

Letter to Shareholders

Overview

Our business continues to perform extremely well, demonstrating its resilience and diversification. Private assets also continue to show their advantage for investors by better allowing owners to wait out volatile markets, and this in turn encourages greater allocations to alternatives. By contrast, the volatility of equities and, particularly, fixed income, which is meant to be a safe haven, has disappointed investors recently. This further emphasizes the benefits of alternatives.

Our net income and cash flows were very strong which, given everything going on in the world, demonstrates our resilience, stability, and strength. Distributable earnings before realizations were \$1.2 billion, up 39% from last year, and the business continues to see sequential income growth.

We were very active in the third quarter and beginning of the fourth, with the breadth and scale of our franchise enabling us to complete several transactions. We acquired 25% of a €17.5 billion German telecom tower portfolio; agreed to a \$30 billion partnership with Intel for their semiconductor facility in Arizona; established an \$8 billion strategic partnership between our Transition group and Cameco to own Westinghouse Electric for the long term—while simultaneously winding up the very successful restructuring phase of our private equity group's ownership; made \$7 billion of investments in our Transition fund; and closed on the acquisition of three real estate companies with \$9 billion of assets at deep discounts to replacement cost. In addition, we are on track to have our largest fundraising year ever, with inflows of \$33 billion since the end of last quarter.

Market Environment

It looks as though interest rates may peak in the next six months and many of the major economies of the world will experience a recession. As inflation abates, we think interest rates will slowly come down, but this might take some time, depending on how long it takes to harness inflation.

The current environment has created dislocation in the financial markets, with access to capital becoming a challenge for many. We believe this will abate over time but for the time being, it has led to a significant slowdown in transaction volume despite an increased need for capital for many companies.

Fortunately, we have approximately \$125 billion of deployable capital and the skills to navigate these markets and execute transactions. As a result, the current markets present a good opportunity for us. This applies to all our businesses, but we think it will be particularly positive for both our Insurance Solutions business, which has been largely sitting on cash until now, and our Oaktree franchise, which specializes in investing in less-than-ideal markets.

Operating Results

Distributable earnings before realizations were \$1.2 billion in the quarter and \$4.2 billion over the last 12 months, representing increases of 39% and 29%, respectively, over the comparable periods. Our underlying operations performed well, supporting distributions from investment of \$2.6 billion over the last twelve months. Insurance

Solutions operating earnings increased to approximately \$160 million for the quarter, benefitting from the closing of American National.

We are on track to have our largest fundraising year ever and in that regard had another strong quarter, with capital inflows of \$33 billion since the end of last quarter. Our fifth flagship infrastructure fund and our sixth flagship private equity fund held first closes and stand at approximately \$21 billion and \$8.4 billion, respectively, and in early November we launched the next vintage of our opportunistic credit strategy, with an expectation that it will exceed the \$16 billion of the previous fund. We have completed fundraising for our fourth flagship real estate fund, raising \$17 billion for this strategy. We raised \$14 billion in the quarter across our other strategies, with significant contributions coming from our perpetual private infrastructure fund and our infrastructure debt fund.

Our monetization activities have also been progressing well, and we sold \$5 billion of assets at excellent values. Despite the slowdown in deal activity more broadly, we continue to observe that cash-flow-generating, inflation-linked assets like the ones we own still encounter strong demand. After the end of the quarter, our private equity business announced the sale of Westinghouse, which will generate \$8 billion of proceeds and \$4.5 billion of total profit.

We also continue to finance and refinance assets and businesses, a reflection of our competitive advantages of quality assets, scale operations, a conservative balance sheet, high levels of liquidity, and a strong reputation in the capital markets. As we look at our financings across the portfolio, we feel confident in our ability to refinance upcoming maturities, even if the current market environment were to persist.

Overview of Investor Day

We hosted our annual Investor Day in September. For those who were unable to attend, the webcast and materials are posted on our website. We laid out the growth profile for each of our three key pillars: the Corporation, the Manager, and Insurance Solutions. Before year-end, we expect you will receive shares of the Manager through a distribution. After that, you will own part of the Manager directly versus only through the Corporation.

As we outlined at Investor Day, our business is well positioned to benefit from the secular tailwinds that we are experiencing with the transition to net zero, the global data infrastructure build-out, and the ownership of inflation-protected, highly cash generative assets.

In addition, our scale, flexibility, and global presence all position us well to be a partner of choice for the large corporate sector. As a result, we believe our growth prospects are stronger than ever.

If we achieve our plans, we should be able to grow distributable earnings by over 25% on a compound annualized basis over the next five years. If we successfully utilize the synergies of our three business pillars, then we may outperform these plans.

Corporation

The Corporation, post spinoff, will own circa \$150 billion of private and listed investments, including a 75% interest in the newly listed Manager. As a result, we will have one of the largest discretionary pools of alternative assets globally. The Corporation will not face any restrictions on how we use this capital, and our sole focus will be on allocating capital among our operating businesses and new business initiatives, while targeting a 15%+ total return for our shareholders over the long term. We will leverage the Manager to source investment opportunities and opportunistically look to grow our business as opportunities arise. In this environment, we feel the odds favor something large and interesting showing up.

Manager

The Manager is increasingly diverse and growing faster than ever. By year-end, we plan to have distributed and listed a 25% interest in it, creating optionality for you to own our pure-play leading alternative asset manager. Initially, we expect it to generate approximately \$2 billion of distributable earnings, pay out approximately 90% of that in cash dividends, and have no debt (actually net cash of \$3 billion). If we achieve our growth plans, over the next five years we should double distributable earnings—and we plan to return over 90% of that to shareholders through dividends.

Insurance Solutions

Insurance Solutions has grown substantially since we announced our plans to build out this strategy two years ago. The acquisition of American National, our growing pension risk transfer business, and the acquisition of numerous reinsurance blocks have grown our insurance capital to approximately \$45 billion. The addition of direct origination capabilities means that we can now underwrite insurance policies directly, creating greater flexibility in the operation. With the ability to deploy insurance capital into our alternative strategies and therefore out-earn return targets, we think this business has excellent long-term growth potential.

The Future is Renewable

Renewables are fast becoming a major source of electricity generation in most countries around the world. The many reasons for this are outlined below. Combined, they are adding to the tailwind for our business and accelerating its growth.

They are the cheapest:

Renewables are now the cheapest form of electricity in most major markets around the world. Construction costs have come down dramatically as a result of advances in technology and manufacturing scale. In addition, the wind and sun have no variable cost. In an inflationary world, this is very powerful.

They are carbon free:

In a world where most individuals and almost all corporations now recognize that we need to transition to a less-carbon-intensive world, renewables are the most productive and simplest way to reduce carbon emissions. Capable of producing energy with zero emissions, they are therefore the base of all global corporations' carbon reduction plans.

They are easy to build:

Electricity can be generated from natural gas, coal, nuclear, hydro, wind, solar and sometimes (but not often) oil. In contrast to the long construction times of a natural gas-fired plant, coal plant, or nuclear facility, wind and solar plants can be built relatively simply and without risk of major cost over-runs. Essentially, these involve relatively simple construction projects which can be completed in 12 to 24 months, depending on the site.

There is growing need:

As the world continues to electrify, it is expected that 50% more electricity will be required in most markets. We believe the increase in demand is a trend for at least the next 20 years and reverses a 20-year flat demand curve. This is due to the large increase in global population, the increase in demand that occurs as those populations become wealthier, and the demand from industry and cars as they move from natural gas and oil-based gasoline to electricity.

They offer national security:

Countries have recently learned what it means not to have local control of their electricity supply. Renewables and nuclear are the only locally sourced forms of electricity—unless a country has local natural gas, which most don't. As a result, wind and solar are now identified as strategic resources for many countries and will increasingly be seen as a fundamental ingredient of national sovereignty.

They will soon be baseload:

The greatest criticism of wind and solar has been that there are times when the wind doesn't blow and the sun doesn't shine. Technology, though, is quickly moving towards breakthroughs that will allow batteries to store electricity efficiently, and for hydrogen to be utilized to store electricity in conjunction with renewables. As these technologies advance, renewables will soon become baseload electricity, eliminating the need for other historically important technologies to augment wind and solar.

Taken together, these factors make the renewables business a very exciting place to be for the next 20 years as the world transitions to reduced carbon intensity.

Our Vast Capital Flexibility Differentiates our Franchise

We recently closed an innovative transaction that demonstrates the strengths and breadth of our franchise very well. We think it is an exceptional transaction for all parties involved, and we hope that we will be able to bring this type of transaction to our constituents in the future.

By way of background, in 2018 we acquired Westinghouse Electric Company in a bankruptcy proceeding. Westinghouse had tried to expand into construction of nuclear plants with fixed price contracts, and unfortunately miscalculations forced it to file for bankruptcy. Westinghouse's business was primarily—and is now exclusively—the ownership of one of the only four nuclear technologies in the world, along with the servicing, maintenance, and fueling of the installed fleet of nuclear power plants. The business has proven to be an exceptional one during our five recent years of ownership.

The purchase was made in our private equity fund because Westinghouse needed a turnaround. The purchase price was \$4 billion; we invested approximately \$1 billion of equity and financed the balance with \$3 billion of debt. The turnaround was extremely successful and to date the company has distributed cash greater than the original equity investment; its debt is lower; it's generating approximately \$800 million of annual run-rate EBITDA; and its growth prospects are accelerating.

Westinghouse today is the leading provider of highly technical aftermarket products and services to the nuclear power infrastructure market and government agencies on a global basis. It is a global leader with a large installed technology base, a large backlog of contracted revenue, leading technology, and a highly specialized workforce of 9,000 employees with over 2,500 highly experienced and trained nuclear engineers located around the world. These attributes enable Westinghouse to develop and provide the critical, very specialized services required to meet global net-zero targets. As a result, Westinghouse benefits from long-term contracts, significant recurring revenue, high customer retention, and high barriers to entry. Few companies have a moat like this one.

Recently, we decided that our private equity fund should sell this asset as it had fully achieved its plans. We set out to run a sale process, acknowledging two impediments to the full sale that our private equity fund wanted to achieve. The first was that Westinghouse's low-cost long-term debt is very valuable and would be required to be repaid on a change of control. The second was that few businesses are able to own Westinghouse, as it is a strategic asset to the U.S. and numerous other countries and operates very sensitive infrastructure globally. This

limited the universe of potential buyers, and if it were sold outright, there was significant risk that governments wouldn't approve the buyer.

During the sale process we decided that, given what is going on in energy globally, this could be the ideal Transition asset and a new pillar on which our renewable company and global transition partners could contribute to a carbon-free future. A sale to our Transition fund had the advantage (to the benefit of all parties) of not presenting change-of-control risks on the financing (as we control both), and few approvals required to buy the asset.

Further advancing their efforts, our Transition group partnered with Cameco, one of the world's largest miners and fabricators of uranium (the feedstock for nuclear plants), who agreed to acquire a 49% interest in Westinghouse based on a valuation of about \$8 billion. Cameco is a highly strategic partner to the investment and longer term, this could be game-changing for Westinghouse. The long-term plan is to build a vertically integrated nuclear operator for the western world.

For our private equity business, this sale completes a highly successful investment and turnaround, and it delivers a return of 6x capital and an IRR of approximately 60% to investors in our Brookfield Capital Partners Fund and our listed Brookfield Business Partners. For the record, seldom do investments return both this scale of profit (\$4.5 billion) and an approximate IRR of this quantum. For our Transition fund, we are now positioned at the heart of the nuclear transformation that we foresee unfolding over the coming decades.

Closing

Thank you for your interest in Brookfield. Watch out for the arrival of your new Manager shares in your account which should happen this year, and please do not hesitate to contact any of us should you have suggestions, questions, comments, or ideas you wish to share.

Sincerely,



Bruce Flatt
Chief Executive Officer

November 10, 2022

Cautionary Statement Regarding Forward-Looking Statements and Information

All references to "\$" or "Dollars" are to U.S. Dollars. This letter to shareholders contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements which reflect management's expectations regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Brookfield Asset Management Inc. and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as "expects," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may," "will," "should," "would" and "could." In particular, the forward-looking statements contained in this letter include statements referring to the impact of current market or economic conditions on our businesses, the future state of the economy or securities market, the expected future trading price of our shares or financial results, the results of future fundraising efforts, the expected growth, size or performance of future or existing strategies, future investment opportunities, or the results of future asset sales. In addition, forward-looking statements contained in this letter to shareholders include statements regarding the listing and distribution of our asset management business, including the anticipated timing and value of such transaction and the impact that such transaction may have on Brookfield and its shareholders. The transaction will be subject to the satisfaction of a number of conditions, and, as such, there can be no certainty that the transaction will proceed or proceed in the manner described.

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, including the ongoing COVID-19 pandemic and related global economic disruptions, which may cause the actual results, performance or achievements of the Corporation or the Manager to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: (i) investment returns that are lower than target; (ii) the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business including as a result of COVID-19 and related global economic disruptions; (iii) the behavior of financial markets, including fluctuations in interest and foreign exchange rates; (iv) global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; (v) strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; (vi) changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); (vii) the ability to appropriately manage human capital; (viii) the effect of applying future accounting changes; (ix) business competition; (x) operational and reputational risks; (xi) technological change; (xii) changes in government regulation and legislation within the countries in which we operate; (xiii) governmental investigations; (xiv) litigation; (xv) changes in tax laws; (xvi) ability to collect amounts owed; (xvii) catastrophic events, such as earthquakes, hurricanes and epidemics/pandemics; (xviii) the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; (xix) the introduction, withdrawal, success and timing of business initiatives and strategies; (xx) the failure of effective disclosure controls and procedures and internal controls over financial reporting and other risks; (xxi) health, safety and environmental risks; (xxii) the maintenance of adequate insurance coverage; (xxiii) the existence of information barriers between certain businesses within our asset management operations; (xxiv) risks specific to our business segments including our real estate, renewable power, infrastructure, private equity, credit, and residential development activities; and (xxv) and factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States.

We caution that the foregoing list of important factors that may affect future results is not exhaustive and other factors could also adversely affect its results. Investors and other readers are urged to consider the foregoing risks, as well as other uncertainties, factors and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information.

Expect where otherwise indicated, the information provided herein is based on matters as they exist as of the date hereof and not as of any future date. Unless required by law, we undertake no obligation to publicly update or otherwise revise any such information, whether written or oral, to reflect information that subsequently becomes available or circumstances existing or changes occurring after the date hereof.

Past performance is not indicative nor a guarantee of future results. There can be no assurance that comparable results will be achieved in the future, that future investments will be similar to the historic investments discussed herein (because of economic conditions, the availability of investment opportunities or otherwise), that targeted returns, diversification or asset allocations will be met or that an investment strategy or investment objectives will be achieved.

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Cautionary Statement Regarding the Use of Non-IFRS Measures

This letter to shareholders contains references to financial measures that are calculated and presented using methodologies other than in accordance with IFRS. These financial measures, which include Distributable Earnings, its components and its per share equivalent, should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, similar financial measures calculated in accordance with IFRS. We caution readers that these non-IFRS financial measures or other financial metrics are not standardized under IFRS and may differ from the financial measures or other financial metrics disclosed by other businesses and, as a result, may not be comparable to similar measures presented by other issuers and entities.

We make reference to Distributable Earnings, which refers to the sum of our asset management segment funds from operations, distributions received from our ownership of investments, operating earnings from our insurance solutions business and disposition gains from principal investments, net of equity-based compensation costs and preferred share dividend payments. Our outlook for growth in Distributable Earnings assumes growth in fee-related earnings and realized carried interest in line with our business plans, which assume growth in our fee bearing capital consistent with our fundraising plans, capital deployment expectations, maintaining the fee rates we earn on fee bearing capital and earning margins consistent with our current margin. Actual results may vary materially and are subject to market conditions and other factors and risks set out above.