deeply needs competition and we represent a really interesting new entrant because we have a track record, both in the U.S. and Canada. So although we're new, we have a track record to point to. We have great relationships with trustees who often act on a global basis for corporate counterparties. And therefore, we think we can hit the ground running. Our U.S. business on the pension side continues to scale as does our Canada business. So the overall pension outlook is very strong.

Then in terms of the retail annuity market and the institutional annuity market, really on the retail side, we're building out relationships with broker-dealers and the bank channel, as I described. Our relationships at the independent marketing organizations and at the agent level are outstanding. We have a very strong following with both American National and American Equity. We're seen as one of the leading firms when it comes to our technology backbone and customer service. We have a strong following from agents because we service policyholders well. So I think you'll see our product offering grow through those channels. The banks will be new, the large banks in the U.S. We're working actively to get on several bank channels.

Then lastly, I'd say the institutional annuity market, which the earlier question was about FABN, we did our inaugural issue in the first quarter at \$500 million, and it was 3x oversubscribed. So we know there's a healthy appetite for that product coming from us, and we can tap that market periodically throughout the year.

**Mike Cyprys, Analyst, Morgan Stanley**

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Then just a follow-up question on real estate. Maybe you could talk for a moment just how you're approaching and thinking about the opportunity set in this more volatile backdrop to monetize the real estate portfolio, how you expect the cadence of that to play out over the next 12 months versus the next five years?

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**Nick Goodman, President**

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Mike, it's Nick. I mean listen, time will tell. What we know for sure is that the operating fundamentals of the portfolio are getting better and better by the day. We are seeing, as we expected, we're seeing tightness in the market with limited supply and the demand from tenants is really not going down. We talked about New York in our comments, but we are seeing this globally where there is a lack of new quality supply. Tenants are actively looking for new space. We have a number of conversations with tenants around the world.

So the underlying fundamentals are strong, and that's a positive indicator for potential investors into the space. and the capital markets are constructive. The capital market started the year very strongly for office and retail. We executed a number of financings. The market took a pause for a couple of weeks, two, three weeks, but they now seem to be coming back with the liquidity there and we're advancing a number of financing.

So as we said before, all the building blocks are there for transaction activity. We have actually started to move on assets within the T&D portfolio. They're not meaningful contributors to equity, but we are starting to transact, and we are starting to sell assets and execute our plan. And so, I think over the next 12 months, we will see how it develops, but all the building blocks are there for transaction activity to pick up. So we're highly optimistic. But in the meantime the fundamentals are very strong.

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**Operator**

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One moment for our next question. That will come from the line of Kenneth Worthington with JPMorgan.

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**Ken Worthington, Analyst, J.P. Morgan**

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Along the same lines, Nick, you and Bruce both highlighted that carry generation is sort of at the highest level in two years. The pace of monetizations is \$22 billion, was strong in maybe a somewhat uneven environment. What does the monetization pipeline look like as we think about the second half of the year? And maybe compare the outlook for monetizations in the funds versus what you see potentially off the balance sheet?

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**Nick Goodman, President**

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Yes. Ken, the monetization pipeline is active. As you know we have a global business. So we're always in the market with assets in different sectors and different geographies through the cycle. We have assets currently in the market in like in Australia, Korea, Brazil, Europe, and we're executing. And we've actually seen demand for some of those assets hold up pretty strongly through this period of volatility. Listen, I think if you talk about one area of the business where the uncertainty may impact, it's over the timing certainty of those monetizations. But so far, we haven't seen that impact materially, and we're continuing to progress.

Now the bulk of those monetizations today would be fund assets, and they would be out of our earlier vintage real estate, infrastructure, private equity funds. And as we work our way through those monetizations, we'll get ourselves into carry, and we've talked about this being a bridge year for carried interest and a meaningful step-up next year. That's still the expectation. So we do have assets that we

plan to bring to market on the balance sheet, but the bulk of the sales that we have in the plan would be from the funds and that makes sense because it's just where the larger pool of assets would sit.

**Ken Worthington, Analyst, J.P. Morgan**

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Okay. Great. Then maybe secondly, the U.S. financial media is suggesting another larger annuity company is in play for tick up by private equity. So just sort of gets to the question, how beneficial is additional size and scale completely irrelevant to this company. But how beneficial is additional size and scale to Brookfield given your current position? Is it nice to have at the right price? Is it a must-have given the marketplace is consolidating? Or is it really sort of irrelevant, given what you've already built?

**Sachin Shah, Chief Executive Officer, Brookfield Wealth Solutions**

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Look, we've approached growing this whole business from a value perspective. We acquired American National and American Equity at a pretty meaningful discount to book equity somewhere in the range of 0.7 to 0.8 book. We were fortunate to have done that when rates were very low. So we not only acquired for a discount, but we inherited liabilities at very low rates. I think the two things that have changed dramatically, which would maybe give us pause is today the rate environment is much more normalized. And number two, insurance platforms are now trading at close to 2x book. You would have seen some recent transactions. I won't call them out by name, but some recent transactions of scale platforms that have traded much closer to 2x book, which just signifies how valuable these are, the demand that is out there for this permanent capital base. I don't think we would be a buyer in that zone. In fact, I know we wouldn't. Then setting that aside, what we have today is outstanding. We have licenses across the U.S. We have distribution capabilities in every major channel in the U.S. We have a pensions business, a retail annuity business and institutional annuity business, and we have international expansion. So we're in a fortunate position where we can lean on organic growth when valuations are high. And if that changes, we have the ability to pursue M&A on an opportunistic basis.

**Operator**

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One moment for our next question. That will come from the line of Robert Kwan with RBC Capital Markets. Mr. Kwan if your line is muted, please unmute. All right. Speakers, I'm showing no further questions in the queue at this time. I would now like to turn the call back over to Katie Battaglia for any closing remarks.

**Katie Battaglia, Vice President**

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

**Operator**

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This concludes today's program. Thank you, all for participating. You may now disconnect.